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.

Click to read our TCFD report:
investors.vodafone.com/tcfd

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.

Read more about the ESG Committee on pages 83 to 84

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	Progress
a. Describe the Board's oversight of climate-related risks and opportunities	C
b. Describe management's role in assessing and managing climate-related risks and opportunities	C
Strategy	**Progress**
c. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	C
d. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	C
e. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	C
Risk Management	**Progress**
f. Describe the organisation's processes for identifying and assessing climate-related risks	C
g. Describe the organisation's processes for managing climate-related risks	C
h. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	C
Metrics and Targets	**Progress**
i. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	C
j. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	C
k. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	PC

Key

C Consistent with the TCFD recommendations

PC Partially consistent with the TCFD recommendations

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.

Read more about how our products and services help our customers reduce their emissions on page 37

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.

Read more about our risk management framework on pages 51 to 52 and 56

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.

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

We constantly seek to refresh and improve our metrics and key risk indicators to better measure and manage climate-related risks and opportunities. We recognise that we need to 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, and storms
- 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:

- 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

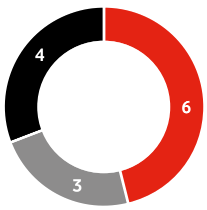
Leadership, governance and engagement

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.

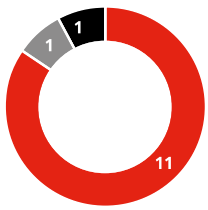
Note:
As at 31 March 2023

Tenure



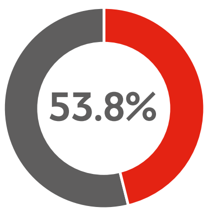
- 0-3 years 6
- 4-6 years 3
- 7-10 years 4

Independence



- Independent 11
- Executive 1
- Independent NED Chair 1

Gender diversity



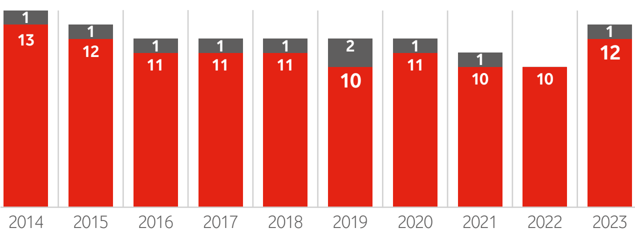
- Male 6
- Female 7

Senior Board positions

- Male
- Female

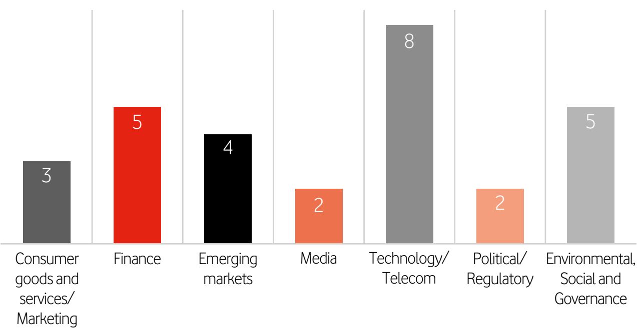
Note:
1. The roles of Chief Executive and Chief Financial Officer are held by Margherita Della Valle.

Ethnicity



- White
- Ethnically diverse

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[1]	4/4	2/2	–	–	–
Delphine Ernotte Cunci[1]	4/4	–	–	2/2	–
Sir Crispin Davis	6/6	3/4[6]	–	–	–
Margherita Della Valle	6/6	–	–	–	–
Michel Demaré	6/6	4/4	4/5[7]	4/5[7]	–
Dame Clara Furse	6/6	–	–	5/5	2/2
Valerie Gooding	6/6	4/4	–	5/5	2/2
Deborah Kerr	5/6[4]	–	4/5[4]	–	–
Amparo Moraleda	6/6	–	5/5	–	2/2
David Nish	5/6[5]	–	5/5	–	–
Christine Ramon[2]	2/2	–	–	–	–
Nick Read[3]	4/4	–	–	–	–
Simon Segars[1]	4/4	–	–	–	1/1
Jean-François van Boxmeer	6/6	4/4	–	–	–

Notes:
1. 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.
4. 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.
6. 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.

Read more on page 73

Committee activities

To operate efficiently and to ensure matters are given the right level of focus, the Board delegates some of its responsibilities to its Committees. These provide focused oversight on: Board composition, performance, and succession planning; financial reporting, risk, internal processes and controls; remuneration practices; and environmental, sustainability and governance topics.

Nominations and Governance Committee

In addition to keeping under review developments in corporate governance and the Company's responses to them, the Nominations and Governance Committee makes recommendations to the Board about Board composition and ensures Board diversity and the necessary balance of skills. The Committee recognises the need to anticipate the skills and attributes that will be needed on the Board as the Company develops. A key focus for the Committee this year has been Board and Executive Committee composition. For the latter half of the year, the main activity has concerned succession planning for the Group Chief Executive.

Read more on pages 74-76

Board changes

Following shareholder approval at the Company's Annual General Meeting on 26 July 2022, Stephen Carter, Delphine Ernotte Cunci and Simon Segars joined the Board as Non-Executive Directors. In addition, on 14 November 2022, Christine Ramon joined the Board as a Non-Executive Director. Christine brings extensive financial and strategic experience, along with telecommunications expertise. She also has comprehensive African market experience that will support the strategic aims of the Group.

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

On 31 December 2022, Nick Read stood down as Group Chief Executive. Margherita Della Valle was appointed Group Chief Executive for an interim period with effect from 1 January 2023, in addition to her continuing role as Group Chief Financial Officer, whilst the Board undertook a rigorous internal and external search to find a permanent Group Chief Executive. On 27 April 2023, the Company announced the appointment of Margherita Della Valle as Group Chief Executive, Margherita will also continue as Group Chief Financial Officer until an external search for a new successor is completed.

Audit and Risk Committee

The Committee oversees the Group's financial reporting, risk management, internal control and assurance processes and the external audit. This includes in-depth reviews of our principal risks, the review of our Annual Report and a programme of deep-dives across multiple business units with a focus on the risk and control environment. The Committee also monitors the activities and effectiveness of the Internal Audit function and has primary responsibility for overseeing the relationship with the external auditor. Deep-dive topics this year included reviews of adverse regulatory measures, technology resilience and readiness, cyber threats, infrastructure competitiveness and disintermediation risk. Entity deep-dives included Vodacom, the cluster of markets within the Other Europe segment, Vodafone Spain, Vodafone Germany, Vodafone Roaming Services and Vantage Towers. The Committee also has joint responsibility, with the ESG Committee, for reviewing the appropriateness and adequacy of ESG disclosures provided within the Annual Report and the ESG Addendum, including approving its content.

Read more on pages 77-82

Click or scan to watch the Chair of the Audit Committee, David Nish, explain his role: **investors.vodafone.com/videos**

ESG Committee

The Committee provides oversight of Vodafone's ESG programme: purpose pillars (Digital Society, Inclusion for All and Planet), sustainability and responsible business practices as well as Vodafone's contribution to the societies we operate in under the social contract. The Committee also monitors progress against key performance indicators and external ESG index results. Focus for this year centred on enhancing the approach to ESG disclosure and assurance and expanding agenda items to reflect the Committee's purpose. Key discussion topics included ESG indices and rankings, digital inclusion, human rights and our Digital Society purpose pillar.

Read more on pages 83-84

Click or scan to watch the Chair of the ESG Committee, Amparo Moraleda, explain her role: **investors.vodafone.com/videos**

Remuneration Committee

The Remuneration Committee sets, assesses and recommends for shareholder approval the Remuneration Policy for Executive Directors, sets the remuneration of the Executive Directors and approves the remuneration of the Chair of the Board and members of the Executive Committee. It also reviews remuneration arrangements across the Group to ensure they are aligned with our strategy, support our purpose and celebrate the 'Spirit of Vodafone'.

Fair pay principles:

1. Market competitive	**4. Share in our successes**
2. Free from discrimination	**5. Provide benefits for all**
3. Provide a good standard of living	**6. Open and transparent**

During the year the Committee reviewed the Remuneration Policy ahead of it being put to shareholders' vote at the 2023 Annual General Meeting. Details of this and the associated shareholder engagement can be found on pages 85 and 87.

Read more on pages 85-106

Click or scan to watch the Senior Independent Director and Chair of the Remuneration Committee, Valerie Gooding, explain her role: **investors.vodafone.com/videos**

Chair's governance statement

We take seriously our commitment to strong and robust corporate governance

Dear shareholders,

I am pleased to present the Corporate Governance Report for the year ended 31 March 2023 on behalf of the Board.

The year in review

This year, has again, been one of change and I am grateful to my fellow Directors, the executive team, and the people of Vodafone for their support, flexibility, and strong spirit throughout.

In spite of the challenges faced we have functioned well and have continued to take seriously our commitment to strong and robust corporate governance to support the creation of long-term sustainable value for the benefit of all our stakeholders.

This report provides details about the Board and an explanation of our individual roles and responsibilities as well as providing an insight into the activities of the Board and Committees over the year and how we seek to ensure the highest standards of corporate governance remain embedded throughout the Company, underpinning and supporting our business and the decisions we make.

Board succession

Executive Directors

During the year, the Board and Nominations and Governance Committee reviewed the future leadership of the Company and, as announced on 5 December 2022, the Board agreed with Nick Read that he would step down as Group Chief Executive and as a Director of the Company on 31 December 2022. I would like to thank Nick for his commitment and significant contribution to Vodafone as Group Chief Executive and throughout his career spanning more than two decades with the Company.

In addition to her role as Group Chief Financial Officer, Margherita Della Valle was appointed Group Chief Executive with effect from 1 January 2023 on an interim basis. The Board initiated a process with the support of Egon Zehnder, an independent external search firm, to find a permanent Group Chief Executive and on 27 April 2023, we announced the permanent appointment of Margherita Della Valle. The Board and I have been impressed with her pace and decisiveness to begin the necessary transformation of Vodafone. Tasked with accelerating the execution of the Company's strategy to improve operational performance and deliver shareholder value the Board fully supports her. Margherita will also continue as Group Chief Financial Officer until an external search for a new Group Chief Financial Officer is complete.

Non-Executive Directors

The Board, together with the Nominations and Governance Committee, has continued to monitor the composition and skills matrix of the Board with a focus on succession planning for our Non-Executive Directors.

Last year we indicated several upcoming scheduled retirements from the Board and on 10 May 2023 we announced that Valerie Gooding, Sir Crispin Davis and Dame Clara Furse would not be seeking re-election at the 2023 Annual General Meeting ('AGM'). At the date of publication, Valerie Gooding has served more than nine years as a Director; however, she will remain on the Board until the conclusion of the 2023 AGM in order to allow for a gradual and smooth transition period of the Senior Independent Director role to David Nish, Remuneration Committee Chair role to Amparo Moraleda and Workforce Engagement Lead roles to Delphine Ernotte Cunci and Christine Ramon. Following evaluation, Valerie is still considered independent.

In anticipation of these retirements, there have been a number of Board changes during the year, with the appointment of four new Non-Executive Directors, Stephen Carter, Delphine Ernotte Cunci, Simon Segars and Christine Ramon. I am delighted to welcome them to Vodafone's Board. Their appointments bring extensive experience and track records of value creation across a variety of sectors which will be of great support to the Group.

A full induction programme is underway for the new Non-Executive Directors, including meetings with executives leading our businesses and functions.

Read more about the appointment process on page 74

Board diversity

We remain firmly committed to having a Board that is diverse in all respects. With support from the Nominations and Governance Committee, we continue to monitor requirements and are proud to meet these including the target that at least 40% of the Board is composed of women. This includes our Group Chief Executive and Group Chief Financial Officer, Margherita Della Valle and our Senior Independent Director, Valerie Gooding. We have also met the Parker Review target to have at least one Director from a non-white ethnic minority.

Read more about our Board Diversity Policy on page 75

Beyond the Board, we announced last year the introduction of a new ethnic diversity target that 25% of global senior leadership will come from ethnically diverse backgrounds by 2030.

Read more on page 34

Board evaluation

This year the Board undertook an internal evaluation led by myself with support from the Group General Counsel and Company Secretary. I am pleased to report the findings show there is clear consensus that the Board is operating well with effective leadership and where open discussion and input from all members is encouraged. Positive feedback was also received on the composition of the Board and the conduct of meetings and materials provided. Some areas for improvement were identified and we will look to progress these during the year ahead.

Read more on page 73

Continued stakeholder engagement

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

Throughout the year, I have interacted with institutional shareholders and engaged on topics such as the Company's strategy, Board and Executive changes, and succession plans. I was delighted that as well as virtual meetings, we were able to host some meetings in person for the first time since the COVID-19 pandemic. The Board has also received updates on the investor perception study completed during the year.

In her role as Chair of the Remuneration Committee, Valerie Gooding engaged with shareholders on the proposed updates to the Remuneration Policy and remuneration arrangements in respect of the forthcoming year.

Read more on page 85

Valerie Gooding also continued to serve as the Board's Workforce Engagement Lead, gathering the views of employees through a number of employee consultative committees across all our European and African markets. Key discussion topics from this year's meetings included 'Future Ready Vodafone' ways of working, the 'Grow with Vodafone' personal development platform, economic uncertainty and the Race, Ethnicity and Cultural Heritage ('REACH') targets.

This year, we have continued to publish 'Board conversations' with our recently appointed Non-Executive Directors, to give all shareholders the opportunity to hear directly from them.

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

Read more on pages 10-12

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.

Read more on pages 28-39

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 strategy	85-89
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.

Governance

Our Company purpose, values and culture

Purpose

At Vodafone, our purpose is to connect for a better future by enabling inclusive and sustainable digital societies and it is supported by our three purpose pillars: Digital Society, Inclusion for All and Planet. Our purpose is championed by our Board, which is collectively responsible for the oversight and long-term success of the Company. It is aligned with our culture and strategy, placed at the forefront of our decision-making and strategy development, and the Board considers how the initiatives progressed by management throughout the year have advanced our purpose. Board oversight ensures that continued product development realises our ambition to connect for a better future.

Read more about our purpose on pages 28-39

Strategy

The Board monitors the Company's progress against established strategic objectives and performance against competitors. Board meetings are planned with reference to the Company's strategic priorities and meeting agendas are constructed to deliver information at appropriate junctures and from a broad range of management, to enable the Board to effectively review and challenge.

Read more about the new roadmap for Vodafone on page 7

Governance

The Board ensures the highest standard of corporate governance is maintained by regularly reviewing developments in governance best practice and ensuring these are adopted by the Company.

The Board dedicated time during the year to thoroughly consider the independence and time commitment of all Directors, the arrangements in place to monitor conflicts of interest, as well as evaluating the effectiveness of the Board and each of the Directors.

All Directors have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters and ensuring the Board has access to the necessary policies, processes and resources required to operate efficiently and effectively.

Read more about our governance structure and roles and responsibilities on pages 68-70

Values and culture

The Board has a critical role in setting the tone of our organisation and championing the behaviours we expect to see throughout the Group. The 'Spirit of Vodafone' aligns with our purpose and strategy, which ultimately leads to a more motivated and productive workforce. The Board has continued to influence and monitor culture throughout the year and receives regular updates on the 'Spirit of Vodafone' initiatives, including 'Spirit of Vodafone' Days, the two Spirit Beat surveys and the additional global pulse survey.

The cultural climate in Vodafone is measured through a number of mechanisms including policy and compliance processes, internal audit, and formal and informal channels for employees to raise concerns. The latter includes our bi-annual people survey and our whistleblowing programme, Speak Up, which is also available to the contractors and suppliers working with us. A series of communication materials were shared in April through 'Workplace', our internal digital platform, and other channels to address common misconceptions and encourage more employees to come forward with experiences and/or observations of those breaching the code of conduct. The Board is apprised of any material whistleblowing incidents.

Alongside these mechanisms, the Board remains committed to engagement with the workforce and these opportunities continue to shape how the Board influences and understands the Company's culture.

Read more about Speak Up on page 40

Employee engagement

Given the geographical size and complexity of our business, we utilise several employee engagement methods and communication channels between the Board, the Executive Committee, and our workforce to enable meaningful engagement.

The Board receives regular updates including an annual written report from Valerie Gooding, the designated Workforce Engagement Lead, detailing activities undertaken during the year to engage with employees.

Examples of these initiatives include:

Workforce Engagement Lead attendance at Employee Forums

The Board was apprised of feedback from Valerie Gooding's attendance at Employee Forums, namely the European Employee Consultative Committee. It is evident from these meetings that employee delegates continue to appreciate the opportunity to speak directly to a Board member. Through these means we understand that our people are engaged and interested in business strategy, mergers & acquisitions ('M&A') activity and opportunities for personal development.

Workplace communications

'Workplace' is our internal digital platform that allows employees to start conversations and themed groups on topics of their choice. The Executive Committee and Internal Communications team regularly post relevant business updates on the platform, with employees able to directly respond with views and questions. Key highlights in the year include:

Session	Topic
Grow with Vodafone	People development
Discussion focus: The Chief Human Resources Officer announced our new digital and intuitive career, skills and learning experience – Grow with Vodafone. The tool is designed to deliver learning and career recommendations based on individuals' unique skills profiles in a connected and personal way.	
Global pride webinar	D&I
Discussion focus: The Group Chief Executive, Chief Human Resources Officer, expert guest speakers and colleagues from around the world joined our global pride webinar to help our employees understand the current challenges that LGBT+ people are facing, what we can do about them as individuals and what Vodafone is doing.	
2022 highlights	Our business
Discussion focus: A highlight reel was published showcasing what employees across the business have accomplished together over the last year and provided inspiration to achieve even more next year by raising our ambition, being customer focused, and delivering growth.	

Board and Executive communications

Sessions have been held and videos published to provide updates that matter most to our people, with key highlights in the year including:

Session	Topic
#StayConnected	Our business
Discussion focus: Video updates where the Group Chief Executive speaks with various leaders both inside and outside our business about key topics of interest. There have been many communications this year, including a video address from the Chair following the change in Group Chief Executive to ensure employees are kept informed and reassured regarding developments across the business.	
Financial results and Group performance	Our business strategy and performance
Discussion focus: Quarterly trading update videos on financial results and Group performance were published as was a 'WeConnect' webinar, where the Group Chief Executive and Executive Committee members discussed key priorities.	

Employee listening

We have extended the opportunities for employees to share their experiences throughout their time at Vodafone. For example, we proactively gather employee perspectives through the typical new joiner lifecycle by measuring sentiment in the first week, month, and 90 days. Exiting employees are also requested to submit feedback 48 hours after logging their notice.

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 long-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 N 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

A Audit and Risk Committee
E ESG Committee
N Nominations and Governance Committee
R Remuneration Committee
Solid background signifies Committee Chair

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 StarBev Consumer Industries B.V. 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
Tenure: 9 years
Career and experience:
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

(A) Audit and Risk Committee
(E) ESG Committee
(N) Nominations and Governance Committee
(R) Remuneration Committee
● Solid background signifies Committee Chair

Governance (continued)

Our governance structure

The Board
Responsible for the overall conduct of the Group's business including our long-term success; setting our purpose; monitoring culture, values, standards and strategic objectives; reviewing our performance; and maintaining positive dialogue with our stakeholders.

Audit and Risk Committee
Reviews the adequacy of the Group's system of internal control, including the risk management framework and related compliance activities.

Monitors the integrity of financial statements, reviews significant financial reporting judgements, advises the Board on fair, balanced and understandable reporting and the long-term viability statement.

The Committee also has joint responsibility, with the ESG Committee, to review the appropriateness and adequacy of ESG disclosures provided within the Annual Report and the ESG Addendum, including the approval of its content.

Nominations and Governance Committee
Evaluates Board composition and ensures Board diversity and a balance of skills.

Reviews Board and Executive Committee succession plans to maintain continuity of skilled resource.

Oversees matters relating to corporate governance.

Remuneration Committee
Sets, reviews and recommends the policy on remuneration of the Chair, executives and senior management team.

Monitors the implementation of the Remuneration Policy.

Oversees general pay practices across the Group.

ESG Committee
Oversees the ESG programme, purpose (Inclusion for All, Planet and Digital Society) and the social contract.

Monitors progress against key performance indicators and external ESG index results.

Oversees progress on ESG commitments and targets.

Group Chief Executive

Group Chief Financial Officer

Executive Committee
Focuses on strategy implementation, financial and competitive performance, commercial and technological developments, succession planning and organisational development.

Disclosure Committee
Oversees the accuracy and timeliness of Group disclosures and approves controls and procedures in relation to the public disclosure of financial information.

Global Products Board
Supports the Executive Committee by providing visibility of global product strategy and lifecycle and identifies capital allocation opportunities.

Purpose and Reputation Steering Committee
Assists the Executive Committee with the effective coordination of purpose activities and advises on reputational risks and policy matters.

Risk and Compliance Committee
Assists the Executive Committee in fulfilling its accountabilities with regard to risk management and policy compliance.

Click to read more about the responsibilities of each Board Committee:
vodafone.com/board-committees

The Board

The Board is comprised of the Chair, Senior Independent Director, Non-Executive Directors, the Group Chief Executive, and the Group Chief Financial Officer. Our Non-Executive Directors bring independent judgement, and wide and varied commercial and financial experience to the Board and Committees.

A summary of each role can be found on page 70

Board meetings are structured to allow open discussions. At each meeting the Directors are made aware of the key discussions and decisions of the principal Committees by the respective Committee Chairs. Minutes of Board and Committee meetings are circulated to all Directors after each meeting.

Read more about the Board's activities during the year on pages 71-72

The Board is collectively responsible for ensuring leadership through effective oversight and review. It sets the strategic direction with the goal of delivering sustainable stakeholder value over the longer term and has oversight of cultural and ethics programmes.

The Board also oversees the implementation of risk assessment systems and processes to identify, manage and mitigate Vodafone's principal risks. It is also responsible for matters relating to finance, audit and internal control, reputation, listed company management, corporate governance, remuneration and effective succession planning, much of which is overseen through its principal Committees.

The Executive Committee

The Executive Committee is comprised of Margherita Della Valle, the Group Chief Executive and Group Chief Financial Officer, a number of senior executives responsible for global commercial operations, human resources, technology, external affairs and legal, as well as the Chief Executive Officers of our largest operating companies in Germany, the UK, Italy, Europe Cluster and Vodacom Group.

Led by the Group Chief Executive, the Executive Committee and other management committees are responsible for making day-to-day management and operational decisions, including implementing strategic objectives and empowering competitive business performance in line with established risk management frameworks, compliance policies, internal control systems and reporting requirements.

The details of the Executive Committee members, range of experience, skills, and expertise can be found below. Some members also hold external non-executive directorships, giving them valuable board experience.

Click to read more about the Executive Committee:
vodafone.com/exco

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

Board activities and principal decisions

Our Board is responsible for the overall leadership of the Group and throughout the year, Board activities and discussion have continued to focus on the Company's strategic priorities. The Board oversees the Company's strategic direction and supports the executive management with its delivery of the strategy within a transparent governance framework. Alongside the strategic priorities, the Board has considered topics including executive succession, the business plan, financial performance, digital and technology, and governance. Further detail on these topics is set out below.

Key stakeholders are considered in the decision-making process in accordance with section 172 of the Companies Act 2006.

Read more about Vodafone's key stakeholders and how the Board has engaged with them during the year on pages 10-12

Customers

Information in relation to the evolving needs of customers is regularly provided to the Board by the Executive Committee members and senior managers.

Cost of living crisis

The Board discussed pricing trends in Europe and considered the Company's cost of living initiative. The initiative consisted of three elements: social or low cost tariffs in all markets; extra measures to ensure consumers and small businesses were supported; and leveraging technology and digital services to help customers reduce their energy usage.

Customer experience

In March 2023, the Board received a detailed analysis of customer satisfaction and experience in markets across the Group. Updates were provided on new tools to generate more actionable insights and the implementation of more impactful processes to improve customer experience. Noting the current pain points, the Board considered the planned actions for each market during the course of the next financial year.

Vodafone Germany

The Board received regular updates on customer trends in Germany throughout the year. The Board considered the performance of the network, the impact of shop closures, changes in regulation and the difficulties experienced with the rollout of a new IT system. Focus was also given to improving customer service.

Digital and technology

New technology operating model

The Board received an update following the transition to a new technology operating model. The technology organisation changed from one per country to a common European organisation based on scaled domains and sub domains. The main aim of the model was to enable faster decision-making. Not only have significant cost savings been achieved, but operational performance has improved following the implementation. The employee Technology Spirit survey results had also improved during the transition following improvements to career development and the reputation of Vodafone as an employer of technologists.

The Board considered the positive impact, along with improvements to innovation and customer experience.

Digital and IT strategy

The Board was kept updated on the progress of One Technology following its formation 18 months ago. As at September 2022, Vodafone led in 13 out of 15 categories of Gartner's IT functionality index and a key aim of the project was to move away from big IT transformation projects and focus on investing in engineering, insourcing and modernisation. The Chief Information Officers and Chief Technology Officers in each local market were made members of their company's executive team and many were given additional domain roles across the Group.

Business plan and financial performance

Business plan

In the year, the Board discussed and approved the business plan.

Financial performance

The Board received regular updates on the financial performance of the Group. This year the Board reviewed the Group trading performance and financial forecast against the backdrop of rising energy prices, increased wage costs due to inflation, and the effect of the war in Ukraine. The Board also considered the Group's debt position and agreed to reduce its debt in the long term. In March 2023, the Board received and approved the budget and long range plan.

Dividend

The decision to approve the dividend was supported by a robust assessment of the position, performance and viability of the business carried out by management. The Board was mindful that the Directors had continued to adopt the going concern basis in preparing the annual report and accounts and was also cognisant of available reserves to support the payment of the dividend.

On 15 November 2022, we announced an interim dividend of 4.50 eurocents per share which was paid on 3 February 2023. We have recommended a final dividend of 4.50 eurocents per share to be paid on 4 August 2023. This was consistent with dividends declared during FY22 and the expectations of our shareholders.

Investor relations

The Board received regular updates on market share information and was kept updated on the results of an investor perception study. Annual roadshow feedback was also provided during the year.

Read more about how the Board engaged with investors during the year on page 12

Strategy and business developments

Strategy remained a key focus throughout the year. In addition to the usual meetings, the Board attended a strategy offsite session in South Africa. The deep-dive session focused on reviewing the Company's portfolio and agreeing key priorities for the Company.

UK

On 3 October 2022, we confirmed that discussions were taking place with CK Hutchinson Holdings in relation to a possible combination of Vodafone UK and Three UK. The potential transaction is expected to bring benefits to customers through competitively priced access to a reliable, high-quality and secure 5G network throughout the UK.

Vodafone Hungary

This year the Board discussed the proposed sale of Vodafone Hungary and on 31 January 2023, we announced that Vodafone Group Plc had completed the sale of Vodafone Hungary to 4iG Public Limited Company and Corvinus Zrt. Proceeds from the sale were used for deleveraging.

Vodafone Egypt

The Board considered the growth plans for the Group and on 13 December 2022 we announced that Vodafone Group Plc had completed the transfer of its 55% shareholding in Vodafone Egypt to Vodacom (its African subsidiary). This transfer simplifies the management of Vodafone's African assets, along with the Group's structure, and supports Vodacom and Vodafone Egypt for future growth.

Governance (continued)

Vodafone Ghana
The sale of Vodafone Group Plc's 70% shareholding in Ghana Telecommunications Company Limited (GTCL) to Telecel Group was announced on 21 February 2023. Throughout the year, the Board was kept informed on regulatory discussions. The sale is a further step in simplifying the Group's African portfolio. The transaction received regulatory approval and agreement from the Government of Ghana in February 2023, which will retain its 30% minority shareholding in GTCL.

Vantage Towers

Throughout the year, the Board received regular updates on the proposal to sell a stake in Vantage Towers in order to optimise capital and structure and generate upfront cash proceeds to support the Group's deleveraging strategic priority. In November 2022, we announced that the Board had taken the decision to enter a co-control partnership with Global Infrastructure Partners and KKR for Vantage Towers. The partnership is with long-term investors with significant expertise in digital infrastructure and is expected to accelerate Vantage Tower's growth and value creation, whilst retaining co-control over a strategically important asset.

Key steps to date

- May 2022: the Board discussed options for the proposed Vantage Towers transaction;
- July 2022: the Board considered the benefits and challenges of co-control and the benefits of having an investor in Vantage Towers that had expertise in tower management;
- September 2022: the Board received an update on potential investors; and
- November 2022: the Board received an update on the proposed transaction and the respective bids. The Board provided constructive feedback and questioned the advisers on detailed aspects of the bids.

Section 172 considerations
In accordance with section 172 of the Companies Act, the Board, with the support of an external legal adviser, conducted a deep-dive analysis to consider stakeholder interests and whether the Vantage Towers transaction (and which of the proposed counterparts) was in the best interests of the Company's members as a whole.

The following factors were taken into consideration by the Board in its analysis and decision-making:

- the respective valuations;
- the terms proposed by each bid;
- agreement changes;
- funding and structure;
- protection for risks in relation to minority shareholders;
- regulatory, legal and governance considerations; and
- the proceeds to the Company.

The Board also discussed market perception and the need for effective communication with investors.

Following deliberation, the Board concluded that the proposed transaction was in the best interests of the Company.

Risk

During the year, the Board completed a review of the Company's risk appetite, principal and emerging risks and how they are managed.

Read more about our system of internal controls and risk management on page 81

Our people

The Board considered the results of the employee 'Spirit Beat' survey in November 2022. Feedback was positive, however the cost of living crisis was highlighted as an ongoing concern.

Read more about Spirit Beat on page 13

Modern slavery
The Board monitors our compliance with the requirements of the UK Modern Slavery Act 2015 and approved our Modern Slavery Statement in May 2023.

Inclusion and diversity
The Board received an update on the programme to embed inclusion to support the expansion of key diversity areas, including gender, LGBT+, race, ethnicity, and cultural heritage ('REACH') and disability.

Read more about inclusion on pages 30-34

The Board Diversity Policy is reviewed on an annual basis. The Board received an update on the diversity disclosure requirements from the Financial Conduct Authority and NASDAQ.

Read more about our Board Diversity Policy on page 75

Other

The Board has also spent time this year considering the following matters:

- **Health and safety:** the Board received an update on upholding a culture of prevention and the steps being taken to refresh health and safety awareness following COVID-19.
- **Earthquakes in Turkey and the surrounding region:** the response from Vodafone Turkey was commended. Focus was on ensuring network continuity, including providing generators to the region to help with power cuts, mobilising network engineers and provisioning mobile base stations to restore connectivity. Free minutes, data and texts/SMS to people in the impacted areas were also rolled out. Vodafone Turkey's search and rescue team also supported the emergency response efforts. Vodafone continues to support our colleagues and their families who have been affected by the disaster.

Read more about our response to the earthquakes in Turkey and the surrounding region on page 28

- **Brand and reputation of the Group:** the Board received updates on Vodafone's reputation as measured by RepTrak. The Company's reputation has continued to improve across multiple markets and stakeholders and is now ahead of the sector average. Stakeholder awareness of the Company's ESG commitments and initiatives was also considered.
- **Internal controls and assessment of the viability statement:** the Board receives at least an annual update from the Audit and Risk Committee following its review of the effectiveness of the Group's system of internal controls, including risk management. Following recommendation from the Audit and Risk Committee, the Board approved the internal controls and viability statement disclosures for the Annual Report.

The Board will continue to focus on the strategic priorities for the year and the appointment and onboarding of a permanent Chief Financial Officer.

CEO Succession

On 27 April 2023, the Company announced the appointment of Margherita Della Valle as Group Chief Executive, following a rigorous internal and external search. In accordance with its Terms of Reference, the Nominations and Governance Committee led on the succession process and received regular updates.

Read more about CEO succession in the Nominations and Governance Committee report on page 74

Board effectiveness and improving our performance

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

Process undertaken for our Board evaluation

In accordance with the 2018 UK Corporate Governance Code recommendations and following two consecutive years of externally facilitated Board evaluations, the 2023 Board evaluation was conducted internally.

Evaluation process

The internal evaluation was led by the Chair and supported by the Group General Counsel and Company Secretary. The structure of the evaluation was agreed and the objectives of the review were to provide an assessment of Vodafone Group's Board effectiveness and governance, including the effectiveness of its Committees.

A tailored Board questionnaire was compiled to gather and distil feedback on topics including composition, diversity and how effectively members worked together to achieve objectives. The Directors' responses were collated and a paper summarising the findings was presented to the Nominations and Governance Committee and the Board at the March 2023 meetings.

Evaluation findings

The Board discussed the findings from the evaluation and was encouraged by the strengths identified. In particular, the Board agreed that:

- there has been effective leadership throughout the year and the Chair continued to actively encourage input from all Board members, facilitating open discussion and constructive challenge;
- the conduct of the meetings and the materials provided supported the Board in discharging its responsibilities and ensuring that meetings ran effectively and efficiently; and
- following the appointment of new Non-Executive Directors, good progress has been made in increasing sector experience and skills on the Board, which in turn has supported strategic discussion and decision-making.

The Board also identified areas in which it could improve. Particular areas of focus for the coming year include:

- Leadership: succession planning, including securing and on-boarding an outstanding Chief Financial Officer;
- Operational Performance: prioritising time spent on the key strategic pillars of customer satisfaction, simplification and growth; and
- Technology: increasing the Board's focus on technology strategy and capital allocation.

The composition, performance and effectiveness of each of the Board Committees was also evaluated and the Committee members agreed that each Committee was functioning effectively.

Progress against actions identified following the 2022 external evaluation

Action	Progress made
Refresh the composition of the Board to bring on more Directors with technology and/or telecommunications sector experience.	Four new Non-Executive Directors have been appointed to the Board in FY23, each bringing extensive technology and telecommunications experience.
Devote more time to strategy sessions to enhance free-flowing discussions and allow for additional topics to be discussed where required.	The Board held several strategic deep-dive sessions during the year to enhance discussions.
Topics requiring additional deep-dives could be bolstered by using smaller groups of the Board with specific expertise in the matter.	A Board sub-committee has been set up to consider merger and acquisition transactions.

Nominations and Governance Committee

The Nominations and Governance Committee (the 'Committee') continues to monitor the composition, structure and size of the Board and its Committees to ensure that there is an appropriate balance of skills, knowledge, experience, and diversity so that responsibilities can be discharged effectively. The Committee oversees all matters relating to corporate governance and succession planning and makes recommendations to the Board as appropriate.

Chair
Jean-François van Boxmeer

Members
Sir Crispin Davis
Valerie Gooding
Michel Demaré
Stephen A. Carter CBE (appointed as a member on 8 November 2022)

Following the announcement on 10 May 2023, Sir Crispin Davis and Valerie Gooding will be stepping down as members of the Committee with effect from the conclusion of the 2023 AGM. David Nish will join the Committee with effect from the same date.

The Committee is comprised solely of independent Non-Executive Directors. The Committee had four scheduled meetings during the year and additional ad hoc meetings as required. The attendance at Committee meetings can be found on page 60.

Letter from Committee Chair

On behalf of the Board, I am pleased to present the Nominations and Governance Committee Report for the year ended 31 March 2023.

Board composition and succession planning

The main areas of focus for the Committee this year have been Board and Executive Committee composition and succession planning, with a continued focus on the appointment of Non-Executive Directors with telecommunications, technology, and e-commerce expertise, as well as the process to identify a permanent Group Chief Executive.

The Committee monitors the length of tenure and the skills of the Non-Executive Directors to assist with succession planning. We reported last year that there were several upcoming scheduled retirements from the Board and on 10 May 2023 we announced that Sir Crispin Davis, Dame Clara Furse and Valerie Gooding would not be seeking re-election at the 2023 AGM.

In anticipation of these scheduled departures, the Committee focused on finding suitable Non-Executive Director successors to further enhance the Board's experience and capabilities in the telecommunications and technology sectors. MWM Consulting, an independent external search firm, was appointed to support this process. Following shareholder approval at the Annual General Meeting on 26 July 2022, Stephen Carter, Delphine Ernotte Cunci and Simon Segars were appointed as Non-Executive Directors, each bringing a broad range of experience and expertise to the Board. In November 2022, we also announced the appointment of Christine Ramon who joined the Board as a Non-Executive Director on 14 November 2022. Christine brings extensive financial and strategic experience, along with telecommunications expertise. She also has comprehensive African market experience that will support the strategic aims of the Group and I am delighted to welcome her to Vodafone's Board.

In light of these Board changes and having reviewed the composition of the Board Committees, we announced that with effect from 8 November 2022, Stephen Carter became a member of the Nominations and Governance Committee, Delphine Ernotte Cunci a member of the Remuneration Committee and Simon Segars a member of the ESG Committee. Christine Ramon was appointed a member of the Audit and Risk Committee with effect from 28 March 2023.

Click or scan to watch our new Non-Executive Directors explain their role:
investors.vodafone.com/videos

The Committee has also considered the succession plans for the roles of Senior Independent Director, Workforce Engagement Lead and Chair of the Remuneration Committee in line with the expected retirement of Valerie Gooding this year, following nine years' service to the Board. With effect from the conclusion of the 2023 AGM, David Nish will be appointed as Senior Independent Director, Delphine Ernotte Cunci and Christine Ramon will be appointed Workforce Engagement Leads, and Amparo Moraleda will be appointed Chair of the Remuneration Committee.

The Committee is confident that the Board currently has the necessary mix of skills and experience to contribute to the Company's strategic objectives.

Read more about the details of the length of tenure of each Director and a summary of the skills and experience of the Non-Executive Directors on pages 60 and 65-67

Appointment process for Non-Executive Directors

To begin the appointment process, the Company engages with an external search consultancy which it provides with a search specification. The consultancy then proposes a list of individuals with a diverse range of backgrounds and characteristics. Capturing the clear benefits of diversity of background and opinion, and identifying candidates with the requisite experience and capabilities, is at the forefront of this search. The shortlisted candidates are interviewed by the Committee members and they meet with the Group Chief Executive. A recommendation is made to the Board on the chosen candidate. Once a candidate is selected, appointment terms are drafted and agreed with the selected candidate.

Executive Committee changes, succession planning and talent pipeline

The Committee receives regular updates on succession planning and changes to the membership of the Executive Committee. This year, the Committee has discussed succession plans for executives below Board level.

Following Nick Read stepping down from his role as Group Chief Executive in December 2022, Margherita Della Valle was appointed as Group Chief Executive on an interim basis with effect from 1 January 2023, whilst continuing her role as Group Chief Financial Officer. We are grateful to Nick Read for his significant commitment and contribution to Vodafone during his career. The Board announced on 27 April 2023, following a rigorous internal and external search, that Margherita was appointed as the permanent Group Chief Executive. She will also continue as Group Chief Financial Officer until an external search for a new Group Chief Financial Officer is complete.

During the year the Committee discussed succession planning for a new Group Chief Technology Officer and Group General Counsel and Company Secretary following the respective retirements of Johan Wibergh on 31 December 2022 and Rosemary Martin on 1 March 2023. Both individuals also stepped down from the Executive Committee on their respective retirement dates.

Following the recruitment process, we were pleased to announce the appointment of Maaike de Bie as Group General Counsel and Company Secretary with effect from 1 March 2023. Maaike also joined the Executive Committee with effect from the same date. With almost 30 years of experience, Maaike is an experienced international lawyer and is dual qualified in both the US and UK. She has held numerous senior roles in a variety of sectors, including at EY LLP, General Electric and the European Bank for Reconstruction and Development LLP. Maaike has also previously served as General Counsel and Company Secretary of easyJet plc and Royal Mail plc.

The Committee continues to develop a deeper understanding of executive talent requirements and the capabilities required for the future. We were delighted to announce the appointment of Scott Petty as Group Chief Technology Officer on 1 January 2023, who joined Vodafone in 2009. Alberto Ripepi was appointed as Group Chief Network Officer on 1 January 2023 having joined in 2001 and both Scott and Alberto co-lead Vodafone Technology and joined the Group Executive Committee with effect from the same date.

We also announced that Alex Froment-Curtil stepped down as Group Chief Commercial Officer and Executive Committee member with effect from 31 December 2022. Aldo Bisio was appointed as Chief Commercial Officer on 12 January 2023 in addition to his role as CEO Vodafone Italy. Vodafone Spain joined the Europe Cluster with effect from 12 January 2023 reporting to Europe Cluster CEO, Serpil Timuray. Colman Deegan stepped down as CEO of Vodafone Spain with effect from 31 March 2023.

Governance

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

Independence

In accordance with the Code, the independence of all the Non-Executive Directors was considered by the Committee. At the date of publication, Valerie Gooding has served more than nine years as a director; however, she will remain on the Board until the conclusion of the 2023 AGM in order to allow for a gradual and smooth transition period of the Senior Independent Director, Workforce Engagement Leads and Remuneration Committee Chair roles. Following evaluation, all Non-Executive Directors are considered independent, and they continue to make independent contributions and effectively challenge management.

All Non-Executive Directors have submitted themselves for election or re-election, as applicable, at the 2023 AGM, other than Sir Crispin Davis, Dame Clara Furse and Valerie Gooding who will retire from the Board at the conclusion of the 2023 AGM as announced on 10 May 2023.

The Executive Directors' service contracts and Non-Executive Directors' appointment letters are available for inspection at our registered office and at the 2023 Annual General Meeting.

Conflicts of interest

The Companies Act 2006 provides that directors have a duty to avoid a situation in which they have or may have a direct or indirect interest that conflicts or might conflict with the interests of the Company. This duty is in addition to the existing duty owed to the Company to disclose to the Board any interest in a transaction or arrangement under consideration by the Company.

Our Directors must report any changes to their commitments to the Board, immediately notify the Company of actual or potential conflicts or a change in circumstances relating to an existing authorisation and complete an annual conflicts questionnaire. Any conflicts or potential conflicts identified are considered and, where appropriate, authorised by the Board in accordance with the Company's Articles of Association. A register of authorised conflicts is also reviewed periodically.

The Committee and the Board are satisfied that the external commitments of the Directors do not conflict with their duties and commitments as Directors of the Company. The Committee is comfortable that it has adequate measures in place to manage and mitigate any actual or potential conflicts of interests that may arise in the future.

Time commitment

In accordance with the Code, the Committee actively reviews the time commitments of the Board. All Directors are engaged in providing their external commitments to establish that they have sufficient time to meet their Board responsibilities. The Committee is satisfied that the Board does meet this requirement and all Directors provide constructive challenge, strategic guidance and hold management to account.

Board evaluation

In accordance with the Code, Vodafone conducts an annual evaluation of Board and Board Committee performance, which every Director engages in, and which is facilitated by an independent third party at least once every three years. This year, an internal evaluation of the performance of the Board and Committees took place led by the Chair, with support from the Group General Counsel and Company Secretary.

Read more about the outcome of this review on page 73

Roles and responsibilities

The terms of reference for the Nominations and Governance Committee set out the role and responsibilities of the Committee in further detail and were reviewed in March 2023.

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

Diversity

The Board Diversity Policy reinforces the ongoing commitment of the Board to supporting diversity and inclusion in the boardroom in all its forms including age, gender ethnicity, sexual orientation, disability and socio-economic background. The Committee acknowledges the significant role diversity and inclusion has on the effective functioning of the Board and its Committees and believes a diverse board brings a broader perspective, which enables it to be better equipped to understand the views of our stakeholders as well as our shareholders in the decision-making process.

The Committee reviews the Board Diversity Policy annually to ensure the objectives remain appropriate and sufficiently stretching. We also continue to monitor requirements as set by the Financial Conduct Authority, FTSE Women Leaders Review, NASDAQ listing rules and the Parker Review in terms of gender and ethnic diversity. Vodafone acknowledges that these targets are not just an end goal, but rather steps towards a drive for further progress.

Whilst the Board Diversity Policy specifically focuses on diversity at Board and Committee level, commitment to diversity at Vodafone extends beyond the Board to the Executive Committee, talent pipeline and global workforce. The Board supports management in their efforts to build a diverse organisation throughout the Group. As at 31 March 2023, our Executive Committee has four positions held by women (33%) and 25% of the Executive Committee identifies as ethnically diverse. In the Senior Leadership Team, 49 roles are held by women (33%) and 18% of the Senior Leadership Team identify as ethnically diverse.

Read more on Senior Leadership Team diversity on page 34

Read more about our workforce inclusion programmes on pages 30-34

Governance (continued)

Diversity targets – progress update

Target	Progress
The Board aspires to meet and ultimately exceed the target for at least 40% of Board positions to be held by women.	We are pleased to report that as at 31 March 2023, 54% of our Board identified as women.
That at least one of the positions of Chair, CEO, CFO or Senior Independent Director is held by a woman.	As at 31 March 2023 our Senior Independent Director, Chief Executive and Chief Financial Officer positions are held by women.[1]
That at least one member of the Board is from a minority ethnic background.	As at 31 March 2023, we currently have one Board member from a minority background, and we continually aspire to increase diverse representation on our Board.

Note:
1. The positions of Chief Executive and Chief Financial Officer are held by Margherita Della Valle.

Board and executive management diversity

Prepared in accordance with UK Listing Rule 9.8.6R(10) as at 31 March 2023

Gender identity or sex[1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[2]	Number in executive management	Percentage of executive management
Men	6	46%	1	8	67%
Women	7	54%	3	4	33%
Other categories	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[2]	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	12	92%	4	9	75%
Mixed/Multiple Ethnic Groups	0	0%	0	0	0%
Asian/Asian British	1	8%	0	2	17%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group, including Arab	0	0%	0	1	8%
Not specific/prefer not to say	0	0%	0	0	0%

Notes:
1. The data reported is on the basis of gender identity.
2. The positions of Chief Executive and Chief Financial Officer are held by Margherita Della Valle.

Board diversity matrix

This has been prepared in accordance with the guidance issued by NASDAQ. More information can be found here: listingcenter.nasdaq.com

As of 31 March 2023	
Country of Principal Executive Offices	United Kingdom
Foreign Private Issuer	Yes
Disclosure Prohibited under Home Country Law	No
Total Number of Directors	13

Part I: Gender Identity

	Female	Male	Non-Binary	Did Not Disclose Gender
Directors	7	6	0	0

Part II: Demographic Background

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

The data contained in the tables on this page was collected as part of the annual declaration process, whereby the Board and the Executive Committee received declaration forms for self-completion. The declaration forms included, for all individuals whose data is being reported, the same questions relating to ethnicity, gender, sexual orientation and disabilities. The data is used for statistical reporting purposes and is provided with consent. The data in the above tables is as at 31 March 2023 and there have been no changes in the period between then and the date of this report.

Whilst we commit to diversity and inclusion in all its forms, all appointments are made on merit and objective criteria to ensure the appropriate mix of skills and experience on the Board, valuing the unique contribution that an individual will bring.

Key areas of focus for 2023/24

- Board and Committee composition, tenure and succession;
- Senior leadership succession and onboarding; and
- Continued onboarding of our recent Non-Executive Directors.

Jean-François van Boxmeer

On behalf of the Nominations and Governance Committee

16 May 2023

Audit and Risk Committee

The Committee oversees the governance of the Group's financial reporting, the external audit process, risk management, internal control and related assurance processes. During the year, the Committee completed a series of deep dive reviews of principal key risks and additional reviews, with an ongoing focus on technology matters, particularly cyber threats and resilience.

Chair and financial expert
David Nish

Members
Michel Demaré
Deborah Kerr
Amparo Moraleda
Christine Ramon (appointed as a member on 28 March 2023)

Key responsibilities

The responsibilities of the Committee are to:

- Monitor the integrity of the financial statements, including the review of significant financial reporting judgements;
- Monitor the Group's risk management system, review of the principal risks and the management of those risks;
- Provide advice to the Board on whether the Annual Report is fair, balanced and understandable and on the appropriateness of the long-term viability statement;
- Review and monitor the external auditor's independence and objectivity and the effectiveness of the external audit;
- Review the system of internal financial control and compliance with section 404 of the US Sarbanes-Oxley Act;
- Review and provide advice to the Board on the approval of the Group's US Annual Report on Form 20-F; and
- Monitor the activities and review the effectiveness of the Internal Audit function.

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

Letter from the Committee Chair

I am pleased to present our report as Chair of the Audit and Risk Committee. This report provides an overview of how the Committee operates, an insight into the Committee's activities during the year and its role in ensuring the integrity of the Group's published financial information and the effectiveness of its risk management, controls and related processes.

The Committee met five times during the year, which included a joint meeting with the ESG Committee. Amparo Moraleda will step-down from the Committee with effect from the conclusion of the 2023 AGM. The attendance by members at Committee meetings can be seen on page 60. Each meeting agenda included a range of topics across the Committee's areas of responsibility.

- External cyber threats continue to be a Group principal risk and the Group invests considerable resources in the technology teams working to prevent, identify and manage attempted cyber attacks. During the year, the Committee regularly met with the Chief Technology Officer and Cyber Security, Technology Assurance and Strategy Director to review and challenge the cyber security strategy and also undertook a deep dive review of this principal risk.

Read more about cyber security on pages 42 to 43

- We performed deep dive reviews on several other principal risks, including technology resilience and future readiness with the Chief Technology Officer and Chief Network Officer, as well as threats from emerging technology and disruptive business models with the CEO of Vodafone Business and the Group Strategy Director. In addition, the Committee undertook a number of reviews of M-Pesa with a focus on risk management, the control environment, regulatory compliance and assurance activities;
- We completed a series of reviews across multiple business units, typically with a focus on the risk and control environment. This was performed with the CEO and CFO of the Other Europe markets cluster, the CEO of Vantage Towers, the CEOs of Vodafone Germany, Vodafone Spain and Vodacom Group; and
- At the September 2022 and March 2023 meetings, we considered the anticipated financial reporting matters impacting the half-year and year-end reporting. We also reviewed the half-year results announcement at our November meeting and the Annual Report and accompanying materials at our May meeting, prior to the Group's results release. Our work included reviews of goodwill impairment testing, taxation judgements, legal contingencies and the Company's work on going concern and the long-term viability statement.

The Committee recognises the importance of Environmental, Social and Governance ('ESG') topics and the requirement for disclosures in accordance with the Task Force on Climate-Related Financial Disclosures ('TCFD') framework. We modified our terms of reference during the year to enhance the Committee's oversight in these areas by having a joint meeting with the ESG Committee. During our joint meeting in May 2023, we challenged the disclosures included in this Annual Report and also the Group's ESG Addendum which is available on our website.

Our external auditor, Ernst & Young ('EY'), provides robust challenge to management and its independent view to the Committee on specific financial reporting judgements and the control environment.

David Nish
On behalf of the Audit and Risk Committee

16 May 2023

Objective

The objective of the Committee is the provision of effective governance over the appropriateness of financial reporting of the Group, including the adequacy of related disclosures, the performance of both the Internal Audit function and the external auditor and oversight of the Group's systems of internal control, business risks and related compliance activities.

Click or scan to watch the Chair of the Audit and Risk Committee explain his role:
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Committee governance

Committee meetings normally take place the day before Board meetings. The Committee Chair reports to the Board, as a separate agenda item, on the activity of the Committee and matters of particular relevance. The Board has access to the Committee's papers and receives copies of the Committee minutes. The Committee regularly meets separately with the external auditor, the Group Chief Executive and Group Chief Financial Officer, the Group Audit Director and the Group Head of Risk without others being present. The Chair also meets regularly with the external lead audit partner during the year, outside of the formal Committee process.

The Chair is designated as the financial expert on the Committee for the purposes of the US Sarbanes-Oxley Act and the 2018 UK Corporate Governance Code ('Code'). The Committee continues to have competence relevant to the sector in which the Group operates.

Read more about the skills and experience of Committee members on pages 65 to 67

Governance (continued)

Risk deep dive reviews

The Committee performed a series of deep dives with management as part of the meeting agendas. These reviews are summarised below, together with the Group's principal risk to which the review relates.

Principal risk	Area of focus
Adverse changes in macroeconomic conditions	**Business resilience and crisis management** The Committee met with the Chief External and Corporate Affairs Officer and the Global Corporate Security and Resilience Director to perform a deep dive on business resilience and crisis management planning. The Committee reviewed the Group's crisis management plans and preparedness for responding to multiple concurrent crises.
Adverse changes in macroeconomic conditions	**Financing** The Committee met with the Group Treasury Director to perform an in-depth review of funding needs and related financing activities. This included the potential impact of adverse changes in the macro-economic and market conditions on financing plans over the short to medium term and, more broadly, how funding and financing risk is being managed.
Disintermediation	**New technologies** The Committee met with the CEO of Vodafone Business and the Group Strategy Director to review and challenge the Group's activities and strategies to mitigate the potential risks from new industry challengers and technologies.
Cyber threat	**Cyber security strategy** The Committee met twice with the Chief Technology Officer and the Cyber Security, Technology Assurance and Strategy Director to review the Group's cyber security strategy, the cyber control framework and related compliance and assurance activities. The deep dives included consideration of the threat landscape and the performance of the Group's businesses in meeting the required compliance standards.
Adverse political and policy environment	**Regulatory affairs** The Committee met with the Chief External and Corporate Affairs Officer to deep dive on the political and regulatory developments impacting the industry. This included geo-political risks and the actions underway to respond to these risks.
Strategic transformation	**Business reviews** The Committee met with a range of markets and business units, with a focus on the operational landscape, local risk assessments and related activity, the control environment and progress against any findings from Internal Audit activities. This included: – Germany market review with the market CEO and CFO; – Spain market review with the market CEO and CFO; – Review of the Europe Cluster markets with the Europe Cluster CEO and CFO; – Business review of Vodacom with the Vodacom Group CEO and CFO; – Business review of Vantage Towers with the Vantage Towers CEO and CFO; and – Entity review of Vodafone Roaming Services with the Director of Roaming Services.
Technology resilience and future readiness	**Technology risk** The Committee met with the Chief Technology Officer and the Chief Network Officer to consider potential points of technology failure and the impact this could have on operational activities. Related business continuity plans were assessed and challenged.
Technology resilience and future readiness	**Resilience and readiness** The Committee met with the Chief Technology Officer and the Chief Network Officer to deep dive on the activities to maintain a robust, stable and resilient technology estate and on the transformation programmes in place to modernise aspects of our technology estate to ensure future readiness.
Technology resilience and future readiness	**IT control assurance** The Committee met with the Chief Technology Officer and IT Director to review and challenge the opportunities to increase the standardisation of IT controls and leverage automation across the Vodafone footprint.

Financial reporting

The Committee's primary responsibility in relation to the Group's financial reporting is to review, with management and the external auditor, the appropriateness of the half-year and annual consolidated financial statements. The Committee focuses on:

- The quality and acceptability of accounting policies and practices;
- Providing advice to the Board on the form and basis underlying the long-term viability statement;
- Material areas in which significant judgements have been applied or where significant issues have been discussed with the external auditor;
- An assessment of whether the Annual Report, taken as a whole, is fair, balanced, and understandable and whether our US Annual Report on Form 20-F complies with relevant US regulations;
- The clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements; and
- Any correspondence from regulators in relation to our financial reporting.

Accounting policies and practices

The Committee received reports from management in relation to:

- The identification of critical accounting judgements and key sources of estimation uncertainty, including the impact of climate change on the consolidated financial statements;
- Significant accounting policies; and
- Proposed disclosures of these in this Annual Report.

Following discussions with management and the external auditor, the Committee approved the disclosures of the accounting policies and practices set out in note 1 'Basis of preparation' and within other notes to the consolidated financial statements.

Fair, balanced and understandable
The Committee assessed whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. This assessment is supported by the Group's Disclosure Committee which is chaired by the Group General Counsel and Company Secretary who briefs the Committee on the Disclosure Committee's work and findings.

The Committee reviewed the processes and controls that underpin the Annual Report's preparation, ensuring that all contributors and senior management are fully aware of the requirements and their responsibilities. This included the financial reporting responsibilities of the Directors under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as well as considering the interests of other stakeholders which will have an impact on the Company's long-term success.

The Committee reviewed an early draft of the Annual Report to enable input and comment. The review is performed in conjunction with the ESG Committee which also reviews the TCFD and ESG-related disclosures. The Committee also reviewed the results announcement, supported by the work of the Group's Disclosure Committee, which reviews and assesses the appropriateness of investor communications.

This work enabled the Committee to provide positive assurance to the Board to assist it in making the statement required by the Code.

Significant financial reporting judgements

The areas considered and actions taken by the Committee in relation to the 2023 consolidated financial statements are outlined below and overleaf. For each area, the Committee was satisfied with the accounting and disclosures in the consolidated financial statements.

Area of focus	Actions taken
Portfolio changes The Group concluded several transactions during the second half of the financial year of which the most notable was the disposal of a controlling stake in Vantage Towers into a joint venture, the disposals of Vodafone Hungary and Vodafone Ghana and the transfer of the Group's shareholding in Vodafone Egypt to its subsidiary, Vodacom Group Limited. The most significant disclosure and accounting judgements considered include: – The recognition and measurement of gains on the business disposals, including a partial deferral of the gain recognised from the sale of Vantage Towers due to the leaseback of tower space by the Group from Vantage Towers. See note 12 'Investments in associates and joint arrangements' and note 27 'Acquisitions and disposals' in the consolidated financial statements.	The Committee met with the Group Financial Controlling and Operations Director in March 2023 to review and challenge the accounting treatment and disclosures in the 2023 consolidated financial statements, including the sale and leaseback accounting resulting from the disposal of Vantage Towers.
India accounting matters The disclosure and accounting judgements in relation to: – The Group's conditional and capped obligations to make certain payments to Vodafone Idea Limited ('VIL') under a payment mechanism agreed at the time of the merger between Vodafone India and Idea Cellular in 2017; – The valuation of the security package provided by the Group to Indus Towers ('Indus') in respect of commitments of VIL to Indus and the Group's obligation to the Total Return Swap ('TRS') lenders; – The valuation of a mark-to-market derivative asset in relation to the TRS; – The decision to cease reporting the Group's investment in Indus as held for sale in the consolidated financial statements; and – The impairment of the Group's investment in Indus. See note 7 'Discontinued operations and assets held for sale' and note 29 'Contingent liabilities and legal proceedings' in the consolidated financial statements.	The Committee reviewed the appropriateness of the Group's accounting judgements in relation to potential liabilities under the payment mechanism agreed with VIL, considering VIL's ability to make any further material payments. The Committee also reviewed accounting judgements relating to Indus Towers, notably the terms of the remaining pledge contained in the security package, the reversal of the held for sale classification in the consolidated financial statements and the valuation of the TRS related derivative asset. These reviews occurred at the September 2022, November 2022, March 2023 and May 2023 Committee meetings.
Impairments Judgements in relation to impairment testing relate primarily to the assumptions underlying the calculation of the value in use of the Group's businesses, being the achievability of the long-term business plans and the macroeconomic and related valuation model assumptions. See note 4 'Impairment losses' in the consolidated financial statements.	The Committee met with the Group Head of Financial Planning & Analysis in November 2022 and May 2023 to discuss the impairment exercise undertaken and to challenge the appropriateness of assumptions made, including: – The consistent application of management's valuation methodology; – The achievability of the Group's five-year business plans; – The potential impacts of (i) rising energy costs, (ii) inflation and (iii) climate change on the Group's businesses and valuation assumptions; – The long-term growth assumed for the Group's businesses at the end of the plan period; and – The discount rates assumed in the valuation of the Group's businesses. During the year, the Group recorded no material impairments of asset carrying values.

Governance (continued)

Area of focus	Actions taken
Liability provisioning	
The Group is subject to a range of claims and legal actions from a number of sources, including, but not limited to, competitors, regulators, customers, suppliers and, on occasion, fellow shareholders in Group subsidiaries. See note 16 'Provisions' and note 29 'Contingent liabilities and legal proceedings' in the consolidated financial statements.	The Committee met with the Director of Litigation in November 2022 and May 2023 in advance of the half-year and year-end reporting, respectively. The Committee reviewed and challenged management's assessment of the status of the most significant claims, together with relevant legal advice received by the Group, to form a view on the level of provisioning and appropriateness of disclosures in the consolidated financial statements.
Taxation	
The Group is subject to a range of tax claims and related legal actions in several jurisdictions where it operates. Furthermore, the Group has extensive accumulated tax losses, and a key management judgement is whether a deferred tax asset should be recognised in respect of those losses. See note 6 'Taxation' and note 29 'Contingent liabilities and legal proceedings' in the consolidated financial statements.	The Committee met with the Group Tax Director in November 2022 and May 2023 in advance of the half-year and year-end financial reporting, respectively. The Committee challenged the judgements underpinning tax provisioning, deferred tax assets and related disclosures.
Revenue recognition	
Revenue is a risk area given the inherent complexity of IFRS 15 accounting requirements and the underlying billing and related IT systems. See note 1 'Basis of preparation' in the consolidated financial statements.	The accounting policy for and related disclosure requirements of IFRS 15 that have been presented in the Annual Report were reviewed in March and May 2023. The Committee considered the scope of EY's planned revenue audit procedures, and their related audit findings and observations at its meetings in November 2022 and May 2023.
Hyperinflation accounting in Turkey	
Turkey has met the requirements to be designated as a hyperinflationary economy under IAS 29 'Financial Reporting in Hyperinflationary Economies'. The Group has therefore applied the requirements of IAS 29 for its Turkish operations with a Turkish lira functional currency. See note 1 'Basis of preparation' in the consolidated financial statements.	The Committee met with the Group Financial Controlling and Operations Director in November 2022, March 2023 and May 2023 to review and challenge the accounting treatment and disclosures in the half-year and year-end financial reporting, respectively.

Regulators and our financial reporting

The Financial Reporting Council ('FRC') publishes thematic reviews and other guidance to help companies improve the quality of corporate reporting through the provision of guidance and reviews of the quality of reporting across public companies. The Group routinely reviews FRC publications, the most relevant publications for the 2023 Annual Report being:

- Key matters for 2022/23 reports and accounts;
- Annual review of corporate reporting 2021/22;
- Thematic review of existing disclosure requirements for (i) discount rates, (ii) judgements and estimates, (iii) earnings per share, (iv) deferred tax assets, (v) accounting and reporting for business combinations and (vi) TCFD and climate-related disclosures;
- 'What makes a good Annual Report and Accounts' guidance;
- Updated guidance on Strategic Reports; and
- FRC Lab report on digital security risk disclosure.

The Group already complied with the majority of the recommendations and the 2023 Annual Report has been updated to adopt best practice where appropriate.

We also reviewed the draft standard for Audit Committees that was published by the FRC in the year. The final requirements will be reviewed once available although no significant impact is expected as we have assessed that the Committee follows the working practices outlined in the draft standard.

During the year, the Financial Conduct Authority ('FCA') finalised new mandatory disclosure requirements on diversity and inclusion. The Committee welcomes these new disclosure requirements which are included in this Annual Report.

We continue to track developments for the proposals in the 'Restoring Trust in Audit and Corporate Governance' paper issued by the Department for Business, Energy and Industrial Strategy ('BEIS'). This will ensure we are well placed to implement the changes, as required, in the years ahead.

During the year, the Group received a notification letter from the FRC that the Annual Report for the year ended 31 March 2022 had been included in their thematic review of company disclosures relating to deferred tax assets. In October 2022, we received confirmation that the FRC had no questions for the Group arising from the review.

In December 2021, Vantage Towers A.G. ('Vantage Towers') received an enquiry letter from BaFin, the German Federal Financial Supervisory Authority, containing questions and requests for further information in relation to the Vantage Towers Annual Report for the year ended 31 March 2022. To date, two written responses in January and March 2023 have been submitted to BaFin as part of the ongoing enquiry.

Internal control and risk management

The Committee has the primary responsibility for the oversight of the Group's system of internal control, including the risk management framework, the compliance framework, and the work of the Internal Audit function.

Internal Audit

The Internal Audit function provides independent and objective assurance over the design and operating effectiveness of the system of internal control, through a risk-based approach. The function reports into the Committee and, administratively, to the Chief Financial Officer. The function is composed of teams across Group functions and local markets. This enables access to specialist skills through centres of excellence and ensures local knowledge and experience. Cooperation with professional bodies and an information technology research firm has ensured access to additional specialist skills and an advanced knowledge base.

Internal Audit activities are based on a robust methodology and the internal quality assurance improvement programme ensures conformity with the International Professional Practices framework, which includes the IIA standards and code of ethics, and the continuous development of the audit methodology applied. The conformity is reviewed and verified through an external quality assessment by an independent consultancy firm every three years.

The Committee has a standing agenda item to cover Internal Audit related topics. Prior to the start of each financial year, the Committee reviews and approves the annual audit plan, assesses the adequacy of the budget and resources, and reviews the operational initiatives for the continuous improvement of the function's effectiveness. The audit plan is determined by taking into account Internal Audit's rolling review framework and the outputs of a data-driven risk assessment.

The Committee reviews progress against the approved audit plan and the results of Internal Audit activities, with a stronger focus on unsatisfactory audit results and cross-entity audits, which are audits that are performed across multiple markets with the same scope. Audit results are analysed by process and entity to highlight both changes in the control environment and areas that require attention.

During the year, Internal Audit coverage focused on principal risks, including cyber threat and strategic transformation. Relevant audit results are reported before the Committee's in-depth review with the risk owner, which allows the Committee to have an integrated view on the way the risk is managed.

Assurance was also provided across a broad range of areas, including: product development, customer base management, Vodafone Business sales opportunity governance, billing of Internet of Things services, compliance with the EU Electronic Communications Code, data management, data protection at third parties, asset verification and reconciliation, revenue and cost assurance controls, revenue accrual processes, lease accounting, active directory infrastructure security, Application Programming Interface security and M-Pesa operations. The activities performed by the shared service organisation also received ongoing focus due to their significance across many processes.

Management is responsible for ensuring that issues raised by Internal Audit are addressed within an agreed timetable, and the Committee reviews their timely completion.

The last independent review of the effectiveness of the Group's Internal Audit function was performed by Deloitte LLP in January 2022 and the results have been presented to the Committee. The review concluded that the Internal Audit function operated in accordance with the Global Institute of Internal Auditors' International Professional Practices Framework, is at the top of its peer group range and demonstrates areas of innovative practice.

The Internal Audit function continues to invest in several initiatives to improve its effectiveness, particularly in the adoption of new technologies. The innovative use of data analytics has provided broader and deeper audit testing and driven increased insights.

Assessment of the Group's system of internal control, including the risk management framework

The Group's risk assessment process and the way in which significant business risks are managed is an area of focus for the Committee. The Committee's activity here was led primarily, but not solely, by the Group's assessment of its principal and emerging risks and uncertainties. Cyber threats remain a major focus for the Committee given the continual threats in this area.

The Group has an internal control environment designed to protect the business from the material risks which have been identified. Management is responsible for establishing and maintaining adequate internal controls and the Committee has responsibility for ensuring the effectiveness of those controls.

The Committee reviewed the process by which Group management assessed the control environment, in accordance with the requirements of the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting published by the FRC. This activity was supported by reports from the Group Audit Director and the Group Head of Risk and a range of functional specialists.

As part of the Committee's recurring agenda items, the Group Security Director provided a fraud update, the scope of which would include incidents of fraud involving management or employees with a significant role in internal controls.

The Group operates a 'Speak Up' channel that enables employees to anonymously raise concerns about possible irregularities. The Committee received an update on the operation of the channel together with the output of any resulting investigations.

The Committee has completed its review of the effectiveness of the Group's system of internal control, including risk management, during the year and up to the date of this Annual Report. The review covered all material controls including financial, operating and compliance controls. The Committee confirms that the system of internal control operated effectively for the 2023 financial year. Where specific areas for improvement were identified, mitigating alternative controls and processes were in place. This allows us to provide positive assurance to the Board to help fulfil its obligations under the Code.

Compliance with section 404 of the US Sarbanes-Oxley Act

Oversight of the Group's compliance activities in relation to section 404 of the US Sarbanes-Oxley Act and policy compliance reviews also fall within the Committee's remit.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting and we have responsibility for ensuring the effectiveness of these controls. The Committee received updates on the Group's work in relation to section 404 compliance and the Group's broader financial control environment during the year. We continue to challenge management on ensuring the nature and scope of control activities evolve to ensure key risks continue to be adequately mitigated. For example, robust controls over our IT systems are critical and were discussed with the Chief Technology Officer and IT Director at the November 2022 meeting.

The Committee also took an active role in monitoring the Group's compliance activities, including receiving reports from management in the year covering programme-level strategy, the scope of compliance work performed and the results of controls testing. The external auditor also reports the status of its work in relation to controls in its reports to the Committee.

Long-term viability statement and going concern assessment

The Committee provides advice to the Board on the form and basis of conclusion underlying the long-term viability statement and the going concern assessment.

Read more about the long-term viability statement on page 57

Read more about the going concern assessment on page 112

At our meeting in May 2023, the Committee challenged management on its financial risk assessment as part of its consideration of the long-term viability statement. This included scrutiny of forecast liquidity, balance sheet stress tests, the availability of cash and cash equivalents through new or existing financing facilities and a review of counter-party risk to assess the likelihood of third parties not being able to meet contractual obligations. This comprehensive assessment of the Group's prospects made by management included consideration of:

- The review period and alignment with the Group's internal long-term forecasts;
- The assessment of the capacity of the Group to remain viable after consideration of future cash flows, expected debt service requirements, undrawn facilities, and access to capital markets;
- The modelling of the financial impact of severe but plausible risk scenarios materialising, including the impact of energy price inflation;
- The inclusion of clear and enhanced disclosures in the Annual Report as to why the assessment period selected was appropriate to the Group, what qualifications and assumptions were made and how the underlying analysis was performed, consistent with FRC pronouncements; and
- Comprehensive disclosure in relation to the Group's liquidity provided in the consolidated financial statements. See note 22 'Capital and financial risk management' in the consolidated financial statements.

External audit

The Committee has primary responsibility for overseeing the relationship with the external auditor, EY. This includes making the recommendation on the appointment, reappointment, and removal of the external auditor, assessing its independence on an ongoing basis, and approving the statutory audit fee, the scope of the statutory audit and the appointment of the lead audit engagement partner. Alison Duncan has held this role for four years since the appointment of EY as external auditor for the year ended 31 March 2020.

EY presented to the Committee its detailed audit plan for the 2023 financial year, which outlined its audit scope, planning materiality and its assessment of key audit risks. The identification of key audit risks is critical in the overall effectiveness of the external audit process and these are outlined in the Auditor's report.

The Committee also received reports from EY on its assessment of the accounting and disclosures in the financial statements and financial controls.

The Committee will continue to review the auditor appointment and anticipates that the audit will be put out to tender at least every 10 years. The Company has complied with the Statutory Audit Services Order 2014 for the financial year under review. The last external audit tender took place in 2019 which resulted in the appointment of EY.

Read the Auditor's report on pages 113 to 122

Independence and objectivity

In its assessment of the independence of the auditor, and in accordance with the US Public Company Accounting Oversight Board's ('PCAOB') standard on independence, the Committee received details of all relationships between the Company and EY that may have a bearing on its independence and received confirmation from EY that it is independent of the Company in accordance with US federal securities law and the applicable rules and regulations of the Securities and Exchange Commission ('SEC') and the PCAOB.

Effectiveness of the external audit process

The Committee reviewed the quality of the external audit process throughout the year and considered the performance of EY. This comprised the Committee's own assessment and the results of a detailed feedback survey of senior personnel across the Group. Based on these reviews, the Committee concluded that there had been appropriate focus and challenge by EY on the primary areas of the audit and that EY had applied robust challenge and scepticism throughout the audit.

EY audit and non-audit fees

Total fees payable to EY for audit and non-audit services in the year ended 31 March 2023 amounted to €30 million (FY22: €25 million).

Audit fees

The Committee reviewed and discussed the fee proposal, was engaged in agreeing audit scope changes and, following the receipt of formal assurance that its fees were appropriate for the scope of the work required, agreed an audit fee of €27 million for statutory audit services in the year (FY22: €23 million).

Non-audit fees

To protect the independence and objectivity of the external auditor, the Committee has a policy for the engagement of the external auditor to provide non-audit services. The policy prohibits EY from playing any part in management or decision-making, providing certain services such as valuation work and the provision of accounting services. The Group's non-audit services policy incorporates the requirements of the FRC's Ethical Standard, including a 'whitelist' of permitted non-audit services which mirrors the FRC's Ethical Standard.

The Committee has pre-approved that EY can be engaged by management, subject to the policies set out above, and subject to:

- A €60,000 fee limit for individual engagements;
- A €500,000 total fee limit for services where there is no legal alternative; and
- A €500,000 total fee limit for services where there is no practical alternative supplier.

For those permitted services that exceed these specified fee limits, the Committee Chair pre-approves the service.

Non-audit fees were €3 million (FY22: €2 million). See note 3 'Operating profit' in the consolidated financial statements.

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 or scan to watch the Chair of the ESG Committee explain her role:
investors.vodafone.com/videos

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
Circularity and other environmental topics (E) Including device and network waste, water and plastics	37-38
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 mechanisms, Speak Up, Fair Pay, and labour standards	15, 40, 44, 100
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
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Key

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(E) ESG Committee
(N) Nominations and Governance Committee
(B) Full Board

Remuneration Committee

Letter from the Remuneration Committee Chair

On behalf of the Board, I present our 2023 Directors' Remuneration Report.

This report includes both our proposed Policy Report (which will be submitted for shareholder approval at the 2023 AGM), and our 2023 Annual Report on Remuneration, which sets out how our current policy was implemented during the year under review, and how, subject to its approval, our revised policy will be applied for the year ahead.

Remuneration Policy review

Our current Policy Report was approved at the July 2020 AGM, with a vote in favour of over 96%. Following the policy entering its third year of operation without amendment, the Committee has been reviewing our remuneration structures ahead of the regulatory requirement for a new policy to be submitted to shareholders at the 2023 AGM.

The Committee is clear that consistency and flexibility should be maintained within the new policy and in the event material revisions are required before the end of its three-year regulatory lifecycle then the Committee will re-engage with shareholders.

Following its review of the current arrangements, which the Committee is satisfied remain appropriate and operating as intended, and having made a significant number of best practice changes when the policy was last renewed, the Committee is not proposing to make any material changes at this time.

Instead, some refinements to our framework and the implementation of our structures are proposed. These include the review of our short-term incentive to more fully support our priorities of Growth and Customers (further details of which are provided later in this letter under 'Arrangements for 2024'). The Committee is also strengthening our clawback policy with the current list of trigger events expanded to include a breach of an executive's restrictive or confidentiality covenants, reflecting the importance in our industry of retaining and protecting key talent and intellectual property. Clawback time frames are also being revised to ensure compliance with the recently announced SEC requirements, the vast majority of which our current arrangements already complied with.

The implementation of our long-term incentive plan is subject to the Global Incentive Plan Rules which were last approved by shareholders at the 2014 AGM. In line with UK regulations, the Rules need to be approved by shareholders at least every 10 years and will be submitted for approval at the 2023 AGM. The Committee, with its external legal advisers, has reviewed the Rules to ensure they reflect latest market practice.

Engagement during the year

Shareholder feedback has always played a vital role in the development of our executive remuneration policy and this is reflected in this year's shareholder consultation. As part of this engagement the Committee contacted shareholders with a combined holding of c.50% in Vodafone Group Plc. We also actively engaged with a variety of investor bodies and proxy agencies before finalising the Policy Report which will be submitted for approval at the 2023 AGM. I would like to thank all stakeholders that engaged in this year's review.

In terms of engaging the employee voice, as Workforce Engagement Lead, I attended meetings with both our European and African forums, with feedback and comments from the meetings subsequently presented back directly to the Board. The key topics raised by employee representatives this year focused on the cost of living support being provided, progress against our Race, Ethnicity and Cultural Heritage targets, internal talent development, and our wider business performance. I would like to thank the representatives from both forums for inviting me and for contributing to the discussions.

Click or scan to watch the Senior Independent Director and Chair of the Remuneration Committee explain her role: **investors.vodafone.com/videos**

When looking at the feedback from these forums and our other channels of engagement it is evident that our colleagues value the open and regular updates the business has given throughout the year, and the Board will ensure these continue in the year ahead.

Read more about our stakeholder engagement activities on pages 10 to 12 of this Annual Report

Fair pay

It is recognised that rising inflation levels and the subsequent cost of living crisis have impacted colleagues across a number of our markets this year. To help alleviate the impact of these pressures, targeted support was provided in locations including the UK, Turkey and Egypt. 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.

When making decisions on executive remuneration the Committee considers pay in the wider context including arrangements elsewhere in the business, our fair pay principles and stakeholder considerations.

Read more on page 100

Arrangements for 2024

Base salary and pension arrangements

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, was fair from a gender pay perspective given its long standing work on fair pay, as referenced above, and reflected both the responsibilities and demands of the role.

During the year no additional salary payment or allowance has been made to Margherita Della Valle 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 the search for a new Group Chief Financial Officer is complete.

Pension arrangements for Executive Directors will continue to remain aligned with the wider UK workforce at 10% of base salary.

Annual bonus ('GSTIP')

In recent years the performance measures have normally been equally weighted across service revenue, adjusted free cash flow, adjusted EBIT, and customer appreciation. The Committee adjusted these weightings ahead of the start of the FY24 plan to ensure performance against the strategic priorities of Growth and Customers is fully incentivised.

For the 2024 plan, measures under the annual bonus will be:

- **Growth (70%)**: service revenue (20%), adjusted EBIT (20%), adjusted free cash flow (20%) and revenue market share (10%).
- **Customers (30%)**: Net Promoter Score (20%), and churn (10%).

Global long-term incentive ('GLTI')

Following a comprehensive review of the GLTI structure the Committee determined that this will remain unchanged for 2024. The measures under the long-term incentive will continue to be weighted at 60% adjusted free cash flow, 30% relative TSR and 10% ESG.

Read more on pages 104 and 105

Remuneration Committee (continued)

Performance outcomes during 2023

GSTIP performance (1 April 2022 – 31 March 2023)
Annual bonus performance during the year was measured against both financial and strategic measures. The four measures were equally weighted at 25% each, with financial metrics constituting service revenue, adjusted EBIT and adjusted free cash flow whilst the strategic measure was linked to customer appreciation KPIs. These KPIs covered metrics including churn, revenue market share, and Net Promoter Score.

Performance under the service revenue, free cash flow and customer appreciation measures was above the mid-point of the target range whilst performance against EBIT was below the mid-point. The combined performance resulted in an overall bonus payout of 55.8% of maximum.

Read more
on pages 94 and 95

GLTI performance (1 April 2020 – 31 March 2023)
The 2021 GLTI award (granted November 2020) was subject to adjusted free cash flow (60% of total award), relative TSR (30% of total award), and ESG (10% of total award) performance. All performance conditions were measured over the three-year period ending 31 March 2023.

Final adjusted FCF performance finished above the mid-point of the range resulting in 72.7% of the adjusted FCF element vesting. Relative TSR performance was below the median of the peer group resulting in no vesting under this measure. ESG performance was assessed against three metrics and vested at 95.3%. This resulted in an overall vesting percentage for the 2021 GLTI of 53.2% of maximum.

Read more
on pages 95 and 96

Consideration of discretion
The Committee reviewed the appropriateness of the outcomes of both the annual bonus and long-term incentive plan in light of both the relevant performance targets and wider internal and external considerations across the respective measurement periods. Outcomes were reviewed against the wider employee experience during the periods under review with the Committee noting the steps taken in markets to help employees with the cost of living. The Committee also acknowledged that no windfall gains had occurred under the long-term incentive plan. It was agreed that the outcomes were appropriate and that no adjustments were required.

Looking forward

Following the conclusion of the 2023 AGM I will be stepping down as Chair of the Remuneration Committee. Amparo Moraleda will be appointed as Chair of the Committee and Dame Clara Furse will be stepping down as a member of the Committee with effect from the same date.

The rest of this report sets out both our proposed Policy Report, as will be submitted at the 2023 AGM, and our Annual Report on Remuneration, which sets out the decisions and outcomes summarised in this letter in further detail.

Valerie Gooding
Chair of the Remuneration Committee

16 May 2023

Remuneration at a glance

Component	2023 (year ending 31 March 2023)	2024 (year ending 31 March 2024)
Fixed pay		
Base salary	**Effective 1 July 2022:** Chief Executive: £1,081,500. Chief Financial Officer: £721,000. **Effective 1 January 2023:** Group Chief Executive on an interim basis and Chief Financial Officer: £1,081,500.	**Effective 27 April 2023:** Group Chief Executive and Chief Financial Officer: £1,250,000.
Benefits	Travel related benefits and private medical cover.	Travel related benefits and private medical cover.
Pension	Pension contribution of 10% of salary.	Pension contribution of 10% of salary.
Annual bonus		
GSTIP	**Opportunity (% of salary):** Target: 100%/Maximum: 200% **Measures:** Service revenue (25%), adjusted EBIT (25%), adjusted FCF (25%), and customer appreciation KPIs (25%).	**Opportunity (% of salary):** Target: 100%/Maximum: 200% **Measures:** Service revenue (20%), adjusted EBIT (20%), adjusted FCF (20%), revenue market share (10%), Net Promoter Score (20%), and churn (10%).
Long-term incentive		
GLTI	**Opportunity (% of salary – maximum):** Chief Executive: 500%/Other Executive Directors: 450% **Measures:** Adjusted free cash flow (60%), relative TSR (30%), and ESG (10%). **Performance/holding periods:** Three-year performance + two-year holding period.	**Opportunity (% of salary – maximum):** Chief Executive: 500%/Other Executive Directors: 450% **Measures:** Adjusted free cash flow (60%), relative TSR (30%), and ESG (10%). **Performance/holding periods:** Three-year performance + two-year holding period.

Remuneration Policy

In this forward-looking section we describe our Remuneration Policy for the Board. This includes our considerations when determining policy, a description of the elements of the reward package, including an indication of the potential future value of this package for the Executive Directors, and the policy applied to the Chair and Non-Executive Directors.

We will be seeking shareholder approval for our Remuneration Policy at the 2023 Annual General Meeting ('AGM') and we intend to implement it at that point. A summary and explanation of the proposed changes to the current Remuneration Policy is provided on page 85. The proposed Remuneration Policy submitted for shareholders' approval at the 2023 AGM does not differ substantively from the Remuneration Policy approved by shareholders in 2020 except for changes made to align the terms of the Remuneration Policy with the drafting of the rules of the new Global Incentive Plan 2023, which is also being submitted for shareholders' approval at the 2023 AGM. Subject to approval, we will review our Remuneration Policy each year to ensure that it continues to support our Company strategy and, if it is necessary to make a change to our Remuneration Policy within the next three years, we will seek prior shareholder approval for the change.

Considerations when determining our Remuneration Policy

To avoid conflicts of interest, the Remuneration Committee is entirely comprised of Non-Executive Directors (who are not eligible to participate in the Company's annual bonus or long-term incentive arrangements) and the Remuneration Committee ensures that individuals are not present when the Remuneration Committee discusses their own remuneration. A critical consideration for the Remuneration Committee when determining our Remuneration Policy is to ensure that it supports our Company purpose, strategy, and business objectives.

A variety of stakeholder views are taken into account when determining executive pay, including those of our shareholders, colleagues, and external bodies. Further details of how we engage with, and consider the views of, each of these stakeholders are set out on page 100.

In advance of submitting our Remuneration Policy for shareholder approval we ran a thorough consultation exercise with our major shareholders. We invited our top 25 shareholders (constituting a combined holding of c.50% of our issued share capital at the time of engagement) and a number of key governance stakeholders to comment on remuneration at Vodafone and to provide feedback on the proposed changes to the current Remuneration Policy which was approved at the 2020 AGM. A number of meetings between shareholders and the Remuneration Committee Chair took place during this consultation period.

Listening to and consulting with our employees is very important and the Remuneration Committee is supportive of the activities undertaken to engage the employee voice. Our engagement with employees can take different forms in different markets but includes a variety of channels and approaches including our annual people survey which attracts very high levels of participation and engagement, regular business leader Q&A sessions, and a number of internal digital communication platforms.

Our Workforce Engagement Lead also undertakes an annual attendance at our European employee forum, and a similar body which covers our African markets, with any questions or concerns raised by the employee representatives presented directly to the Board for consideration and discussion. Any actions taken by the Board are then fed back to these forums to ensure a two-way dialogue.

Whilst we do not formally consult directly with employees on the Remuneration Policy nor is any fixed remuneration comparison measurement used when determining the Remuneration Policy for Executive Directors, the Remuneration Committee is briefed on pay and employment conditions of employees in the Vodafone Group, with particular reference to the market in which the executive is based. The Company operates Sharesave, a UK all-employee share plan, as well as other discretionary share-based incentive arrangements, which means that the wider workforce have the opportunity to become shareholders in the Company and be able to vote on the Remuneration Policy in the same way as other shareholders. Further information on our approach to remuneration for other employees is given on page 90.

Performance measures and targets

Our Company strategy and business objectives are the primary consideration when we are selecting performance measures for our incentive plans. The targets within our incentive plans that are related to internal financial measures (such as revenue, profit and cash flow) are typically determined based on our budgets. Targets for strategic and external measures (such as customer-focused metrics, ESG measures, and total shareholder return ('TSR')) are set based on Company objectives and in light of the competitive marketplace. The threshold and maximum levels of performance are set to reflect minimum acceptable levels at threshold and very stretching levels at maximum.

As in previous Remuneration Reports, we will disclose the details of our performance metrics for our short- and long-term incentive plans. However, our annual bonus targets are commercially sensitive and therefore we will only disclose our targets in the Remuneration Report following the completion of the financial year. We will normally disclose the targets for each long-term award in the Remuneration Report for the financial year preceding the start of the performance period.

At the end of each performance period we review performance against the targets, using judgement to account for items such as (but not limited to) mergers, acquisitions, disposals, foreign exchange rate movements, changes in accounting treatment, material one-off tax settlements etc. The application of judgement is important to ensure that the final assessments of performance are fair and appropriate.

Malus and clawback

The Remuneration Committee reviews the incentive plan results before any payments are made to executives or any shares vest and has full discretion to adjust the final payment or vesting if they believe circumstances warrant it. In particular, the Remuneration Committee has the discretion to use either malus or clawback as it sees appropriate. In the case of malus, the award may lapse wholly or in part, may vest to a lesser extent than it would otherwise have vested or vesting may be delayed.

In the case of clawback, the Remuneration Committee may recover bonus amounts that have been paid up to three years after the relevant payment date, or recover share awards that have vested up to five years after the relevant grant date. In line with best practice guidance, the key trigger events for the use of the clawback arrangements include material misstatement of results, material miscalculation of performance condition outcomes, the Executive Director's gross misconduct, or breach of their restrictive covenants, the Executive Director causing a material financial loss to the Group as a result of reckless or negligent conduct or inappropriate values or behaviour, corporate failure or serious reputational damage.

Subject to approval of this Remuneration Policy, these arrangements will be applicable to all bonus amounts paid, or share awards granted, following the 2023 AGM. The current clawback arrangements, which are set out in the Remuneration Policy approved by shareholders at the 2020 AGM, have been applicable to all bonus amounts paid, or share awards granted, since the 2020 AGM.

The Remuneration Policy table

The table below summarises the main components of the reward package for Executive Directors.

Fixed pay: **Base salary**	
Purpose and link to strategy	**To attract and retain the best talent**
Operation	Salaries are usually reviewed annually and fixed for 12 months commencing 1 July. Decisions are influenced by: – the level of skill, experience and scope of responsibilities; – business performance, scarcity of talent, economic climate and market conditions; – increases elsewhere within the Group; and – external comparator groups (which are used for reference purposes only) made up of companies of similar size and complexity to Vodafone.
Opportunity	Average salary increases for existing Executive Committee members (including Executive Directors) will not normally exceed average increases for employees in other appropriate parts of the Group. Increases above this level may be made in specific situations. These situations could include (but are not limited to) internal promotions, changes to role, material changes to the business and exceptional Company performance.
Performance metrics	None.

Fixed pay: **Pension**	
Purpose and link to strategy	**To remain competitive within the marketplace**
Operation	– Executive Directors may choose to participate in the defined contribution pension scheme or to receive a cash allowance in lieu of pension.
Opportunity	– The pension contribution or cash payment is equal to the maximum employer contribution available to our UK employees under our Defined Contribution scheme (currently 10% of annual gross salary).
Performance metrics	None.

Fixed pay: **Benefits**	
Purpose and link to strategy	**To aid retention and remain competitive within the marketplace**
Operation	– Travel-related benefits. These may include (but are not limited to) a company car or cash allowance, fuel and access to a driver where appropriate. – Private medical, death and disability insurance and annual health checks for the Executive Directors and their families. – In the event that we ask an individual to relocate we would offer them support in line with Vodafone's relocation and international assignment policies. This may cover (but is not limited to) relocation, cost of living allowance, housing, home leave, education support, and tax equalisation and advice. – Legal and tax support fees if appropriate. – Other benefits are also offered in line with the benefits offered to other employees, for example, our all-employee share plan, mobile phone discounts, maternity/paternity benefits, sick leave, paid holiday etc.
Opportunity	– Benefits will be provided in line with appropriate levels indicated by local market practice in the country of employment, though no monetary maximum has been set. – We expect to maintain benefits at the current level but the value of any benefit may fluctuate depending on, amongst other things, personal situation, insurance premiums and other external factors.
Performance metrics	None.

Annual bonus – **Global Short-Term Incentive Plan ('GSTIP')**	
Purpose and link to strategy	**To drive behaviour and communicate the key priorities for the year.** **To motivate employees and incentivise delivery of performance over the one-year operating cycle.** **The financial metrics drive our growth strategies whilst also focusing on improving operating efficiencies.** **The strategic measures aim to ensure a great customer experience remains at the heart of what we do.**
Operation	– Bonus levels and the appropriateness of measures and weightings are reviewed annually to ensure they continue to support our strategy. – Performance over the financial year is measured against stretching financial and non-financial performance targets set at the start of the financial year. – The annual bonus is usually paid in cash in June each year for performance over the previous year. A mandatory deferral of 25% of post-tax bonus earned into shares for two years will normally apply except where an Executive Director has met or exceeded their share ownership requirement. The Remuneration Committee retains the discretion to adjust the size of the bonus based on the achievement of the relevant performance conditions to reflect the Company's and the Executive Director's underlying performance and any other factors the Remuneration Committee considers appropriate.
Opportunity	– Bonuses can range from 0 to 200% of base salary, with 100% paid for on-target performance.
Performance metrics	– Performance over each financial year is measured against stretching targets set at the beginning of the year. – The performance measures normally comprise a mix of financial and strategic measures. Financial measures may include (but are not limited to) profit, revenue and cash flow with a weighting of no less than 50%. Strategic measures may include (but are not limited to) customer appreciation KPIs such as churn, revenue market share, and NPS.

Long-term incentive – **Global Long-Term Incentive Plan ('GLTI')**	
Purpose and link to strategy	**To motivate and incentivise delivery of sustained performance over the long term.** **To support and encourage greater shareholder alignment through a high level of personal share ownership.** **The use of free cash flow as the principal performance measure ensures we apply prudent cash management and rigorous capital discipline to our investment decisions.** **The use of TSR along with a performance period of not less than three years means that we are focused on the long-term interests of our shareholders.** **The use of ESG metrics reflects the importance of our performance and progress against our long-term ambitions in this area.**
Operation	– Award levels and the framework for determining vesting are reviewed annually. – Long-term incentive awards consist of awards of shares subject to performance conditions which are granted in respect of any financial year. – Awards will vest based on Group performance against the performance metrics set out below, measured over a period of normally not less than three years. In exceptional circumstances, such as but not limited to where a delay to the grant date is required, the Remuneration Committee may set a vesting period of less than three years, although awards will continue to be subject to a performance period of at least three years. – Awards may be subject to a mandatory two-year post-vesting holding period before the underlying shares can be sold. – Dividend equivalents are paid in cash and/or shares by reference to the vesting period (and holding period, if applicable) in respect of shares that vest.
Opportunity	– Maximum long-term incentive face value at award of 500% of base salary for the Chief Executive and 450% for other Executive Directors in respect of any financial year. – Threshold long-term incentive face value at award is 20% of maximum opportunity. Minimum vesting is 0% of maximum opportunity. Awards vest on a straight-line basis between threshold and maximum. – The Remuneration Committee retains the discretion to adjust the extent to which an award vests based on the achievement of the relevant performance conditions and to reflect the Company's and Executive Director's underlying performance and any other factors the Remuneration Committee considers appropriate. In addition, the Remuneration Committee has the discretion to reduce long-term incentive grant levels for Executive Directors who have neither met their shareholding guideline nor increased their shareholding by 100% of salary during the year.
Performance metrics	– Performance is measured against stretching targets set at the time of grant. – Vesting is determined based on the following measures: adjusted free cash flow as our operational performance measure, relative TSR against a peer group of companies as our external performance measure, and ESG as a measure of our external impact and commitment to our purpose. – Weightings will be determined each year and will normally constitute 60% on adjusted free cash flow, 30% on relative total shareholder return, and 10% on ESG. The Remuneration Committee will determine the actual weighting of an award prior to grant, taking into account all relevant information.

Notes to the Remuneration Policy table

Existing arrangements

We will honour existing awards, incentives, benefits and contractual arrangements made to individuals prior to their promotion to the Board and/or prior to the approval and implementation of this Remuneration Policy. For the avoidance of doubt this includes payments in respect of any award granted under any previous Remuneration Policy. This will last until the existing incentives vest (or lapse) or the benefits or contractual arrangements no longer apply.

Long-term incentive ('GLTI')

When referring to our long-term incentive awards we use the financial year end in which the award was made. For example, the "2023 award" was made in the financial year ending 31 March 2023. The awards are usually made in the first half of the financial year.

The extent to which awards vest depends on three performance conditions:

- underlying operational performance as measured by adjusted free cash flow;
- relative Total Shareholder Return ('TSR') against a peer group median; and
- performance against our Environmental, Social, and Governance ('ESG') targets.

Further details of these performance conditions are set out below. The Remuneration Committee reserves the right during the lifetime of the Remuneration Policy to change the performance conditions applicable to GLTI awards to other financial, shareholder return and strategic metrics, if the Remuneration Committee determines that to do so would be in the best interests of the Company. However, in such circumstances, the majority of the GLTI awards would continue to remain subject to financial performance targets. The Remuneration Committee would engage with major shareholders prior to changing the performance conditions applicable to GLTI awards in this way.

Adjusted free cash flow

The free cash flow performance is based on the cumulative adjusted free cash flow figure over the performance period. The detailed targets and the definition of adjusted free cash flow are determined each year as appropriate. The target adjusted free cash flow level is set by reference to our long-range plan and market expectations. The Remuneration Committee sets these targets to be sufficiently demanding and with significant stretch.

The cumulative adjusted free cash flow vesting levels as a percentage of the award subject to this performance element are shown in the table below (with linear interpolation between points):

Performance	Vesting percentage (% of FCF element)
Below threshold	0%
Threshold	20%
Maximum	100%

Relative TSR

We have a limited number of appropriate peers and this makes the measurement of a relative ranking system volatile. As such, the outperformance of the median of a peer group is felt to be the most appropriate TSR measure. The peer group and outperformance range for the performance condition are reviewed each year and amended as appropriate.

The TSR vesting levels as a percentage of the award subject to this performance element are shown in the table below (with linear interpolation between points):

Performance	Vesting percentage (% of TSR element)
Below threshold	0%
Threshold (median)	20%
Maximum (outperformance of median as determined per award)	100%

In order to determine the percentages for the equivalent outperformance levels above median, the Remuneration Committee seeks independent external advice.

ESG performance

Our ESG targets are set on an annual basis (in accordance with our approach for our other performance measures) and are aligned to our externally communicated ambitions in this area. Where performance is below the agreed ambition, the Remuneration Committee will use its discretion to assess vesting based on performance against the stated ambition and any other relevant information.

Remuneration policy for other employees

While our remuneration policy follows the same fundamental principles across the Group, packages offered to employees reflect differences in market practice in the different countries, role and seniority.

For example, the remuneration package elements for our Executive Committee are essentially the same as for the Executive Directors with some minor differences, for example smaller levels of share awards and local variances where appropriate. The remuneration for the next level of management, our Senior Leadership Team, again follows the same principles with local and/or individual performance aspects in the annual bonus targets and GLTI awards. They also receive lower levels of share awards which are partly delivered in conditional share awards without performance conditions.

Estimates of total future potential remuneration from 2024 pay packages

The tables below provide estimates of the potential future remuneration for Executive Directors based on the remuneration opportunity to be granted in the 2024 financial year. Potential outcomes based on different performance scenarios are provided in accordance with the relevant regulatory requirements.

The assumptions underlying each scenario are described below.

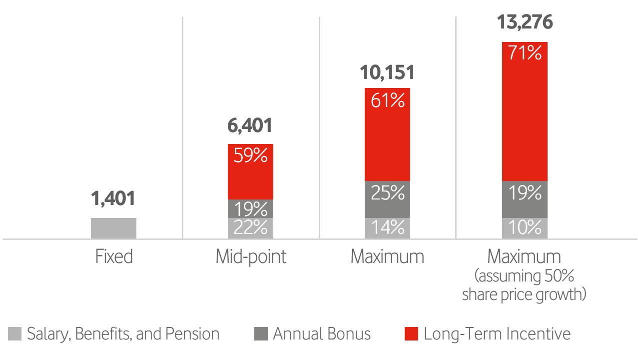
Fixed	Consists of base salary, benefits and pension.
	Base salary is at 1 July 2023.
	Benefits are valued using the figures in the total remuneration for the 2023 financial year table on page 94 (of the 2023 annual report).
	Pensions are valued by applying cash allowance rate of 10% of base salary at 1 July 2023.

	Base (£'000)	Benefits (£'000)	Pension (£'000)	Total fixed (£'000)
Group Chief Executive and Chief Financial Officer	1,250	26	125	1,401

Mid-point	Based on what a Director would receive if performance was in line with the Company's business plan.
	The opportunity for the annual bonus ('GSTIP') is 100% of base salary under this scenario.
	The opportunity for the long-term incentive ('GLTI') reflects assumed achievement mid-way between threshold and maximum performance.
Maximum	The maximum award opportunity for the GSTIP is 200% of base salary.
	The maximum GLTI opportunity reflects full vesting based on the maximum award levels set out in this Remuneration Policy (i.e. 500% of base salary for the Chief Executive and 450% of base salary for the Chief Financial Officer).
Maximum +50%	The same assumptions apply as for 'Maximum' but with a 50% uplift in the value of the GLTI award.
All scenarios	Long-term incentives consist of share awards only which are measured at face value, i.e. no assumption is made for dividend equivalents which may be payable.

Margherita Della Valle

Group Chief Executive and Chief Financial Officer £'000



Recruitment remuneration

Our approach to recruitment remuneration is to pay no more than is necessary and appropriate to attract the right talent to the role.

The Remuneration Policy table (pages 88 and 89) sets out the various components which would be considered for inclusion in the remuneration package for the appointment of an Executive Director. Any new Director's remuneration package will take into account the elements and constraints of those of the existing Directors performing similar roles and the individual circumstances of the new Director. This means a potential maximum bonus opportunity of 200% of base salary and long-term incentive maximum face value of opportunity at award of 500% of base salary.

When considering the remuneration arrangements of individuals recruited from external roles to the Board, we will take into account the remuneration package of that individual in their prior role. We only provide additional compensation to individuals for awards forgone. If necessary we will seek to replicate, as far as practicable, the level and timing of such remuneration, taking into account also any remaining performance requirements applying to it. This will be achieved by granting awards of cash or shares that vest over a timeframe similar to those forfeited and, if appropriate, based on performance conditions. A commensurate reduction in quantum will be applied where it is determined that the new awards are either not subject to performance conditions or subject to performance conditions that are not as stretching as those of the awards forfeited. Where it is not practicable to grant these 'buy-out' awards using the GLTI rules submitted to shareholders at the 2023 AGM, the Company may grant these awards using bespoke arrangements.

Service contracts of Executive Directors

Executive Directors' contracts have rolling terms and can be terminated with no more than 12 months' notice.

The key elements of the service contract for Executive Directors relate to remuneration, payments on loss of office (see next page), and restrictions during active employment (and for 12 months thereafter). These restrictions include non-competition and non-solicitation of customers and employees.

Treatment of corporate events

All of the Company's share plans contain provisions relating to a change of control of the Company. Outstanding awards and options would normally vest and become exercisable on a change of control taking into account, in respect of GLTI awards, the extent to which, in the Remuneration Committee's opinion, any relevant performance conditions are satisfied, the Company's and the Executive Director's performance, any other relevant factors and, unless the Remuneration Committee determines otherwise, the proportion of the vesting period that has elapsed.

In the event of a demerger, distribution (other than an ordinary dividend) or other transaction which would affect the current or future value of any award, the Remuneration Committee may allow awards to vest on the same basis as for a change of control described above. Alternatively, an adjustment may be made to the number of shares if considered appropriate.

Payments for departing Executive Directors

In the table below we summarise the key elements of our Remuneration Policy on payments for loss of office. We will always comply both with the relevant plan rules and local employment legislation. The Remuneration Committee may make any statutory payment that is required in any relevant jurisdiction.

Provision	Policy
Notice period and compensation for loss of office in service contracts	– 12 months' notice from the Company to the Executive Director. – Up to 12 months' base salary and contractual benefits (in line with the notice period). Notice period payments will either be made as normal (if the Executive Director continues to work during the notice period or is on gardening leave) or they will be made as monthly payments in lieu of notice (subject to mitigation if alternative employment is obtained).
Treatment of annual bonus ('GSTIP') on termination under plan rules	– The annual bonus may be pro-rated for the period of service during the financial year and will reflect the extent to which Company performance has been achieved. The annual bonus may be paid in such proportions of cash and shares, and subject to such deferral arrangements, as the Remuneration Committee may determine. – The Remuneration Committee has discretion to adjust the entitlement to an annual bonus to reflect the individual's performance and the circumstances of the termination.
Treatment of unvested long-term incentive awards ('GLTI') on termination under plan rules	– Normally, unvested GLTI awards will lapse when an Executive Director leaves the Group. However, an Executive Director's award will vest in accordance with the terms of the plan to the extent determined by the Remuneration Committee taking into account applicable performance conditions, the underlying performance of the Company and of the Executive Director and any other relevant factors, if the Executive Director dies in service or leaves because of their ill health, injury, disability, redundancy or retirement, or the sale of their employing company or business out of the Group or for any other reason determined by the Remuneration Committee, more than five months after the month in which the award is granted. The Remuneration Committee has discretion to determine whether the award will vest at the normal vesting date or earlier. The Remuneration Committee will determine the satisfaction of performance conditions applicable to the award. Awards will, unless the Remuneration Committee determines otherwise, be pro-rated for the proportion of the vesting period that had elapsed at the date the Executive Director leaves the Group. – The Remuneration Committee has discretion to vary the level of vesting as deemed appropriate, and in particular to determine that awards should not vest for reasons which may include, at their absolute discretion, departure in case of poor performance, departure without the agreement of the Board, or detrimental competitive activity.
Pension and benefits	– Generally pension and benefit provisions will continue to apply until the termination date. – Where appropriate other benefits may be receivable, such as (but not limited to) payments in lieu of accrued holiday, legal fees, tax advice costs in relation to the termination and outplacement support. – Benefits of relatively small value may continue after termination where appropriate, such as (but not limited to) mobile phone provision.

In exceptional circumstances, an arrangement may be established specifically to facilitate the exit of a particular individual albeit that any such arrangement would be made within the context of minimising the cost to the Group. We will only take such a course of action in exceptional circumstances and where it is considered to be in the best interests of shareholders.

Chair and Non-Executive Directors' remuneration

Our policy is for the Chair to review the remuneration of Non-Executive Directors annually following consultation with the Remuneration Committee Chair. Fees for the Chair are set by the Remuneration Committee.

Element	Policy
Fees	– We aim to pay competitively for the role including consideration of the time commitment required. We benchmark the fees against an appropriate external comparator group. We pay a fee to our Chair which includes fees for chair of any committees. We pay a fee to each of our other Non-Executive Directors and they may receive an additional fee if they chair or are a member of a committee and/or hold the position of Senior Independent Director (although the Remuneration Committee does not currently intend to award additional fees for serving on a Board committee, other than for chairing that committee). Non-Executive Directors' fee levels are set within the maximum level as approved by shareholders as part of our Articles of Association. We review the structure of fees from time to time and may, as appropriate, make changes to the manner in which total fees are structured, including but not limited to any additional chair or membership fees.
Allowances	– Under a legacy arrangement, an allowance is payable each time certain non-Europe-based Non-Executive Directors are required to travel to attend Board and committee meetings to reflect the additional time commitment involved.
Incentives	– Non-Executive Directors do not participate in any incentive plans.
Benefits	– Non-Executive Directors do not participate in any benefit plans. The Company does not provide any contribution to their pension arrangements. The Chair is entitled to the use of a car and a driver whenever and wherever they are providing their services to or representing the Company. We have been advised that for Non-Executive Directors, certain travel and accommodation expenses in relation to attending Board meetings should be treated as a taxable benefit, therefore we also cover the tax liability for these expenses.

Non-Executive Director letters of appointment

Non-Executive Directors are engaged on letters of appointment that set out their duties and responsibilities. The appointment of Non-Executive Directors may be terminated without compensation. Non-Executive Directors are generally not expected to serve for a period exceeding nine years. For further information refer to the Nominations and Governance Committee section of the Annual Report.

Annual Report on Remuneration

Remuneration Committee

In this section we give details of the composition of the Remuneration Committee (the 'Committee') and activities undertaken during the 2023 financial year. The Committee's function is to exercise independent judgement and consists only of the following independent Non-Executive Directors:

Chair: Valerie Gooding
Committee members: Delphine Ernotte Cunci (appointed 8 November 2022), Michel Demaré and Dame Clara Furse

Following the announcement on 10 May 2023, Valerie Gooding and Dame Clara Furse will be stepping down from the Committee with effect from the conclusion of the 2023 AGM. Amparo Moraleda will join as Committee Chair with effect from the same date.

The Committee regularly consults with Margherita Della Valle, who was appointed as the Group Chief Executive effective 27 April 2023 (and also held the position on an interim basis effective 1 January 2023) and Leanne Wood, the Chief Human Resources Officer, on various matters relating to the appropriateness of awards for Executive Directors and senior executives, though they are not present when their own compensation is discussed. In addition, James Ludlow, the Group Reward and Policy Director, provides a perspective on information provided to the Committee, and requests information and analysis from external advisers as required. Maaike de Bie, the Group General Counsel and Company Secretary, advises the Committee on corporate governance guidelines and is Secretary to the Committee.

External advisers

The Committee seeks and considers advice from independent remuneration advisers where appropriate. The appointed advisers, WTW, were appointed by the Committee in 2007. The Chair of the Committee has direct access to these advisers as and when required, and the Committee determines the protocols by which these advisers interact with management in support of the Committee. The advice and recommendations of the external advisers are used as a guide, but do not serve as a substitute for thorough consideration of the issues by each Committee member. Advisers attend Committee meetings occasionally, as and when required by the Committee.

WTW is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the Remuneration Consultants' Group Code of Conduct in relation to executive remuneration consulting in the UK. This is based upon principles of transparency, integrity, objectivity, competence, due care and confidentiality by executive remuneration consultants. WTW has confirmed that it adheres to that Code of Conduct throughout the year for all remuneration services provided to Vodafone and therefore the Committee is satisfied that it is independent and objective. The Remuneration Consultants' Group Code of Conduct is available at remunerationconsultantsgroup.com.

Adviser	Appointed by	Services provided to the Committee	Fees for services provided to the Committee £'000[1]	Other services provided to the Company
WTW	Remuneration Committee in 2007	Advice on market practice; governance; provision of market data on executive reward; reward consultancy; and performance analysis.	£179	Reward and benefits consultancy; provision of benchmark data; outsourced pension administration; and insurance consultancy services.

Note:
1. Fees are determined on a time spent basis.

2020 Annual General Meeting – Remuneration Policy voting results

At the 2020 Annual General Meeting there was a binding vote on our Remuneration Policy. Details of the voting outcomes are provided in the table below.

	Votes for	%	Votes against	%	Total votes	Withheld
Remuneration Policy	17,195,227,349	96.41	639,935,461	3.59	17,835,162,810	185,334,870

2022 Annual General Meeting – Remuneration Report voting results

At the 2022 Annual General Meeting there was an advisory vote on our Remuneration Report. Details of the voting outcomes are provided in the table below.

	Votes for	%	Votes against	%	Total votes	Withheld
Remuneration Report	19,086,924,682	97.90	409,978,557	2.10	19,496,903,239	47,875,529

Meetings

The Remuneration Committee normally has five scheduled meetings per year, held either in person or via conference call. Details of the principal agenda items for these meetings for the year under review are set out below. In addition to these scheduled meetings, ad hoc meetings or conference calls can also take place when required. Meeting attendance can be found on page 60.

Meeting	Agenda items	
May 2022	– 2022 annual bonus achievement and 2023 targets/ranges – 2020 long-term incentive award vesting and 2023 targets/ranges	– External market update – 2022 Directors' Remuneration Report – 2022 shareholder update
July 2022	– 2022 AGM update – Remuneration Policy review	– Share plan update
November 2022	– 2023 shareholder engagement – Remuneration Policy review	– 2024 short-term incentive structure – Share plan update
January 2023	– 2023 shareholder engagement – Share plan update	– External market update – Gender Pay Gap reporting
March 2023	– Risk assessment of incentive plans – Remuneration arrangements across Vodafone – Committee's terms of reference	– Chair and Non-Executive Director fee levels – 2024 reward packages for the Executive Committee – 2023 Directors' Remuneration Report

2023 remuneration

In this section we summarise the pay packages awarded to our Executive Directors for performance in the 2023 financial year versus 2022. Specifically, we have provided a table that shows all remuneration that was earned by each individual during the year and computed a single total remuneration figure for the year. The value of the annual bonus ('GSTIP') reflects what was earned in respect of the year but will be paid out in cash in the following year. Similarly the value of the long-term incentive ('GLTI') reflects the share awards which will vest in August 2023 as a result of the performance through the three-year period ended at the completion of our financial year on 31 March 2023.

Consideration of the use of discretion

The Remuneration Committee reviews all incentive awards prior to payment and uses judgement to ensure that the final assessments of performance are fair and appropriate. If circumstances warrant it, the Committee may adjust the final payment or vesting.

The Committee reviewed incentive outcomes at the May 2023 meeting and considered the appropriateness of outcomes in light of wider financial and business performance and the wider employee experience across the relevant measurement periods for both the short-term and long-term incentive plans. The Committee agreed the outcomes were appropriate and that no adjustments were required to either the short-term or long-term incentive outcomes this year,

Board changes

Throughout the year under review Margherita Della Valle held the position of Chief Financial Officer and, prior to her permanent appointment as Group Chief Executive on 27 April 2023, was also appointed Group Chief Executive on an interim basis effective 1 January 2023. Margherita's 2023 single figure therefore reflects remuneration received in respect of her time in both of these executive positions, whereas her 2022 single figure reflects remuneration received solely in respect of her role as Chief Financial Officer.

In line with the reporting regulations, the single figure for Nick Read reflects remuneration received in respect of services rendered as a Board Director (i.e. from 1 April 2022 to 31 December 2022). The single figure table and supporting notes do not include values in respect of Nick's employment between 1 January 2023 to 31 March 2023 nor contractual loss of office payments which can instead be found on page 99.

Total remuneration for the 2023 financial year (audited)

	Margherita Della Valle		Nick Read	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Salary/fees	806	700	803	1,050
Taxable benefits[1]	26	22	42	42
Annual bonus: GSTIP (see below for further detail)	1,206	968	904	1,452
Total long-term incentive:	1,570	927	2,045	1,523
GLTI awards[2,3]	*1,258*	*783*	*1,639*	*1,287*
GLTI dividends[4]	*312*	*144*	*406*	*236*
Pension/cash in lieu of pension	81	70	80	105
Other[5]	–	–	1	1
Total	**3,689**	**2,687**	**3,875**	**4,173**
Total Fixed Remuneration	*913*	*792*	*926*	*1,198*
Total Variable Remuneration	*2,776*	*1,895*	*2,949*	*2,975*

Notes:
1. Taxable benefits include amounts in respect of:
   – Private healthcare (2023: Margherita Della Valle £2,575, Nick Read £1,931; 2022: Margherita Della Valle £2,153, 2022: Nick Read £2,189);
   – Cash car allowance £19,200 p.a.; and
   – Travel (2023: Margherita Della Valle £4,235, Nick Read £22,127; 2022: Margherita Della Valle £1,141, Nick Read £20,626).
2. The share prices used for the 2022 and 2023 values, as set out in note 3 below, are lower than the grant prices for the respective awards. As such, no amount of the value shown in the 2022 or 2023 column is attributable to share price appreciation during the performance or vesting periods.
3. The value shown in the 2022 column is the award which vested on 26 June 2022 in respect of Nick Read and Margherita Della Valle, and is valued using the execution share price on 26 June 2022 of 126.82 pence. The value shown in the 2023 column is the award which vests on 3 August 2023 and is valued using an average closing share price over the last quarter of the 2023 financial year of 93.85 pence.
4. Margherita Della Valle and Nick Read receive a cash award equivalent in value to the dividends that would have been paid during the vesting period on any shares that vest. The dividend value shown in 2023 relates to awards vesting on 3 August 2023.
5. Reflects the value of the SAYE benefit which is calculated as £375 x 20% per monthly contribution to reflect the discount applied based on savings made during the year.

2023 annual bonus ('GSTIP') payout (audited)

In the table below we disclose our achievement against each of the performance measures and targets in our annual bonus ('GSTIP') and the resulting total annual bonus payout level for the year ended 31 March 2023 of 55.8% of maximum. This is applied to the maximum bonus level of 200% of base salary for each Executive Director. Commentary on our performance against each measure is provided on the next page.

Performance measure	Payout at maximum performance (% of salary)	Actual payout (% of salary)	Actual payout (% of overall bonus maximum)	Threshold performance level €bn	Target performance level €bn	Maximum performance level €bn	Actual performance level[1] €bn
Service revenue	50.0%	31.0%	15.5%	37.3	38.4	39.5	38.7
Adjusted EBIT	50.0%	16.6%	8.3%	5.2	6.0	6.7	5.7
Adjusted free cash flow	50.0%	36.4%	18.2%	4.5	5.0	5.5	5.2
Customer appreciation KPIs	50.0%	27.5%	13.8%	See overleaf for further details			
Total annual bonus payout level	**200.0%**	**111.5%**	**55.8%**				

Note:
1. These figures are adjusted for the impact of M&A, foreign exchange movements and any changes in accounting treatment.

Financial metrics

As set out in the table above, service revenue and free cash flow finished above the mid-points of the respective target ranges whilst EBIT finished below the mid-point of the respective target range.

Customer appreciation KPIs

An assessment of performance under the customer appreciation KPIs measure was conducted on a market-by-market basis. Each market was assessed against a number of different metrics which included:

- Churn – defined as total gross customer disconnections in the period divided by the average total customers in the period.
- Revenue market share – based on our total service revenue and that of our competitors in the markets we operate in.
- Net Promoter Score ('NPS') for both Consumer and Vodafone Business – defined as the extent to which our customers would recommend us.

All measures utilise data from our local markets which is collected and validated for quality and consistency by independent third-party agencies where possible. Further details on our performance against each key metric is set out below.

The business recorded positive churn results despite difficult and volatile market conditions linked to increasing price pressures. We experienced positive results across both mobile and fixed services in Portugal, and it was a particularly strong year for mobile churn in Italy, Turkey and South Africa. Network challenges in markets including Albania meant fixed service performance was more mixed although customer loyalty remained strong in a number of markets including the UK.

We continued to perform against revenue market share despite fierce competition across our markets. Strong performance was recorded in the UK, Egypt, Romania, and Ireland all of which demonstrated competitive resilience against this backdrop. Intense competition and increasing price pressures, particularly in some of our larger European markets, was also reflected in our overall position against this metric.

Consumer NPS performance during the year saw us retain market leader or co-leader positions in several markets including Italy and Egypt, with Portugal, Albania and Tanzania all retaining a significant lead. We also improved or defended our position to 'next-best' competitor in the UK, Spain and South Africa, although faced challenges in Greece and Turkey.

Stable Business NPS performance was recorded in the year, reflected in leading positions retained or strengthened in several markets, including South Africa, Portugal and Albania. While there remains some market difficulties in Egypt and Spain, we have seen advancements in markets like Italy where we have attained a market leader position.

It is within this context that overall performance against our customer appreciation KPI metrics during the year was judged to be above the mid-point of the target range. The aggregated performance for the Group is calculated on a revenue-weighted average to give an overall achievement. The overall Group achievement for the year was 55.0% of maximum.

Overall outcome

2023 annual bonus ('GSTIP') amounts	Base salary £'000	Maximum bonus % of base salary	2023 payout % of maximum	Actual payment £'000
Margherita Della Valle	1,082	200%	55.8%	1,206[1]
Nick Read	1,082	200%	55.8%	904[2]

Notes:

1. 25% of Margherita Della Valle's post-tax bonus will be deferred into shares for two years.
2. Reflects bonus paid in respect of services rendered as a Board Director for the period 1 April 2022 to 31 December 2022. Further details are provided on page 99.

Long-term incentive ('GLTI') award vesting in August 2023 (audited)

Vesting outcome

The 2021 long-term incentive ('GLTI') awards which were made to executives in November 2020 will vest at 53.2% of maximum in August 2023. The performance conditions for the three-year period ending in the 2023 financial year are as follows:

Adjusted FCF performance – 60% of total award (€bn)	
Below threshold	<14.70
Threshold	14.70
Maximum	16.70

TSR outperformance – 30% of total award	
Below threshold	Below median
Threshold	Median
Maximum	8.50% p.a.

TSR peer group	
BT Group	Orange
Deutsche Telekom	Royal KPN
Liberty Global	Telecom Italia
MTN	Telefónica
Telefónica Deutschland	

ESG performance – 10% of total award

Purpose pillar	ESG metric for 2021 GLTI	Overall ambition at time of 2021 GLTI	Baseline position for 2021 GLTI	Ambition for 2021 GLTI (10% of total award)
Planet	Greenhouse gas reduction	50% reduction from FY17 baseline by 2025	11% reduction from FY17 baseline at 31 March 2020	40% reduction from FY17 baseline by 31 March 2023
Inclusion for All	Women in management	40% representation of women in management by 2030	31% representation of women in management at 31 March 2020	34% representation of women in management by 31 March 2023
Digital Society	M-Pesa connections	Connect >50m people and their families to mobile money by 2025	40.5m connections at 31 March 2020	56m connections by 31 March 2023

Annual Report on Remuneration (continued)

The adjusted free cash flow for the three-year period ended on 31 March 2023 was €16.0 billion and equates to vesting under the FCF element of 72.7% of maximum.

The chart to the right shows that our TSR performance over the three-year period ended on 31 March 2023 was below the median of the peer group resulting in no vesting under this measure.

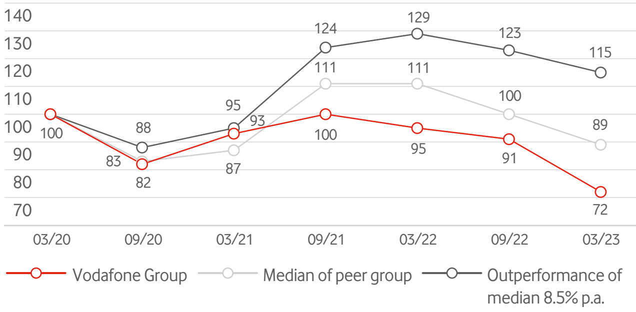
ESG performance across our three metrics was as follows:

- GHG reduction – GHG reduction of 65% as at 31 March 2023 from the FY17 baseline.
- Women In Management – 34% representation of women in management at 31 March 2023.
- M-Pesa – 53.2m connections at 31 March 2023.

The Committee reviewed the above performance and determined vesting under the ESG element of 95.3% of maximum. This reflected full achievement under the GHG reduction metric where the ambition was exceeded and the Women in Management metric where the ambition was achieved, and partial vesting under the M-Pesa metric where strong progress against the stretching ambition was made.

2021 GLTI award: TSR performance

Growth in the value of a hypothetical US$100 holding over the performance period, six month averaging



The vesting outcome when applied to the number of shares granted is set out in the table below.

2021 GLTI share awards subject to performance conditions vesting in August 2023	Maximum number of shares	Adjusted free cash flow performance payout % of maximum	Relative TSR performance payout % of maximum	ESG performance payout % of maximum	Weighted performance payout % of maximum	Number of shares vesting	Value of shares vesting ('000)
Margherita Della Valle	2,522,017	72.7%	0%	95.3%	53.2%	1,340,956	£1,258
Nick Read	3,283,876[1]	72.7%	0%	95.3%	53.2%	1,746,036	£1,639

Note:
1. Reflects time pro-rated award in respect of services rendered as a Board Director to 31 December 2022.

Specified procedures are performed by our internal audit team over the adjusted free cash flow to assist with the Committee's assessment of performance. The performance assessment in respect of the TSR measure is undertaken by WTW. ESG performance is reviewed by the ESG Committee and the Audit and Risk Committee prior to being presented to the Remuneration Committee for consideration. Details of how the plan works can be found in the Remuneration Policy.

Long-term incentive ('GLTI') awarded during the year (audited)

The independent performance conditions for the 2023 long-term incentive awards made in July 2022, and subject to a three-year performance period ending 31 March 2025, are adjusted free cash flow (60% of total award), relative TSR (30% of total award) and ESG (10% of total award) performance as follows:

Adjusted FCF performance (60% of total award)	Adjusted FCF performance (€bn)	Vesting percentage (% of FCF element)
Below threshold	<14.0	0%
Threshold	14.0	20%
Maximum	16.6	100%

TSR performance (30% of total award)	TSR outperformance	Vesting percentage (% of TSR element)
Below threshold	Below median	0%
Threshold	Median	20%
Maximum	8.50% p.a.	100%

TSR peer group			
BT Group	Deutsche Telekom	Liberty Global	MTN
Orange	Royal KPN	Telecom Italia	Telefónica
Telefónica Deutschland			

ESG performance – 10% of total award				
Purpose pillar	ESG metric for 2023 GLTI	Overall ambition	Baseline position for 2023 GLTI	Ambition for 2023 GLTI
Planet	Net zero	Net zero under Scope 1 & 2 by 2030[1]	46% reduction in Scope 1 & 2 emissions versus a FY20 baseline at 31 March 2022	80% reduction in Scope 1 & 2 emissions versus a FY20 baseline by 31 March 2025
Inclusion for All	Female representation in management	40% representation of women in management by 2030	32% representation of women in management at 31 March 2022	35% representation of women in management by 31 March 2025
Digital Society/ Inclusion for All	Financial inclusion customers	>75m financial inclusion customers by 2026	54.5m financial inclusion customers at 31 March 2022	70.0m financial inclusion customers by 31 March 2025

Note:
1. This carbon reduction ambition has been approved by the Science Based Targets initiative.

The table below sets out the conditional awards of shares made to the Executive Directors in July 2022.

2023 GLTI performance share awards made in July 2022[1]	Maximum vesting level (number of shares)	Maximum vesting level (face value[2])	Proportion of maximum award vesting at minimum performance	Performance period end
Margherita Della Valle	4,419,335	£5,407,498	1/5th	31 Mar 2025
Nick Read	4,290,617	£5,249,999	1/5th	31 Mar 2025

Notes:
1. GLTI awards were granted as conditional share awards over shares with a value equal to the percentages of salary referred to on page 86. Margherita's maximum vesting reflects the 2023 GLTI award made in July 2022 and the subsequent top-up GLTI award made in February 2023 following her change in role. Nick's maximum vesting reflects the number of shares granted at maximum in July 2022 and which will be pro-rated for time worked (see page 99 for further details). Dividend equivalents on the shares that vest are paid in cash after the vesting date.
2. Face value calculated based on the closing share price on 26 July 2022 (day immediately preceding the date of the July grant) of 122.4 pence. This share price was also used when calculating Margherita's February 2023 grant.

Outstanding awards
The structure for awards made in August 2021 (vesting August 2024) and July 2022 (vesting July 2025) is set out on the previous page. Further details of the structure of these awards, and relevant targets, can be found in the Annual Report on Remuneration of the relevant year.

All-employee share plans
During the year the Executive Directors were eligible to participate in the Vodafone Group Sharesave Plan which is a HM Revenue & Customs ('HMRC') approved scheme. Options under the plan are granted at up to a 20% discount to market value and Executive Directors' participation is included in the option table on page 99.

Pensions (audited)
During the 2023 financial year, Margherita Della Valle accrued benefits under the defined contribution pension plan of £3,999.96, with the remainder of her 10% of base salary pension benefit for the year delivered as a cash allowance. Nick Read received a pro-rated cash allowance of 10% of base salary.

Margherita Della Valle has not participated in a Vodafone sponsored defined benefit scheme during her employment. Nick Read is a deferred member of the Vodafone Group Pension Scheme which closed to future accrual in 2010 before he was an Executive Director.

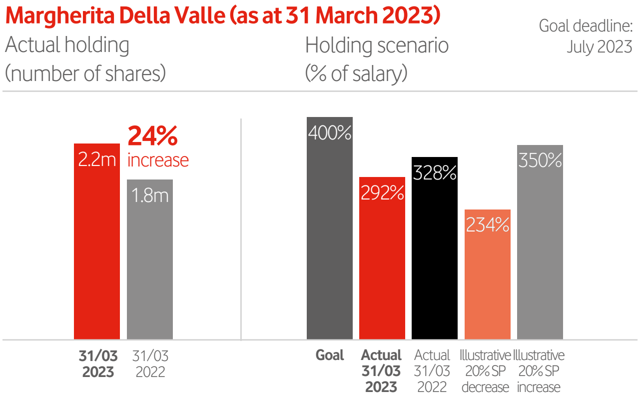
The Executive Directors are provided benefits in the event of death in service. In the event of ill health, an entitlement to benefit of two-thirds of base salary, up to a maximum benefit determined by the insurer, may be provided up until state pension age. In respect of the Executive Committee members, the Group has made aggregate contributions of £147,507 (2022: £143,175) into defined contribution pension schemes.

Alignment to shareholder interests (audited)
Share ownership levels and requirements for individuals who held the position of Executive Director are set out in the table below. The values in respect of Margherita Della Valle reflect her ownership requirement as at 31 March 2023. Following her permanent appointment as Group Chief Executive on 27 April 2023, Margherita's ownership requirement was increased to 500% of salary.

As shown in the chart below, Margherita increased her shareholding level during the year but due to share price movement (93.85 pence for the 31 March 2023 measurement compared to 126.61 pence used for the 2022 measurement), saw her ownership, as a percentage of salary and as calculated for these reporting purposes, decrease.

At 31 March 2023	Requirement as a % of salary	Current % of salary held	% of requirement achieved	Number of shares owned	Value of shareholding	Date for requirement to be achieved
Margherita Della Valle	400%	292%	73%	2,241,263	£2.1m	July 2023
Nick Read (as at 31 December 2022)	500%	445%	89%	5,127,436	£4.8m	July 2023

Margherita Della Valle (as at 31 March 2023)



Annual Report on Remuneration (continued)

The shareholding requirements include a post-employment condition whereby the Executive Directors will need to continue to hold shares equivalent to the value of their requirement at the date of departure (or actual holding on departure if the requirement has not been reached during employment) for a further two years post-employment. The Committee has a number of processes in place to ensure this condition is met, including executives agreeing to these terms prior to receiving an award, executives holding the majority of their shares (and at least up to the value of their requirement) in a Company accessible account, and the Committee having the ability to lapse any unvested GLTI awards if the condition is not met.

Collectively the Executive Committee, including the Executive Director, owned 23,565,656 Vodafone shares at 31 March 2023, with a value of over £22.1 million. None of the Executive Committee members' shareholdings amounts to more than 1% of the issued shares in that class of share, excluding treasury shares.

Directors' interests in the shares of the Company (audited)

A summary of interests in shares and scheme interests of the Directors who served during the year is given below. More details of the outstanding shares subject to award and options are set out in the table below and on page 99.

At 31 March 2023	Total number of interests in shares (at maximum)[1]	Unvested with performance conditions (at target)	Unvested with performance conditions (at maximum)	Share options SAYE (unvested without performance conditions)
Executive Directors				
Margherita Della Valle	11,879,532	5,782,961	9,638,269	–
Nick Read (as at 31 December 2022)	18,147,068	7,793,305	12,988,842	30,790
Total	**30,026,600**	**13,576,266**	**22,627,111**	**30,790**

Note:
1. This includes both owned shares and the maximum number of unvested share awards.

The total number of interests in shares includes interests of connected persons, unvested share awards and share options.

At 31 March 2023	Total number of interests in shares
Non-Executive Directors	
Stephen A. Carter CBE (appointed 26 July 2022)	96,805
Delphine Ernotte Cunci (appointed 26 July 2022)	30,000
Sir Crispin Davis	34,500
Michel Demaré	100,000
Dame Clara Furse	150,000
Valerie Gooding	28,970
Deborah Kerr	(ADRs) 12,000[1]
Maria Amparo Moraleda Martinez	30,000
David Nish	107,018
Christine Ramon (appointed 14 November 2022)	–
Simon Segars (appointed 26 July 2022)	40,000
Jean-François van Boxmeer	347,374

Note:
1. One ADR is equivalent to 10 ordinary shares.

At 16 May 2023, and during the period from 1 April 2023 to 16 May 2023, no Director had any interest in the shares of any subsidiary company. Other than those individuals included in the tables above who were Board members at 31 March 2023, members of the Group's Executive Committee at 31 March 2023 had an aggregate beneficial interest in 21,324,393 ordinary shares of the Company. At 16 May 2023, the Directors had an aggregate beneficial interest in 3,325,930 ordinary shares of the Company and the Executive Committee members had an aggregate beneficial interest in 18,116,851 ordinary shares of the Company. The change in the number of shares held by the Executive Committee reflects a change in membership following the year-end, None of the Directors or the Executive Committee members had an individual beneficial interest amounting to greater than 1% of the Company's ordinary shares.

Performance share awards

The maximum numbers of shares subject to outstanding awards that have been granted to Directors under the long-term incentive ('GLTI') plan are currently as follows:

GLTI performance share awards	2021 award Awarded: November 2020 Performance period ending: March 2023 Vesting date: August 2023 Share price at grant: 124.9 pence	2022 award Awarded: August 2021 Performance period ending: March 2024 Vesting date: August 2024 Share price at grant: 116.8 pence	2023 award Awarded: July 2022/February 2023 Performance period ending: March 2025 Vesting date: July 2025 Share price at grant: 122.4 pence
Margherita Della Valle	2,522,017	2,696,917	4,419,335
Nick Read (as at 31 December 2022)[1]	4,203,362	4,494,863	4,290,617

Note:
1. These figures reflect the maximum number of shares subject to award as at 31 December 2022 and therefore do not reflect the impact of pro-ration for time worked which was applied following the end of Nick's employment. Further details can be found on page 99.

Details of the performance conditions for the awards can be found on pages 95 to 97 or in the Remuneration Report from the relevant year.

Share options

The following information summarises the Executive Directors' options under the HMRC approved Vodafone Group 2008 Sharesave Plan ('SAYE'). No other Directors have options under any schemes and, other than under the SAYE, no options have been granted since 2007. Options under the SAYE were granted at a discount of 20% to the market value of the shares at the time of the grant. No other options may be granted at a discount.

	Grant date	At 1 April 2022 or date of appointment Number of shares	Options granted during the 2023 financial year Number of shares	Options exercised during the 2023 financial year Number of shares	Options lapsed during the 2023 financial year Number of shares	Options held at 31 March 2023 Number of shares	Option price Pence[1]	Date from which exercisable	Expiry date	Market price on exercise Pence	Gain on exercise
Nick Read (position at 31 December 2022)											
SAYE	2 Mar 17	4,854	–	–	4,854	–	154.51	1 Apr 22	1 Oct 22	–	–
SAYE	14 Jul 17	8,438	–	–	–	8,438	177.75	1 Sep 22	1 Mar 23	–	–
SAYE	11 Jul 22	–	22,352	–	–	22,352	100.66	1 Sep 27	1 Mar 28	–	–
Total		**13,292**	**–**	**–**	**4,854**	**30,790**				**–**	**–**

Note:
1. The closing trade share price on 31 March 2023 was 89.30 pence. The highest trade share price during the year was 132.14 pence and the lowest price was 83.73 pence.

At 16 May 2023 there had been no change to the Directors' interests in share options from 31 March 2023. At 16 May 2023 members of the Group's Executive Committee held options for 39,969 ordinary shares at prices ranging from 77.6 pence to 111.7 pence per ordinary share, with a weighted average exercise price of 94.6 pence per ordinary share exercisable at dates ranging from 1 September 2023 to 1 March 2026.

Margherita Della Valle, Aldo Bisio, Maaike de Bie, Ahmed Essam, Shameel Joosub, Vinod Kumar, Alberto Ripepi, Philippe Rogge and Serpil Timuray held no options at 16 May 2023.

Loss of office payments (audited)

Nick Read stepped down as Group Chief Executive and as a Director of the Company on 31 December 2022. During the period 1 January 2023 to 31 March 2023. Nick remained available to the Board as an adviser and, for the remainder of his employment (to 31 March 2023), received his salary (£270,375), car allowance (£4,800), private medical cover (£608), and pension allowance (£27,038). Nick remained eligible for a 2023 GSTIP, subject to performance conditions, until the end of his employment on 31 March 2023. In line with the relevant reporting regulations, the proportion of Nick's 2023 GSTIP payment in respect of his period of employment between 1 January 2023 and 31 March is £301,468, with the payment in respect of his time worked as a Director (1 April 2022 to 31 December 2022) set out on page 95.

At 1 April 2023, Nick had worked 3 months and 27 days of his notice period. Nick is entitled to receive payments in lieu of his salary (£732,629), and continued participation in the Vodafone Group Private Medical Plan (£1,898), for the remainder of his 12-month notice period. Payments will be made in monthly instalments, subject to mitigation in accordance with his service contract, until 5 December 2023, when his notice period would otherwise have ended.

Nick's 2021, 2022, and 2023 GLTI awards will be pro-rated on a time worked basis and will vest, subject to performance, at the normal vesting dates in accordance with the share plan rules. Nick will receive a cash payment equivalent in value to the dividends that would have been paid during the vesting period on any shares that vest.

Nick will receive a contribution of up to £7,000 (excluding VAT) towards legal fees incurred in connection with his departure and be entitled to outplacement support of up to £50,000 (excluding VAT) paid directly to the supplier.

Nick received no further payments other than those stated above, and, other than the pro-rated GLTI awards and associated dividend equivalent cash payments detailed above, will receive no further payments or benefits aside from the provision of a SIM card for his personal use at the Company's expense for a period of three years commencing 1 April 2023.

Payments to past Directors (audited)

During the 2023 financial year Lord MacLaurin received benefit payments in respect of security costs as per his contractual arrangements. These costs exceeded our de minimis threshold of £5,000 p.a. and, including the tax paid, were £24,657 (2022: £23,679).

Fees retained for external non-executive directorships

Executive Directors may hold positions in other companies as non-executive directors and retain the fees paid to them in respect of these services.

During the year ended 31 March 2023, Margherita Della Valle served as a non-executive director on the board of Reckitt Benckiser Group plc where she retained fees of £118,000 (2022: £115,563). Nick Read served as a non-executive director on the board of Booking Holdings Inc. where he retained fees of US$250,343 in respect of the period to 31 December 2022 (2022: US$462,571).

2023 remuneration for the Chair and Non-Executive Directors (audited)

	Salary/fees		Benefits[1]		Total	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Chair						
Jean-François van Boxmeer	650	650	29	18	679	668
Senior Independent Director						
Valerie Gooding	165	165	10	9	175	174
Non-Executive Directors						
Stephen A. Carter CBE (appointed 26 July 2022)	79	–	2	–	81	–
Delphine Ernotte Cunci (appointed 26 July 2022)	79	–	5	–	84	–
Sir Crispin Davis	115	115	12	9	127	124
Michel Demaré	115	115	11	1	126	116
Dame Clara Furse	115	115	9	3	124	118
Deborah Kerr	115	10	14	1	129	11
Maria Amparo Moraleda Martinez	140	137	10	1	150	138
David Nish	140	140	19	10	159	150
Christine Ramon (appointed 14 November 2022)	44	–	1	–	45	–
Simon Segars (appointed 26 July 2022)	79	–	12	–	91	–
Total	**1,836**	**1,447**	**134**	**52**	**1,970**	**1,499**

Note:
1. This includes certain travel and accommodation expenses in relation to attending Board meetings which are treated as a taxable benefit. Values include these travel expenses and the corresponding tax contribution.

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.

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

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.

Government

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.

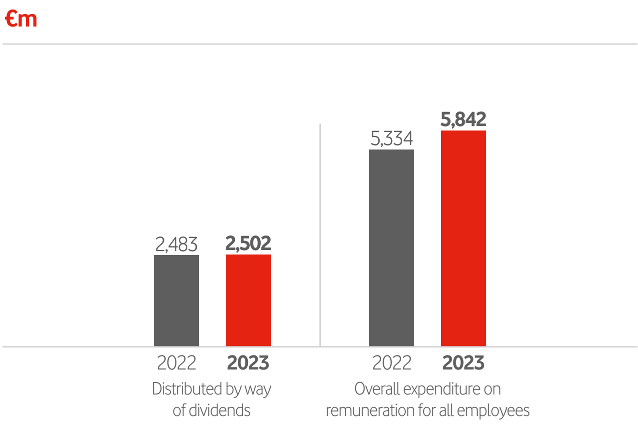
With our commitment to embed an inclusive culture, we continue our work to reduce the gap and have made good progress since the publication of our first report in 2017. Our global programmes aim to support women across different roles, areas, and geographies of our business and will, over time, reduce 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.



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:

Year	CEO single figure (£'000)	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023[1]	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:
1. 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
Executive Directors						
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.

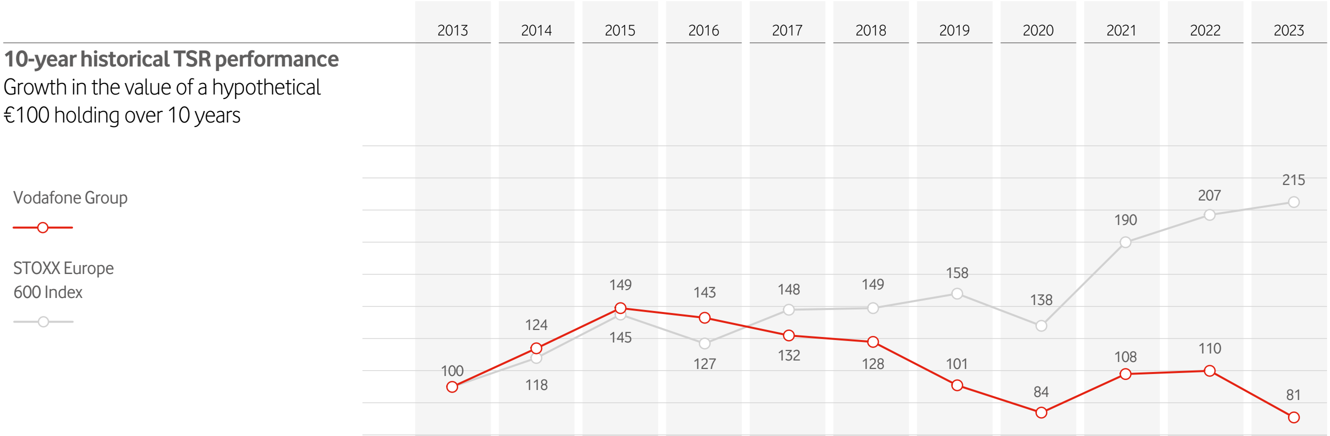
The significant year-on-year increase in Deborah Kerr's fees and taxable benefits reflect how the 2022 values reflect one month of service which covers the period between Deborah joining on 1 March 2022 and the year-end on 31 March 2022. By comparison, the 2023 figures reflect a full 12 months of time 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.

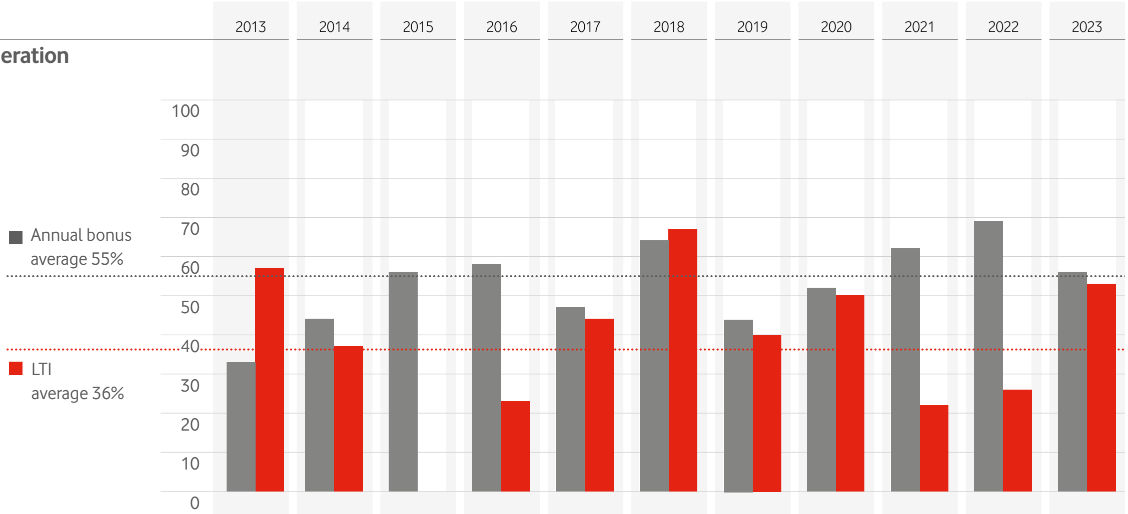
Assessing pay and performance

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.

10-year historical TSR performance
Growth in the value of a hypothetical €100 holding over 10 years



Financial year remuneration for Chief Executive



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Single figure of total remuneration £'000		8,014	2,810	5,224	6,332	7,389	2,740[1] /1,619[2]	3,529	3,551	4,173	3,875[3] /948[4]
Annual bonus (actual award versus max opportunity)		44%	56%	58%	47%	64%	44%	52%	62%	69%	56%
Long-term incentive (vesting versus max opportunity)		37%	0%	23%	44%	67%	40%	50%	22%	26%	53%

Notes:
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.

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[1] (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.

Adjusted free cash flow (60% of total award)

Details of the final three-year adjusted free cash flow target range will be disclosed in the relevant market announcement at the time of grant and published in the 2024 Directors' Remuneration Report.

Relative TSR (30% of total award)

Following the annual review of the performance measures which included a review of analysis provided by the Committee's external advisers, the Committee determined that the TSR outperformance range for the 2024 award should be set at 7.0% p.a. at maximum.

The Committee further determined that the TSR peer group should remain unchanged for the 2024. Further details are set out in the tables below.

Relative TSR (30% of total award)	TSR outperformance	Vesting (% of relative TSR element)
Below threshold	Below median	0.0%
Threshold	Median	20.0%
Maximum	7.0% p.a.	100.0%

TSR peer group				
BT Group	Deutsche Telekom	Liberty Global	MTN	Orange
Royal KPN	Telecom Italia	Telefónica	Telefónica Deutschland	

Linear interpolation (i.e. straight-line vesting) occurs for performance between threshold and maximum.

ESG (10% of total award)

The table below sets out how performance under the ESG measure for the 2024 award will be assessed against three quantitative ambitions:

Purpose pillar	Metric for 2024 GLTI	Overall ambition	Baseline position for 2024 GLTI	Ambition for 2024 GLTI
Planet	Net zero	Net zero under Scope 1 & 2 by 2030[1]	52% reduction in Scope 1 & 2 emissions versus a FY20 baseline at 31 March 2023	84% reduction in Scope 1 & 2 emissions versus a FY20 baseline by 31 March 2026
Inclusion for All	Female representation in management	40% representation of women in management by 2030	34% representation of women in management at 31 March 2023	36% representation of women in management by 31 March 2026
Digital Society/ Inclusion for All	Financial inclusion customers	>75m financial inclusion customers by 2026	60.7m financial inclusion customers at 31 March 2023	70.0m financial inclusion customers by 31 March 2026

Note:
1. This carbon reduction ambition has been approved by the Science Based Targets initiative.

Each ambition for the 2024 award has been set by considering both our externally communicated targets and our internal progress as at 31 March 2023.

At the end of the performance period the Committee will assess achievement across the three metrics against the stated ambitions and determine vesting under this element. Full disclosure of the rationale for the final vesting decision will be provided in the relevant Directors' Remuneration Report.

Annual Report on Remuneration (continued)

2024 remuneration for the Chair and Non-Executive Directors

Fees for our Chair and Non-Executive Directors have been benchmarked against the FTSE 30 (excluding financial services companies). Following this year's review it was agreed that the current fee levels, which are set out in the table below, would remain unchanged.

Position/role	Fee payable £'000
Chair[1]	650
Non-Executive Director	115
Additional fee for the Senior Independent Director	25
Additional fee for Chair of the Audit and Risk Committee	25
Additional fee for Chair of the ESG Committee	25
Additional fee for Chair of the Remuneration Committee	25

Note:
1. The Chair's fee also includes the fee for the chairing of the Nominations and Governance Committee.

Further remuneration information

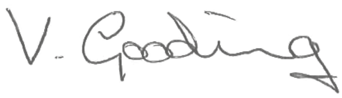
Dilution

All awards are made under plans that incorporate dilution limits as set out in the guidelines for share incentive schemes published by the Investment Association. The current estimated dilution from subsisting executive awards is approximately 2.4% of the Company's share capital at 31 March 2023 (2.7% at 31 March 2022), whilst from all-employee share awards it is approximately 0.3% (0.3% at 31 March 2022). This gives a total dilution of 2.7% (3.0% at 31 March 2022).

Service contracts

The terms and conditions of appointment of our Directors are available for inspection at the Company's registered office during normal business hours and at the Annual General Meeting (for 15 minutes prior to the meeting and during the meeting). The Executive Directors have notice periods in their service contracts of 12 months. The Non-Executive Directors' letters of appointment do not contain provision for notice periods or for compensation if their appointments are terminated.

This report on remuneration has been approved by the Board of Directors and signed on its behalf by:



Valerie Gooding
Chair of the Remuneration Committee

16 May 2023

Our US listing requirements

As Vodafone's American Depositary Shares are listed on NASDAQ Stock Market LLC ('NASDAQ'), we are required to disclose a summary of any material differences between the corporate governance practices we follow and those of US companies listed on NASDAQ. Vodafone's corporate governance practices are primarily based on UK requirements but substantially conform to those required of US companies listed on NASDAQ.

The material differences are set out in the following table:

Board member independence	Different tests of independence for Board members are applied under the 2018 UK Corporate Governance Code (the 'Code') and the NASDAQ listing rules. The Board is not required to take into consideration NASDAQ's detailed definitions of independence as set out in the NASDAQ listing rules. The Board has carried out an assessment based on the independence requirements of the Code and has determined that, in its judgement, each of Vodafone's Non-Executive Directors is independent within the meaning of those requirements.
Committees	The NASDAQ listing rules require US companies to have a nominations committee, an audit committee and a compensation committee, each composed entirely of independent directors, with the nominations committee and the audit committee each required to have a written charter which addresses the committee's purpose and responsibilities, and the compensation committee having sole authority and adequate funding to engage compensation consultants, independent legal counsel and other compensation advisers.
	– Our Nominations and Governance Committee is chaired by the Chair of the Board and its other members are independent Non-Executive Directors.
	– Our Remuneration Committee is composed entirely of independent Non-Executive Directors.
	– Our Audit and Risk Committee is composed entirely of Non-Executive Directors, each of whom (i) the Board has determined to be independent based on the independence requirements of the Code; and (ii) meets the independence requirements of the Securities Exchange Act of 1934.
	– We have terms of reference for our Nominations and Governance Committee, Audit and Risk Committee and Remuneration Committee, all of which comply with the requirements of the Code and are available for inspection on our website at vodafone.com/governance.
	– These terms of reference are generally responsive to the relevant NASDAQ listing rules, but may not address all aspects of these rules.
Code of Ethics and Code of Conduct	Under the NASDAQ listing rules, US companies must adopt a Code of Conduct applicable to all directors, officers and employees that complies with the definition of a 'Code of Ethics' set out in section 406 of the Sarbanes-Oxley Act.
	– We have adopted a Code of Ethics that complies with section 406 of the Sarbanes-Oxley Act which is applicable only to the senior financial and principal executive officers. Click to read our Code of Ethics: **vodafone.com/governance**
	– We have also adopted a separate Code of Conduct which applies to all employees.
Quorum	The quorum required for shareholder meetings, in accordance with our Articles of Association, is two shareholders, regardless of the level of their aggregate share ownership, while US companies listed on NASDAQ are required by the NASDAQ listing rules to have a minimum quorum of 33.33% of the holders of ordinary shares for shareholder meetings.
Related party transactions	In lieu of obtaining an independent review of related party transactions for conflicts of interests in accordance with the NASDAQ listing rules, we seek shareholder approval for related party transactions that (i) meet certain financial thresholds, or (ii) have unusual features in accordance with the Listing Rules issued by the Financial Conduct Authority (FCA) in the UK (the 'Listing Rules'), the Companies Act 2006 and our Articles of Association. Further, we use the definition of a transaction with a related party as set out in the Listing Rules, which differs in certain respects from the definition of related party transaction in the NASDAQ listing rules.
Shareholder approval	When determining whether shareholder approval is required for a proposed transaction, we comply with both the NASDAQ listing rules and the Listing Rules. Under the NASDAQ listing rules, whether shareholder approval is required for a transaction depends on, among other things, the percentage of shares to be issued or sold in connection with the transaction. Under the Listing Rules, whether shareholder approval is required for a transaction depends on, among other things, whether the size of a transaction exceeds a certain percentage of the size of the listed company undertaking the transaction.

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.

Change of control

Details of change of control provisions in the Company's revolving credit facilities are set out in note 22 'Capital and financial risk management'.

Information on agreements between the Company and its Directors providing for compensation for loss of office of employment (including details of change of control provisions in share schemes) is set out on pages 91-92. Other than these, there are no agreements between the Company and its employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

Dividends

Full details of the Company's dividend policy and proposed final dividend payment for the year ended 31 March 2023 are set out on page 25 and note 9 to the consolidated financial statements.

Sustainability

Information about the Company's approach to sustainability risks and opportunities is set out on pages 26-49 and on pages 51-59. Details of our greenhouse gas emissions are also included on these pages.

Political donations

No political donations or contributions to political parties under the Companies Act 2006 have been made during the financial year. The Group policy is that no political donations be made or political expenditure incurred.

Financial risk management objectives and policies

Disclosures relating to financial risk management objectives and policies, including our policy for hedging, are set out in note 22 to the consolidated financial statements and disclosures relating to exposure to credit risk, liquidity risk and market risk are outlined in note 22.

Important events since the end of the financial year

On 17 April 2023, the Group entered into an agreement to sell M-Pesa Holding Company Limited to Safaricom Plc, an associate entity of the Group. Further details can be found in note 33 to the consolidated financial statements.

On 11 May 2023, the Company announced that it had agreed a strategic relationship with Emirates Telecommunications Group Company PJSC ("e&"). Further details can be found under 'Material contracts' on page 233.

There were no other important events affecting the Company which have occurred since the end of the financial year.

Future developments within the Group

The Strategic report contains details of likely future developments within the Group.

Group policy compliance

Each Group policy is owned by a member of the Executive Committee so that there is clear accountability and authority for ensuring the associated business risk is adequately managed. Regional Chief Executives and the Senior Leadership Team member responsible for each Group function have primary accountability for ensuring compliance with all Group policies by all our markets and entities.

Our Group compliance team and policy champions support the policy owners and local markets in implementing policies and monitoring compliance. All of the key Group policies have been consolidated into the Vodafone Code of Conduct which applies to all employees and those who work for or on behalf of Vodafone. It sets out the standards of behaviour expected in relation to areas such as insider dealing, bribery and raising concerns through the whistleblowing process (known internally as 'Speak Up').

Read more on page 40

Branches

The Group, through various subsidiaries, has branches in a number of different jurisdictions in which the business operates. Further details are included in note 31.

Employee disclosures

Vodafone is an inclusive employer and diversity is important to us. We give full and fair consideration to applications for employment by disabled persons and the continued employment of anyone incurring a disability while employed by us. Training, career development and promotion opportunities are equally applied for all our employees, regardless of disability. Our disclosures relating to the employment of women in senior management roles, diversity, employee engagement and policies are set out on page 11, pages 33 and 34, page 64, page 72, page 75 and page 76.

The Directors' Report was approved by the Board and signed on its behalf by the Group General Counsel and Company Secretary.

Maaike de Bie
Group General Counsel and Company Secretary

16 May 2023

Reporting on our financial performance

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Directors' statement of responsibility

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations and keeping proper accounting records. Detailed below are statements made by the Directors in relation to their responsibilities, disclosure of information to the Company's auditor, going concern and management's report on internal control over financial reporting.

Financial statements and accounting records

Company law of England and Wales requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year and of the profit or loss of the Group for that period. In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- State whether the consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IAS'), with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and with the requirements of the UK Companies Act 2006 (the 'Act');
- State for the Company's financial statements whether applicable UK accounting standards have been followed; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that the financial statements are prepared in accordance with UK-adopted IAS, with IFRS as issued by the IASB and with the requirements of the Act. They are also responsible for the system of internal control, for safeguarding the assets of the Company and the Group, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

Each of the Directors, whose names and functions are listed on pages 65 to 67, confirms that, to the best of their knowledge:

- The consolidated financial statements, prepared in accordance with UK-adopted IAS, with IFRS as issued by the IASB and with the requirements of the Act, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- The parent company financial statements, prepared in accordance with United Kingdom generally accepted accounting practice, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group, together with a description and robust assessment of the principal risks and uncertainties that it faces.

The Directors are also responsible under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole and in doing so have regard for the needs of wider society and stakeholders, including customers, consistent with the Group's core and sustainable business objectives.

Having taken advice from the Audit and Risk Committee, the Board considers the Annual Report, taken as a whole, is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Neither the Company nor the Directors accepts any liability to any person in relation to the Annual Report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A and schedule 10A of the Financial Services and Markets Act 2000.

Disclosure of information to the auditors

Having made the requisite enquiries, so far as the Directors are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the Company's auditor is unaware and the Directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.