



**Vodafone Supplier Policy
Anti-Bribery (Including Gift and
Hospitality)**



Scope

All Vodafone Procurement Company procurement agreements with Suppliers.

Policy

1. Definitions

1.1. Anti-Bribery Laws

"Anti-Bribery Laws" means:

- a) the UK Bribery Act 2010;
- b) the U.S. Foreign Corrupt Practices Act 1977 ("FCPA"); and
- c) all applicable local laws (for example, the Law 231 of 2001 in Italy)

1.3. Bribery

"Bribery" means giving or receiving, or agreeing to give or receive, an undue reward, which could be financial or any other type of reward, to influence the behaviour of someone in business or government to improperly obtain or retain an advantage

1.4. Donations

"Donations" mean small or large amounts of resources (time, financial, property or human) provided voluntarily to support a cause or initiative. This includes donations to charitable organisations, charitable contributions, charitable giving and philanthropic activities

1.5. Employees

"Employees" means all employees, contractors, and directors of all Vodafone companies and joint ventures with an interest of 51%, or more, or management control.

1.6. Facilitation payments

"Facilitation payments" are unofficial payments to induce officials to perform or expedite routine functions that they are otherwise obliged to perform. These are often paid in addition to a scheduled official fee and usually involve relatively small sums of money. Under the UK Bribery Act, and the laws in most local markets, facilitation payments are considered bribes and are illegal.

1.7. Gift

"Gift" means anything of value given to/received from a third party. Some examples would be branded items (calendars, pens), a bottle of wine, a handset/phone (that is not being used for testing or demonstration), a hamper or festival treats, event tickets without a host and corporate relationship building (e.g. you are given tickets to a concert without a third party host attending with you for relationship building).

1.8. Hospitality

"Hospitality" has a broad definition, and is always accompanied (hosted by or provided to a third party) and is for the purpose of corporate relationship building. It includes meals (breakfast, lunch or dinner), events (e.g. tickets to a sporting event, a concert, or a conference), drinks, or any other similar situation.



1.9. Public Official

“Public Official” means any officer (whether elected or appointed) or employee of a government department who holds a legislative, judicial or administrative position of any kind, even on a non-permanent basis. This also includes: members of the royal family; any person who performs public functions in any branch of the national, local or municipal/regional government; or any person who exercises a public function for any public agency or public enterprise, or private entity controlled by the State, such as employees of state-owned or state-controlled

enterprises, or working in state-owned media; members or political parties or candidates for political office. It also includes any official or agent of a public international organisation, such as the UN or the World Bank.¹

¹Although recognized traditional or tribal council or families (e.g. Chiefs in Ghana) are not defined as Public Officials, for the purposes of this policy, all the requirements related to Public Officials will apply to those traditional or tribal council or families

(e.g. Chiefs in Ghana).

1.10. Sponsorships

“Sponsorships” refer to support for an event, initiative or organisation by providing financial, property and/or other resources, in return for certain commercial benefits. Sponsorships can also have a charitable aspect

1.11. Vodafone Representative

“Vodafone Representative” means anyone acting on Vodafone’s behalf in any capacity, including suppliers, vendors, consultants, external interest representatives, sales intermediaries etc. Vodafone representatives also include any external company or individual that engages on Vodafone’s behalf with public authorities in any branch of the national, local or municipal/regional government or with any Public Official. Examples include, but are not limited to, applications for “right-to-dig” permits, visa applications, retail permits etc.

2. The Policy Standard

2.1. Unacceptable Conduct

The Vodafone Code of Conduct clearly outlines Vodafone’s zero tolerance to any form of bribery. Set out below are examples of conduct that could amount to an offence under Anti-Bribery Laws. This conduct could also result in an individual or Vodafone being liable for criminal penalties, such as fines or prison sentences.

Offering a bribe

Employees or Vodafone Representatives, whether directly or indirectly, must not offer, promise or give cash or anything of value (including a financial or other advantage) to another individual in the public or private sector to influence that person to act improperly or to reward that improper performance. More specifically, employees or Vodafone Representatives must not make an offer, promise or payment even if it is:



- A) made indirectly or through a third party or agent;
- B) considered to be part of the normal course of business within a specific country;
- C) initially suggested by the other person; or
- D) a Facilitation payment

The only exception is where an Employee or Vodafone Representative's personal safety is at risk. In this case, when a payment under duress is made, the incident must be reported as soon as possible afterwards.

Accepting a bribe

Employees or Vodafone Representatives, whether directly or indirectly, must not request, receive or agree to receive cash or anything of value or any kind of advantage, to encourage or reward the improper performance or functioning of an activity.

Bribing a Public Official

Employees or Vodafone Representatives, whether directly or indirectly, must not offer, promise or give any financial or other advantage, including facilitation payments, to a Public Official or to another person at that Public Official's request so as to influence the Public Official in order to obtain or retain business or any other advantage in the conduct of business. Employees or Vodafone Representatives must not pay any person when it is known or there is reason to know that all or part of that payment will or may be passed on to a Public Official to help obtain or retain business or any other benefit.

Speak Up Obligations

It is the duty of our suppliers, contractors, business partners and employees to report any breach of the Code of Conduct, including anti-bribery. For more information on how to report a breach or potential breach please see section 3.2.

2.2. Gifts and Hospitality

In addition to the policy requirements below, there are **global financial thresholds and approval processes** that must be complied with prior to giving or receiving gifts or hospitality. Local markets may have lower financial limits.

2.2.1. Gifts and Hospitality policy requirements

Vodafone strictly **prohibits** employees or Vodafone Representatives from:

- soliciting or requesting gifts or hospitality at any time
- giving or accepting cash or cash equivalents (including gift vouchers)
- giving or accepting gifts or hospitality during contractual negotiations or a tender process or if aware that one is imminent with either a supplier or customer

High risk activity: Tender process and contractual negotiations

- Avoid giving or accepting gifts or hospitality if you are in contractual negotiations or a tender process or are aware that one is imminent with either a supplier or customer. During such time no



gifts or hospitality can be offered/accepted to any person involved in the negotiation, or evaluation of the tender/RFP.

- In the event that incidental, low-value hospitality is contemplated during this time (e.g. working lunch during a contract negotiation), Employees or Vodafone representatives should cover their own costs (ensuring compliance with the Expenses policy). The local legal/compliance team should always be consulted where there is uncertainty.

Corporate gifts or hospitality must only be offered/accepted when it is reasonable, transparent, infrequent and for the purpose of building business relationships. Where there is any uncertainty, offers, invitations or acceptance of corporate gifts or hospitality from/to third parties should be refused, or returned to the third party or donated to charity via the Vodafone Foundation. If gifts are donated in this manner, the receiver must ensure that the person who provided the gift is advised in writing of the decision.

It is important that gifts or hospitality never influence business decision-making processes, or cause others to perceive an influence. For this reason, employees with a significant role to play in decision making processes for suppliers, including employees in Supply Chain Management, should in principle reject or return all gifts other than low-value, branded items or low-value consumable gifts, such as chocolates.

2.2.2. Gifts and hospitality to Public Officials

Additional restrictions apply in relation to dealings with Public Officials. It is the responsibility of whoever is requesting the approval to make sure that the proposed spend is permitted under local laws or rules governing the acceptance of corporate gifts or hospitality by Public Officials and falls within all applicable guidelines, including monetary value.

Note: Vodafone applies a broad definition to the term 'Public Official' to include politicians, civil servants, public sector workers and employees of state-owned enterprise or state-owned media agencies. For more details, please refer to the definition of a Public Official in the Definitions section of the policy.

Political contributions

Vodafone maintains a policy of not contributing financial support to political parties or individual politicians. This includes cash or in-kind contributions and any other form of financial support.

2.3. Sponsorship and Donations

As a responsible company, Vodafone supports:

- sharing the benefits of communications technology as widely as possible;
- protecting the natural environment; and
- supporting the communities in which Vodafone customers, employees, investors and suppliers live.



Donations

Where a local Vodafone Foundation or local Social Investment Fund equivalent exists, donations **can only be made through the local Vodafone Foundation**, and all donations given must comply with the Charitable Donations and the Foundation requirements.

Supplier donations

There are a number of important requirements that must be complied with if an employee or group of employees would like to request a donation from a supplier as part of a charitable event.

It is the responsibility of the person(s) requesting the donation to ensure that these obligations are complied with.

Sponsorships

Any payments for sponsorship of events and initiatives for the purpose of brand exposure, including branding rights and advertising costs, business development or local community support must be offered with transparency and in accordance with the principles set out in this policy standard. Sponsorships should not be offered to a party with whom we are under contractual negotiations or a tender process or if we are aware that one is imminent.

2.4. Media influence

Vodafone's zero tolerance of bribery has a specific application with regard to media and bloggers. Members of the media, bloggers and others who publish their views on Vodafone must never be offered or provided with any benefit of monetary or commercial value in order to obtain favourable editorial coverage (apart from advertorials covered below) and/or to damage the reputation of a competitor.

3. Procedures to prevent bribery

We have specific procedures in place to prevent bribery and support an ethical culture within the business. Each local market and group company is required to establish and enforce effective compliance procedures to prevent bribery, in accordance with the principles specified below. These procedures must be proportionate and tailored to the risk of bribery in each operating company, including country risk and business operational risk.

3.1. Procedures to prevent bribery

Vodafone's requirements for implementing appropriate procedures to prevent bribery are set out below, in summary:

Demonstrable top-level commitment

Demonstrate ethical culture – The Main Board, the Executive Committee, Local Market CEOs and the global senior leadership team demonstrate commitment to the anti-bribery compliance programme by creating an ethical culture within the organisation.

Local market ownership of compliance – Each Local market and group company CEOs have an appointed Anti-bribery Champion, who has ownership for effective implementation and operation of the anti-bribery compliance programme within that local market or group company. The local Anti-Bribery champion must liaise with the Group Anti-bribery Team to ensure the requirements of



the Anti-Bribery Policy Standard are implemented consistently, and to monitor and report on operational compliance programme.

Risk assessment

Biennial Risk assessment – All local markets and group companies must conduct a bribery risk assessment biennially (every two years).

This risk assessment enables Vodafone to identify the key bribery risks within the organisation in order to implement appropriate and proportionate procedures and develop mitigation to the risks identified.

The timing, approach and format of this risk assessment is outlined by the Group Anti-bribery Team who ensure that there is a consistent approach.

Due diligence and responsible engagement of third parties/suppliers

Robust due diligence – Anti-bribery Champions must ensure that appropriate areas of the business (e.g. Supply Chain Management) are conducting reasonable due diligence prior to engaging in business relationships with third parties (including business partners, suppliers, joint venture partners etc). This due diligence is documented, tailored and risk based.

Contracting – The anti-bribery contract clause must be included in all third party contracts and agreements.

Supplier monitoring – Risk-based monitoring of supplier performance is conducted on a regular basis to ensure compliance with contractual requirements.

Communication

We provide a clear message on why an ethical culture is important at Vodafone, and how employees must comply with the policy requirements, including gifts and hospitality, is communicated to all staff at least annually.

Communicating with suppliers and business partners – Our zero-tolerance approach to bribery is communicated to all suppliers, contractors, joint venture partners and business partners at the outset of our business relationship with them and on an annual basis thereafter for high risk suppliers and business partners.

Training

Face-to-face training – Training is required for all high risk employees and non-employees (where permitted by local law) every two years. Training is tailored to address relevant risks and is conducted face-to-face

Online training – In addition to the above face-to-face training, all employees must complete the Vodafone Anti-bribery eLearning Module every two years, on a rolling basis.

Induction

The induction programme for all employees must cover Vodafone's anti-bribery policy (including Gifts and Hospitality).



Monitoring and review

Monitoring responsibility – The Anti-bribery Champion in each local market is responsible to regularly co-ordinate the monitoring of the anti-bribery compliance programme, considering its suitability, adequacy and continued effectiveness

Monitoring conducted – At a minimum, the following key processes should be reviewed **on a periodic basis**:

- Gift and hospitality register is reviewed to ensure the usage is accurate, including checking approvals and adherence to policy requirements (by monitoring of what is on the register), as well as the appropriateness of the level of usage of the register (monitoring what is potentially not on the register).
- Handsets and devices are monitored through a documented process, this is to ensure loaned handsets and devices are tracked for usage and returned when the loan period has ended.
- Supplier qualification, due diligence is undertaken for all third parties prior to engaging with them, including checking documentation and ensuring appropriate actions are taken where bribery/ethical risks identified.
- Supplier performance, including the review of anti-bribery compliance processes within high-risk suppliers conducting business on our behalf (e.g. network build etc.).
- Training, review of eLearning and face-to-face training records and follow-up with appropriate teams/individuals as required.
- Sponsorships, monitoring is conducted to ensure they are managed in line with the local process and Group Policy.

The Group Anti-bribery team also complete assurance activities annually in line with the second line of defence programme requirements.

3.1.2. Maintaining accurate books and records

Vodafone shall maintain books, records and accounts which, in reasonable detail, accurately and fairly reflect all transactions and disposition of assets.

Vodafone shall record transactions in reasonable detail to:

- permit the proper classification of transactions for financial reporting
- provide reasonable assurances that transactions are recorded as necessary to permit the preparation of financial statements in conformity with generally accepted accounting principles
- maintain accountability for the use of all assets.

All transactions must have a valid business justification, be approved in line with the Vodafone's Delegation of Authority and be supported by appropriate documentation to enable the verification of the transactions, with such documentation retained in accordance with the respective retention requirements.



3.2. Incident reporting and 'Speak Up'

Vodafone operates a whistle-blowing mechanism called 'Speak Up' for all employees and third parties. It is the duty of our suppliers, contractors, business partners and employees to report any breach of the Code of Conduct, including anti-bribery. This requirement must be communicated to all employees and third parties, and the local Speak Up number must be easily accessible on the intranet.

If a breach, or potential breach, of the anti-bribery policy arises or is suspected, in any operating company it must be reported to the Speak Up whistle-blowing hotline can be used. This includes reporting payments that are made under duress when an Employee or Vodafone Representative's personal safety is at risk or the individual is feeling threatened. In this case, when a payment under duress is made, the incident must be reported as soon as possible afterwards to the local Head of Legal and to Head of Compliance.

All Speak Up incidents reported will be considered by the Group Triage team in accordance with the Speak Up Policy Standard, including whether an investigation is required, and if so, who is best placed to conduct this investigation; either Group or Local market, and either Security or Legal (or both).

What is Speak Up?

'Speak Up' is an internal tool through which you can report any activity that is not in line with our Code of Conduct. All reported cases are fully confidential, so you feel assured you can address comfortably any wrong in good faith. Speak Up is available to all Vodafone employees, contractors and suppliers.

What should be reported?

Really, any activity that you see and you don't think feels right should be reported via one of the channels you feel most comfortable with.

As a guideline, any allegations of malpractice or unethical behaviour should be treated as Speak Up.

How can I speak up?

For external third parties:

Report it via an external, independent hotline

Expolink is our external hotline that can be used if you don't feel comfortable reporting a concern via either of the above options. Expolink can be contacted by phone or online:

- Global number: +44 1249 661 795 (calls can be taken in all languages)

- Online: <http://expolink.co.uk/whistleblowing/for-employees/> - Enter the password "Vodafone"

It doesn't matter which of the routes you choose to report your concern – the most important thing is that you report it.



4. Roles and Responsibilities

4.1. Policy Owner

This is the Group Executive Committee member who's ultimately accountable for making sure a policy is written, approved (by the Governance, Policy and Compliance Committee), implemented, maintained and monitored.

4.2. Policy Champion

Head of Compliance and Corporate Secretariat, who is accountable to the policy owner for managing the operation of the policy, including reporting on compliance.

4.3. Local market CEOs / Group Executive Committee members

Local market CEOs have primary accountability for making sure everyone working in their business complies with all Group policies. This includes appointing appropriate functional policy owners (the Anti-bribery Champion) to manage local implementation, communication and compliance and developing additional supporting local policies and processes as required. Executive Committee members are responsible for compliance of Group employees within their functions, wherever they're based.

5. Exceptions

All exceptions should be approved by the Group Policy Champion. Local Market Anti-bribery Champions are permitted to lower financial limits for gifts and hospitality to levels appropriate for their market. If required by local law, Policy Champions can also make additions to the local version of the Global policy to meet local applicable law requirements.