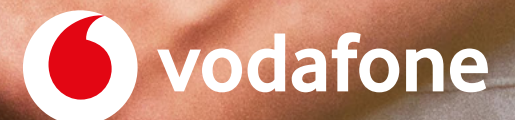


A man with a beard, wearing a dark blue polo shirt and a bright yellow high-visibility safety vest, is shown in profile. He is holding a black tablet computer with both hands and looking at the screen. The background is a blurred industrial setting, likely a factory or warehouse, with various equipment and structures visible. A white, stylized speech bubble or callout shape is positioned around the text.

# Slavery and Human Trafficking Statement 2018-19

Vodafone Group Plc





# Vodafone Group Plc Slavery and Human Trafficking Statement

Forced, bonded or compulsory labour, human trafficking and other kinds of slavery and servitude represent some of the gravest forms of human rights abuse in any society.

We will not tolerate any such activities within our own operations or within our supply chain and are committed to taking appropriate steps to ensure that everyone who works for Vodafone – in any capacity, anywhere in the world – benefits from a working environment in which their fundamental rights and freedoms are respected.

In this fourth Statement, which relates to the financial year ended 31 March 2019, we report on our efforts to prevent modern slavery in line with the requirements of the [UK Modern Slavery Act 2015](#). However, we have been focused on the rights and wellbeing of the people who work for Vodafone – and for our suppliers – for many years. This Statement provides details of our policies, our approach and the actions we have taken in the financial year 2018-19 to further strengthen our programmes and commitments to respect and uphold people's fundamental rights and freedoms. This Statement is published by Vodafone Group Plc<sup>1</sup> and its relevant subsidiaries (see page 15) in compliance with the Modern Slavery Act 2015.

## Highlights in 2018-19



**Launched a common industry supplier academy to build capability**



11



**Joined a new multi-stakeholder coalition Tech Against Trafficking, which is focused on modern slavery issues**



7



**Conducted an investigation into a modern slavery grievance**



12

<sup>1</sup> The scope of markets included in this Statement covers our mobile and fixed broadband operations in 21 countries where we have operational control: Albania, Czech Republic, Egypt, Germany, Ghana, Greece, Hungary, Ireland, Italy, Malta, New Zealand, Portugal, Romania, Spain, Turkey, the UK, Vodacom (South Africa) and Vodacom's subsidiaries: the Democratic Republic of Congo, Lesotho, Mozambique and Tanzania.

## Our business and supply chain

Vodafone Group is one of the world's largest communications companies. Our business is connectivity: we build and operate mobile and fixed networks that our customers rely on to manage their daily lives and businesses. We provide mobile services in 25 countries<sup>2</sup>, fixed services in 19 markets, and partner with mobile networks in a further 41 countries.

As of 31 March 2019, we have 650 million mobile customers and 19 million fixed broadband customers, including those in India and all of the customers of Vodafone's joint ventures and associates. We have more than 92,000 direct employees worldwide and are an important source of indirect employment – through our supply chain and through franchising and affiliate relationships – in every country in which we have an operating business. As of March 2019, we also employ more than 10,000 contractors worldwide.

Vodafone Group is domiciled in the UK with headquarters in London. Our local UK operating company, Vodafone UK, has more than 17.2 million customers as of 31 March 2019; it also directly employs around 11,500 people and has a retail presence on most UK high streets.

Our company is large, with a wide range of suppliers and other commercial third-party relationships, and relies on an international

supply chain – with suppliers that range in size from small and medium-sized enterprises to large multinationals – that spans multiple tiers. We spend more than €22bn a year with more than 10,800 direct suppliers around the world to meet our customers' needs. As we illustrate later, our direct suppliers can have a very large number of their own suppliers that, in turn, rely on a large number of their own suppliers and so on, down through several tiers in the supply chain.

The majority of our external spend is with suppliers that provide us with network infrastructure, IT and services related to fixed lines and mobile masts and data centres that run our networks. Our next-largest area of spend is on the products we sell to our customers, including mobile phones, tablets, SIM cards, broadband routers, TV set-top boxes and Internet of Things (IoT) devices. The remaining expenditure is made up of a wide variety of goods and services procured to support our general business and administrative functions, including marketing, travel, professional advisory support, catering and cleaning.

We are not a mass-market manufacturer and do not directly own or operate large factories or other production facilities, with the exception of a small plant that manufactures specialist automotive IoT components, based in Italy.

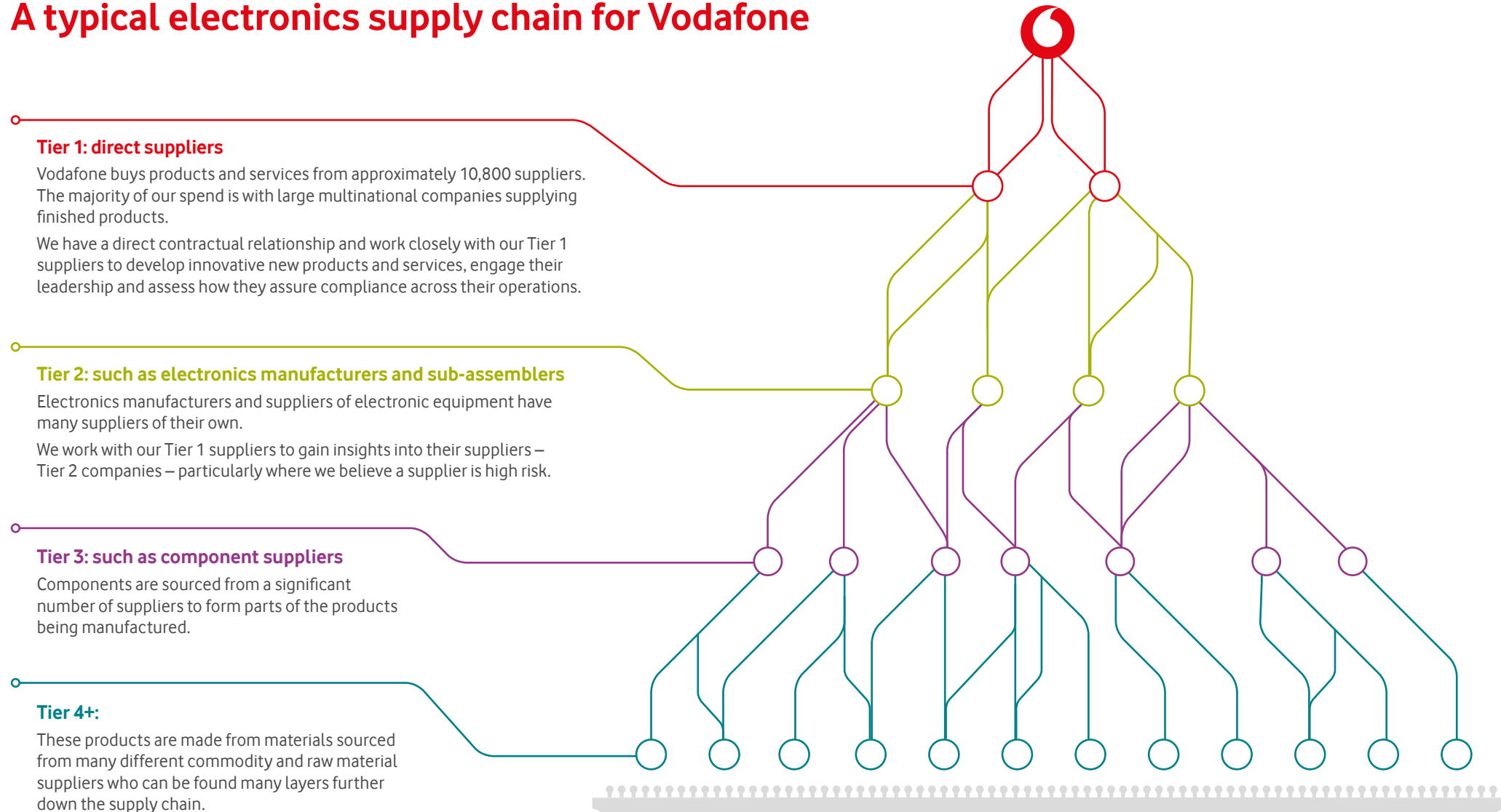
We do offer our customers a range of smartphones and tablets that carry the Vodafone logo; however, those devices are designed and manufactured on our behalf by suppliers – known as original design manufacturers – that are contracted to design and make products according to our specifications. We do not own, operate or control the manufacturing plants that make those Vodafone-branded devices, nor are we a handler of raw materials or commodities.

Procurement is a highly centralised function within the business. The procurement process is designed to ensure fair treatment of suppliers during the competitive tender process. The majority of our external spend is managed by our Vodafone Procurement Company (VPC) and the Vodafone Shared Services Centres that are based in Budapest, Hungary and Ahmedabad, India. Globally, procurement is carried out using an Enterprise Resource Planning (ERP) system, which helps to ensure that we maintain a consistent approach to supplier management across Vodafone, from on-boarding and vetting a supplier to raising orders and paying for delivered goods and services. This makes it easier to monitor and improve supplier performance across our markets.



<sup>2</sup> This includes the 21 countries mentioned on page 3 plus our joint ventures and associates in Kenya (Safaricom), the Netherlands (Vodafone Ziggo), India (Vodafone Idea) and Vodafone Australia, where we do not have operational control.

## A typical electronics supply chain for Vodafone



Our supplier base is dynamic: the network of suppliers and sub-suppliers is changing continually. We work through industry initiatives to enhance transparency throughout the supply chain. Where we have influence on the design or manufacture of products, we seek to ensure that those products do not contain metals that fund conflict in the Democratic Republic of Congo. We provide further details of our approach to this issue in our statutory [Conflict Minerals Report](#).



## Vodafone's commitment to human rights and combating modern slavery

We fully acknowledge our responsibility to respect human rights as set out in the United Nations Guiding Principles on Business and Human Rights and the International Bill of Human Rights (IBHR). The IBHR informs all of our policies related to the rights and freedoms of every individual who works for us, either as a direct Vodafone employee or indirectly through our supply chain.

Respect for the dignity of the individual – and the importance of each individual's human rights – forms the basis of the behaviours we expect in every workplace worldwide, which are communicated through our Code of Conduct. We will not accept any form of discrimination, harassment or bullying and require all of our managers to implement policies designed to ensure equality of opportunity and inclusion, for all Vodafone employees.

We have also developed and implemented policies and processes that are intended to extend these commitments through our supply chain, which are embedded in our Code of Ethical Purchasing (see the 'Supply chain and Code of Ethical Purchasing' section on this page). These include requiring our suppliers to take measures to avoid any form of forced, bonded or compulsory labour (or any other kind of slavery or human trafficking) within their own operations.

### Codes and policies

#### i. Code of Conduct

Vodafone's Code of Conduct underpins everything we do. The Code is mandatory and extends to everyone working for, or on behalf of Vodafone, including employees, directors, contractors, subsidiaries, joint ventures and suppliers. We expect our suppliers and business partners to uphold the same standards and to act ethically, putting our principles into practice in everything they do. The Code of Conduct can be found at: [www.vodafone.com/content/index/about/conduct.html](http://www.vodafone.com/content/index/about/conduct.html)

Specifically, with regard to human rights, the Code of Conduct states the following:

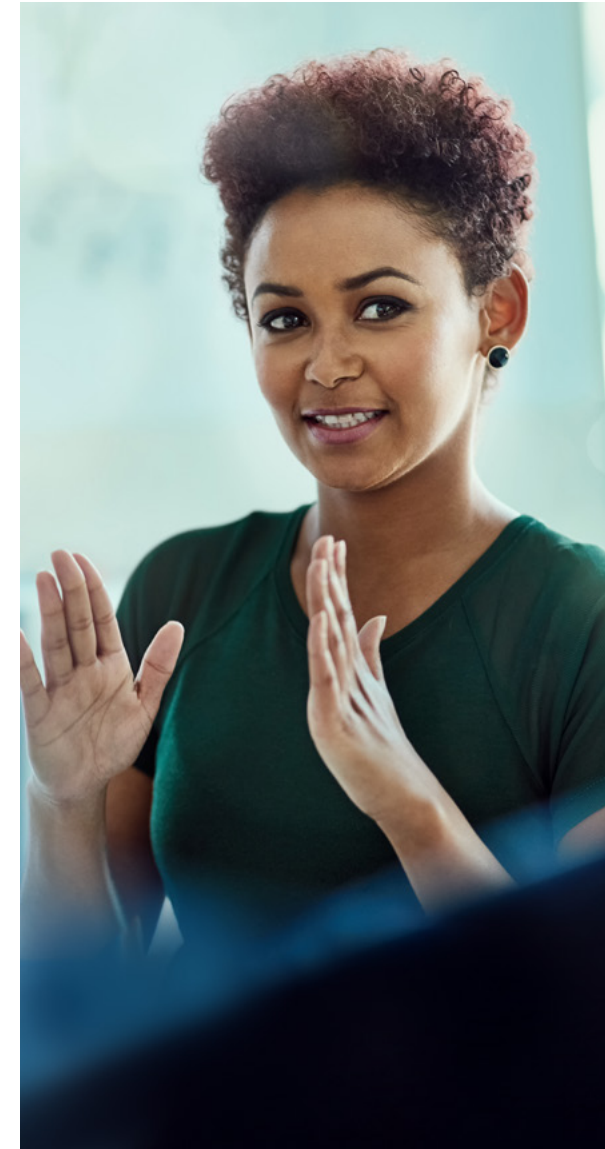
*"We respect all internationally proclaimed human rights, including the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We strive to ensure that we are not complicit in human rights abuses. We shall, in all contexts, seek ways to honour the principles of internationally recognised human rights, even when faced with conflicting requirements. We are also committed to implementing the United Nations Guiding Principles on Business and Human Rights throughout our business operations."*

#### ii. Supply chain and Code of Ethical Purchasing

Every supplier that works for us is required to sign up to – and then abide by – our Code of Ethical Purchasing. These commitments extend down through the supply chain so that a supplier with which we have a direct contractual relationship (Tier 1 supplier) is required to ensure compliance across its own direct supply chain (Tier 2 supplier from Vodafone's perspective) and so on.

The Code of Ethical Purchasing was established more than 10 years ago and is based on international standards including the Universal Declaration of Human Rights and the International Labour Organization's Fundamental Conventions on Labour Standards. It stipulates a range of ethical, labour and environmental standards that we expect to be followed across our supply chain, including areas such as child labour, health and safety, working hours, discrimination and disciplinary processes. Those requirements are backed up by risk assessments, audits and operational improvement processes, which we summarise on page 10 and which are also underpinned by binding contractual commitments.

The Code of Ethical Purchasing was developed in consultation with employees, suppliers, investors and NGOs, and directly addresses the labour rights issues associated with modern slavery.



The specific requirements regarding forced labour risks in the Code were updated in 2014 to make explicit reference to slavery and human trafficking:

- The Supplier shall not use any form of forced, bonded or compulsory labour, slavery or human trafficking.
- The Supplier's employees shall be entitled to leave work or terminate their employment with reasonable notice. Employees shall be free to leave work after such reasonable notice period expires. All employment shall be voluntary.
- The Supplier shall provide each of its employees with an employment contract which contains such a reasonable notice period.
- The Supplier shall not require employees to lodge deposits of money or withhold payment or place debt upon employees or require employees to surrender any government-issued identification, passports or work permits as a condition of employment.

The Code of Ethical Purchasing is overseen by the Vodafone Group Plc Board through the Group's Chief Financial Officer, who is an Executive Director of the VPC and also sits on the Vodafone Group Executive Committee (ExCo). Development and implementation of the Code is led by the Global Supply Chain Management Director, who is also the Chief Executive Officer of the VPC and a member of Vodafone's global senior leadership team. The Code is reviewed annually, in line with Vodafone's risk profile, and there were no further amendments deemed necessary in the reporting period.

For information about how we communicate our Codes to our employees and suppliers see the 'Other training and capacity-building initiatives' section on page 13.

We encourage our employees to report suspected breaches of our Codes confidentially by using our *Speak Up* process, which can also be used to report a wide range of unethical or unlawful activities and can be used by employees and suppliers alike. For more information about this process and how we respond to any findings of non-compliance see the 'Grievance mechanisms' section on page 12.

### iii. Human resourcing policy

Vodafone has a global human resourcing policy that is updated annually. It sets out the overarching principles and controls to be followed and applied in each of our local operating companies in order to ensure that personnel resourcing is conducted in a fair, open and transparent manner. The policy is owned by the Global Resourcing Centre of Excellence and training is provided on induction to the resourcing teams.



## Governance and accountability

Vodafone has an established Human Rights team that has a comprehensive understanding of modern slavery and supply chain issues and that works closely with the responsible supply chain management leads in the VPC. It forms part of the Sustainable Business team, which reports into the Director of Corporate Affairs. The Group External Affairs Director, who sits on the Group ExCo, is responsible for Vodafone's approach to human rights issues.

The Human Rights team also engages with the Sustainable Business teams in Vodafone's local markets. At the last Vodafone Sustainable Business workshop, the agenda included a dedicated session on modern slavery and Vodafone's modern slavery e-learning training. The team also works closely with colleagues in Group Legal, Privacy, Security, Public Policy and Partner Markets on any potential human rights issues.

### Activity in 2018-19

#### i. UK Home Office Business Against Slavery Forum

During the 2018-19 financial year, Vodafone's Human Rights team engaged with other companies on the issue of modern slavery through its participation in the UK Home Office's Business Against Slavery Forum working group. This group was established as a partnership between government and business to accelerate progress in the fight against modern slavery and create and facilitate the sharing of best practice. Vodafone continues to be actively involved in this working group in 2019.

In October 2018, Vodafone provided input into the Independent Review of the Modern

Slavery Act 2015, chaired by Baroness Young. The roundtable discussion gathered the views and expertise of the private sector on the operation and effectiveness of, and potential improvements to, provisions in the Modern Slavery Act. Vodafone is also a member of the Transparency in Supply Chains Advisory Group, which supports the government's modern slavery agenda and is one of six groups that feed into the Home Office's Modern Slavery Strategy and Implementation Group. Vodafone UK's CEO, Nick Jeffery, is a member of the UK Home Office's Business Against Slavery CEO Forum, which facilitates senior-level private sector engagement on the implementation of the Modern Slavery Act in large FTSE companies.

In February 2019, Vodafone also joined representatives from a range of sectors, along with Victoria Atkins MP and the British Ambassador to France, to discuss how business can accelerate progress in eradicating modern slavery.

#### ii. Tech Against Trafficking

Vodafone Group has become a member of the Tech Against Trafficking (TAT) initiative. Hosted by Business for Social Responsibility (BSR), TAT is a coalition of technology companies collaborating with global experts to help eradicate human trafficking using technology. TAT members include Amazon, AT&T, BT, Microsoft Corporation, Nokia and Salesforce.org.

TAT's goal is to work with civil society, law enforcement, academia and survivors of human trafficking to: identify and create technology solutions that disrupt and reduce human trafficking; that prevent and identify crimes; and that provide remedy mechanisms for victims and support survivors through innovation, collaboration, guidance and shared resources.

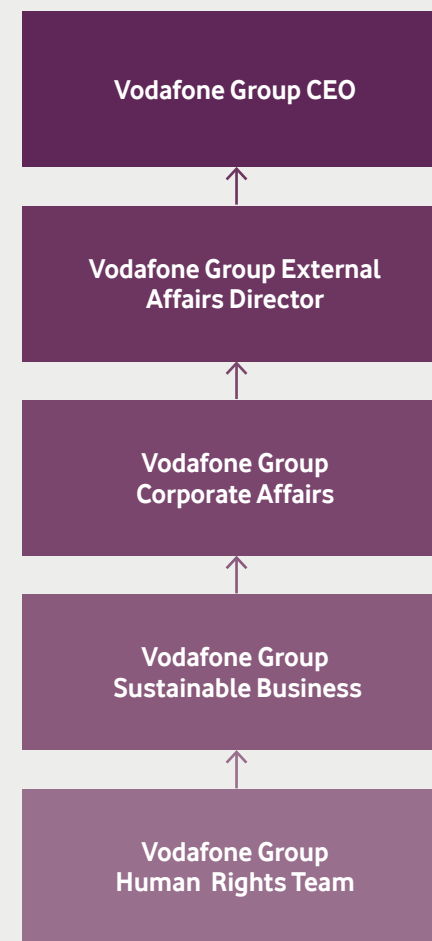
As a first step, TAT embarked on an ambitious project to understand and map the landscape of existing technology tools being used in the anti-trafficking sector. Over 200 anti-trafficking tools were identified by the end of 2018, with the majority working to identify existing victims of human trafficking and address and manage the risk of child and forced labour in corporate supply chains. In the year ahead, TAT will work to support and advance the use of high-potential technology solutions to accelerate their growth, scale and resulting impact in the fight against human trafficking. Vodafone contributed to the mapping exercise as an observer member and became a full member in 2019 in order to contribute further to the next phases of the TAT work, as described above.

To learn more about TAT, please visit [www.bsr.org/en/collaboration/groups/tech-against-trafficking](http://www.bsr.org/en/collaboration/groups/tech-against-trafficking)

#### iii. Joint Money Laundering Intelligence Taskforce

The Joint Money Laundering Intelligence Taskforce (JMILT) has been developed in partnership with the UK government, the British Bankers' Association, law enforcement agencies and more than 40 major UK and international banks, under the leadership of the Financial Sector Forum. Vodafone shared its approach to modern slavery and the company's e-learning training module at the JMILT Expert Working Group on Human Trafficking and Organised Crime.

### Organisation chart





## Management of modern slavery risk

### i. Assessing risk

We continue to use the approach defined from the results of the Group-wide modern slavery risk assessment conducted in 2017, when our business and supply chain activities were assessed against recognised indicators of modern slavery risk, including:

- potential employment of vulnerable groups (such as low-skilled, seasonal or migrant workers);
- likely involvement of labour recruiters and other third-party agencies in the recruitment of workers;
- consideration of how many workers are involved in the business or supply chain activity; and
- the country-by-country risk of modern slavery (based on the [Global Slavery Index](#)).

This assessment enabled Vodafone to better understand where to prioritise our efforts across our operations and supply chain. The resulting indicators were fed into our supplier on-boarding process to ensure that our areas of greatest potential exposure are identified and assessed for risk.

Our greatest areas of potential exposure are linked to our procurement of manufactured electronic products, the construction services for our mobile and fixed assets, maintenance and support services at our offices, and warehousing of products. Customer support and telesales activities carried out in higher-risk geographies – some of which are outsourced and some of which we carry out directly – may also carry a level of risk.

Internal subject matter experts evaluate the likely risk exposure for every product and service that Vodafone procures and this information is fed into a supplier risk-screening tool. Labour rights are a key consideration in this process and all new suppliers are screened using this tool to determine an appropriate due diligence approach.

### ii. Conflict minerals

We also recognise the forced labour risks associated with so-called conflict minerals – the term used to describe some of the raw materials (tin, tantalum, tungsten and gold) used throughout the global electronics industry. Our approach to managing this specific issue is set out in our [Conflict Minerals Report](#), our separate statutory disclosure.

### iii. Statement on Cobalt

In recognition of the specific forced labour and other human rights risks associated with artisanal cobalt mining in the Democratic Republic of Congo, we have also taken steps to investigate whether these risks may exist in our supply chain. Vodafone published its first public [Statement on Human Rights and Artisanal Cobalt Mining](#) in the Democratic Republic of Congo at the end of 2017 and is part of the [Responsible Minerals Initiative](#) subgroup on cobalt.





## Supply chain due diligence

### i. Selecting new suppliers

Labour rights are a key aspect of the due diligence process applied to new suppliers and are a core factor evaluated on an ongoing basis with existing suppliers. We use a risk-based approach to determine the extent of scrutiny and challenge required when considering whether to appoint a new supplier. Factors such as locations, industries or activities with a history of poor labour standards are considered when determining whether a more detailed evaluation of the supplier is required.

Potential new suppliers rated as higher-risk through the outcome of our initial risk-screening process (see the 'Management of modern slavery risk' section on page 8) are required to complete a self-assessment questionnaire and provide evidence that they operate ethically and responsibly, in line with our Code of Ethical Purchasing requirements.

A supplier providing an incomplete response triggers a review in which relevant Vodafone policy owners review the supporting data provided, along with the self-assessment questionnaire, which is supplemented by a review of any adverse media coverage. These policy owners, who are independent of the business functions, will then determine whether to reject a supplier from being permitted to work with us. They will do so if that supplier does not meet our requirements and, in the view of those policy owners, has no prospect of doing so even with support and remediation. If the information provided is found to be unsatisfactory, further on-site assessments may be required to verify compliance with the standards set out in the Code of Ethical Purchasing, and this may include a third-party audit by a credible independent source.

If a potential new supplier is found to be non-compliant, where feasible we try to work with them to help enhance their capabilities and address the issues of concern, using corrective action plans and training. We share our free online modern slavery training with all suppliers and encourage them to use and cascade it to their suppliers (see the 'Publicly available modern slavery training for suppliers' section on page 13) in order to build awareness and understanding about the risk of modern slavery in their supply chains.

If we receive sufficient assurance of compliance on completion of our due diligence processes, the supplier will be qualified. Our suppliers are then required to sign up to and abide by our Code of Ethical Purchasing, which includes explicit provisions related to modern slavery. We also require that our suppliers cascade the Code to their own supply chains (see the 'Codes and policies' section on page 5).

### ii. Ongoing monitoring

Where we have identified that a particular supplier is high-risk and requires monitoring, we evaluate that supplier's compliance with our Code of Ethical Purchasing through a detailed assessment that may involve an on-site audit. We conduct some of these audits ourselves, sending appropriately qualified auditors from recognised audit firms, or Vodafone auditors, into the supplier's operations to examine working conditions on the ground and speak directly to employees on the factory floor or relevant worksite. Other site audits are conducted under the [Joint Audit Cooperation \(JAC\)](#) initiative, an association of telecommunications operators established to improve ethical, labour and environmental standards in the Information

and Communications Technology (ICT) supply chains, of which Vodafone is a participating member alongside 15 other telecommunications operators (AT&T, Deutsche Telekom, KPN, MTC, Orange, Proximus, Rogers, Swisscom, Telecom Italia, Telefónica, Telenor, Telia Company, Telstra, VEON and Verizon).

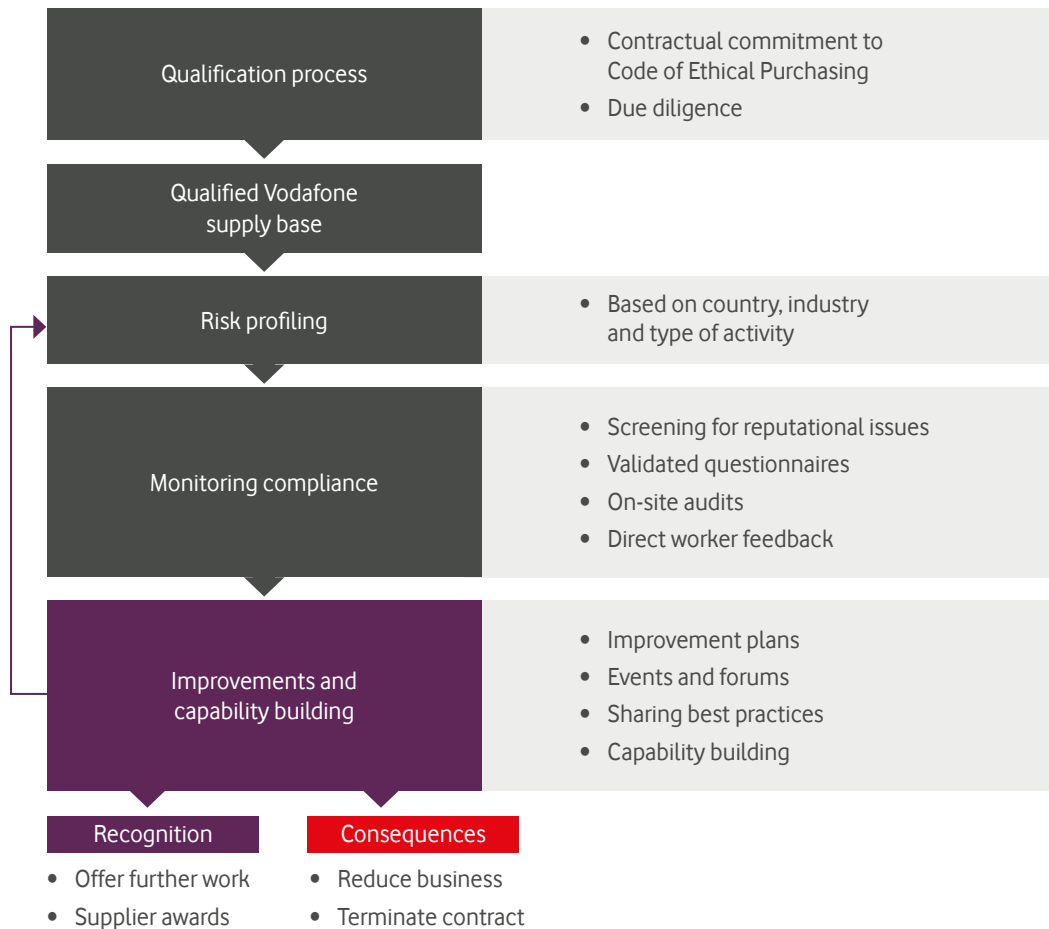
Suppliers that are deemed not to comply with our standards as set out in our Code of Ethical Purchasing are provided with a corrective action plan to address any areas for improvement and are required to submit evidence that this

has been completed. Corrective action plans through JAC are uploaded to a platform and reviewed on a quarterly basis by an independent provider, and ongoing monitoring occurs if and when grievances are raised (see the 'Grievance mechanisms' section on page 12 for more information).



## Mechanisms for ensuring our suppliers operate responsibly to our standards

### Vodafone Code of Conduct Vodafone Code of Ethical Purchasing



We also monitor our strategic suppliers through our Supplier Performance Management programme, which measures whether our suppliers have a responsible supply chain as well as other factors such as delivery, quality and commercial performance. Strategic suppliers are required to submit responses to our questionnaire with evidence related to their compliance each year. This evidence is then validated and assessed internally and each supplier is given a scorecard highlighting areas for improvement.

#### iii. Beyond Tier 1

We have various measures to encourage and assess the compliance of suppliers in Tier 2 and beyond, where we do not have direct control. For example, we require that our suppliers cascade our Code of Ethical Purchasing to their own supply chains (See the 'Codes and policies' section on page 5). As part of our Supplier Performance Programme, strategic suppliers are also evaluated on how they assess the social and ethical risks in their supply chains and how they measure their effectiveness in ensuring compliance. Through our membership of JAC, we also have access to the audit reports of suppliers that we share in common with other members.

In 2019, we led an initiative to support capability building with our suppliers, in order to cascade our expectations deeper into our supply chains (see Case study: The JAC Supplier Academy on page 11).

In the 2018-19 financial year, our on-site audits (together with those conducted through JAC) identified nine incidents relating to forced labour activities prohibited under our Code of Ethical Purchasing. These incidents related to:

- non-compliance with Chinese labour laws regarding having more than 10% of agency workers (called 'dispatch workers') as part of the workforce; and
- employees not receiving copies of their employment contract.

None of the incidents were critical and all were minor non-conformances. Most of the cases related to workers who had highlighted, during confidential worker interviews, that they did not have a copy of their contract or formal confirmation of their remuneration. Remedial actions have been completed and the relevant suppliers have subsequently issued workers with a copy of their contract and remuneration details. The other cases were related to suppliers that had failed to comply with local labour requirements by exceeding the percentage of agency workers permissible as part of the overall workforce. The suppliers in these cases have since committed to a plan to achieve compliance, which will be reviewed in the coming year.

We also use mobile devices to gain insights into the views and experiences of some of our Tier 2 suppliers' employees, to understand the extent to which Tier 1 suppliers are mandating compliance of their suppliers to our Code of Ethical Purchasing. We were the first telecoms operator in the world to use mobile worker surveys to enable employees to use their personal mobile phones to provide anonymous feedback on key aspects of their working conditions through the use of local-language surveys. Following Vodafone, other industry members from JAC have also adopted this solution, and collectively we have surveyed 12 factories in common employing 16,800 workers in China and India. We found that 10% of this workforce population responded to the anonymous mobile survey as part of our assessments.



Anonymous worker surveys using mobiles are now integrated into part of the on-site audits programme as a means of ensuring the worker voice is included. The survey sections related to modern slavery risks are focused on working hours and overtime, as these are often proxy indicators for a broad range of other labour rights issues. The anonymous surveys, which are run on our behalf by an independent third party, asked employees: "What do you think about your working hours, including your normal working hours and overtime?" Of the 1,693 who responded:

- 46% said "I am ok with the way they are now";
- 28% said "I have no opinion on this";
- 22% said "I want to work fewer hours"; and
- 5% said "I want to work more hours".

The results of these surveys are integrated into our on-site audit reports, and findings that require action are incorporated into the relevant suppliers' corrective action plans.

### The Joint Audit Cooperation (JAC) Supplier Academy

Every year JAC conducts regular audits up to four tiers down the supply chain of its member companies. These audits apply a broad set of standards, including established Environmental, Social and Governance (ESG) criteria. In 2018-19, JAC collectively audited 79 factories, 87% of which form part of Vodafone's supply chain. Across the 79 factory audits, JAC identified a total of 768 corrective actions. Of these, we identified 49 unacceptable issues and 193 critical issues. 79% of these issues have now been remediated, with the remaining issues being closely monitored for timely closure.

Vodafone led a programme, in collaboration with other JAC member companies, to launch a Supplier Academy with five suppliers (Nokia, Huawei, ZTE, China Shoto and Sony), with the main purpose of strengthening the capability of each participating company to manage human rights and other risks within their relevant manufacturing facilities.

The Academy focuses on developing training to help suppliers assess and improve the social, ethical and environmental performance issues inherent within their own supply chains. The benefits of the programme include:

- a common audit process to facilitate effective verification and management of social, environment and ethical conditions;
- building the expertise of our suppliers,

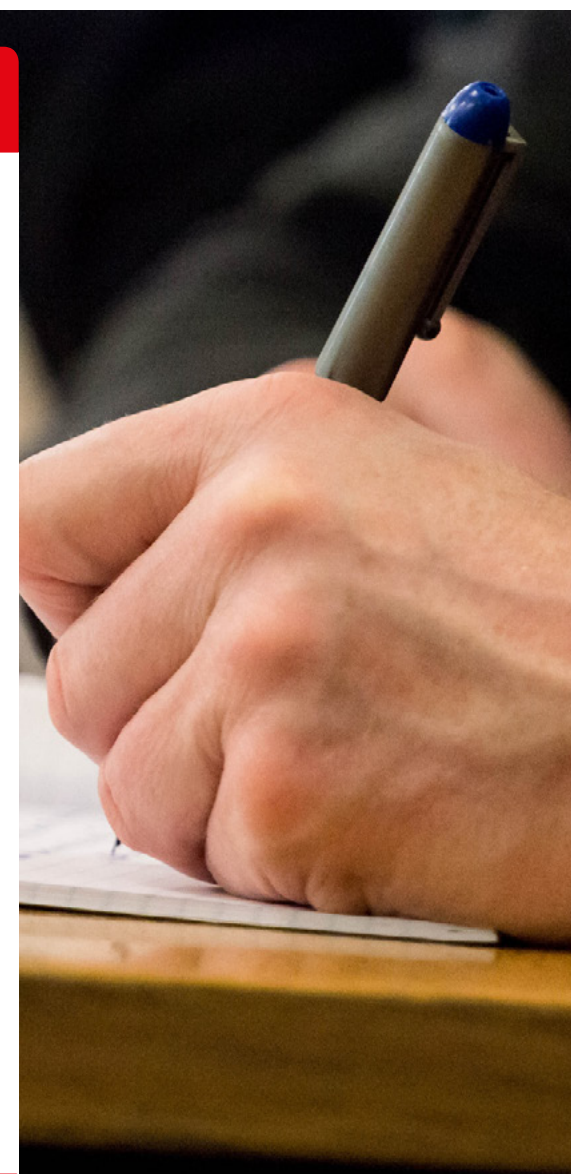
working in key roles within supplier factories;

- increasing transparency of labour conditions in the supply chain;
- cascading policies and procedures deeper in the supply chain; and
- improving understanding of how to audit for forced labour and poor payment practices.

We conducted an initial pilot of the Academy in 2017-18. Two managers from each of the five participating suppliers undertook a week of classroom training delivered by an internationally recognised audit and verification company.

In 2018-19, using a 'train the trainer' approach, these suppliers received certification on completion of the training to verify that they are able to carry out similar assessments of their own facilities and those of their suppliers, helping to cascade the JAC requirements and expectations through the supply chain. Suppliers participating in the JAC Academy also completed and shared the audit results of 25 suppliers in their supply chain.

The JAC Academy has committed to help to further build the capability of the suppliers' certified managers through hosting sustainability forums and webinars to exchange best practice on responsible supply chain management.



## Grievance mechanisms

We encourage everyone who works for Vodafone to report suspected breaches of our Code of Ethical Purchasing as soon as possible via our *Speak Up* process. There are a number of ways people can do this, including via our anonymous external confidential reporting service – a local-language, online and phone reporting hotline that is prominently communicated to all employees, suppliers and contractors on a regular basis. *Speak Up* operates under a non-retaliatory policy; everyone who raises a concern in good faith is treated fairly regardless of the outcome of any subsequent investigation. In our latest Global People Survey, 84% of respondents said they would use *Speak Up* to report unethical behaviour of any kind.

*Speak Up* is also made available to all of our suppliers and is communicated through our Code of Ethical Purchasing. For suppliers that decide to maintain their own grievance mechanisms, we require that they inform us directly of any grievances raised relating to work done on behalf of Vodafone.

The *Speak Up* programme is overseen by our Group Risk and Compliance Committee, and senior executives review each individual complaint reported via *Speak Up*. Each grievance raised is formally and robustly investigated and is monitored to verify that any corrective action plan or remediation has been conducted.



### *Speak Up*: Investigating grievances

During 2017, we asked more than 8,000 supplier businesses to cascade our modern slavery e-learning training through their supply chains. The training, which is available in English, Hindi and Mandarin Chinese, is designed to increase workers' and line managers' awareness and understanding of modern slavery risk. It also promotes Vodafone's *Speak Up* process as a way for workers to raise issues directly with Vodafone.

As a direct result of this training, during 2018-19, we had one report of a modern slavery-related issue through *Speak Up*, from a worker at a supplier site in one of our African markets. The individual raised a concern that they did not have an employment contract and had yet to be paid.

The Vodafone Group Risk and Compliance team escalated the grievance internally for further investigation. Working with an independent auditor, Vodafone

observers visited the site to review the supplier's contracting and payment procedures. This included document checks, confidential employee interviews and taking a sample of the supplier's workers' contracts, in job roles likely to be at risk of modern slavery practices.

After a thorough investigation, using an independent audit firm specialising in detecting modern slavery to carry out an on-site audit, no wrongdoing was found. However, we identified some areas for improvement to avoid any similar concerns occurring in the future. The supplier has since implemented the recommendations that resulted from the audit with respect to communicating pay in advance of remuneration and ensuring that employment contracts are both kept on file and shared with employees. The confidentiality of the individual was maintained through the process.



## Other training and capacity-building initiatives

The Vodafone 'Doing What's Right' mandatory training course is designed to help employees across the organisation understand the underlying principles, objectives and practical implications of Vodafone's Code of Conduct (See the 'Codes and policies' section on page 5 for further information) and, in turn, reflect upon their personal responsibilities and required behaviours. Training is delivered through e-learning courses, face-to-face line manager events, webinars and induction programmes for new employees. To date, over 90% of active employees around the world have completed the e-learning training<sup>3</sup>. In addition, for higher-risk employees, such as those working in procurement, network operations, Vodafone Business sales, and government relations, tailored face-to-face training programmes are used to cover relevant scenarios.

We also require everyone in our global supply chain organisation, VPC – as well as other people who work closely with suppliers – to complete training on our Code of Ethical Purchasing on an annual basis. The programme includes specific guidance on how to identify and report non-compliance issues when visiting supplier sites, and how to communicate expectations to suppliers effectively.

During the 2018-19 financial year, the training was updated to include an enhanced module on human rights, in addition to modules on ethics, health and safety, and the environment. The training explicitly refers to the withholding of documentation, illegal recruitment fees and freedom of movement. See the 'Codes and policies' section on page 5 for further

### Code of Ethical Purchasing Training



information. This year, all of our global supply chain employees completed the required training on the Code of Ethical Purchasing.

### Publicly available modern slavery training for suppliers

In 2017-18, we developed and launched a freely accessible and interactive modern slavery online training module to help build awareness and understanding of modern slavery among suppliers and other partners across our supply chain. The training is available in English, Mandarin Chinese and Hindi and continued to be promoted across our supply chain during the year.

The 20-minute module is tailored to the challenges of the ICT supply chain and follows an avatar through the different modern slavery risks that exist in the work cycle (recruitment, working, leaving). It was designed to provide an introduction to the subject matter and enable suppliers to spot 'red flags' within their business operations and supply chain. The course uses in-depth examples from a range of high-risk sectors – such as recruitment fees in the construction sector and passport retention in electronics manufacturing – and highlights both Vodafone's expectations and international standards in relation to these issues.



Since its launch in 2018, Vodafone's modern slavery e-learning training has been distributed to over 8,000 suppliers. We encourage all our stakeholders to register and access the free training on their desktop or mobile device via <http://modernslavery.vflearning.com>

The Vodafone Human Rights team presented Vodafone's modern slavery e-learning training at the annual Vodafone UK Supplier Health and Safety forum, in November 2018. The forum was attended by Vodafone UK's top suppliers and the presentation encouraged suppliers to cascade the training within their supply chain.

<sup>3</sup> This rate excludes employees in Germany due to local works councils' restrictions.

## Evaluating our progress

Modern slavery is a hidden risk, making the evaluation of progress complex. We use the following performance indicators to monitor and report on the effectiveness of our policies and procedures in this area.

Key performance indicator (KPI)	Reason for KPI	2015-2016	2016-2017	2017-2018	2018-2019
<b>Number of site assessments conducted (either by Vodafone or through JAC<sup>4</sup>)</b>	We explicitly investigate practices that could result in modern slavery conditions through our various engagements with our suppliers, e.g. audits, frequent supplier visits and JAC assessments.	61	95	98	<b>85</b>  We have had a slight reduction in the number of supplier audits as a result of a decrease in the number of suppliers we work with overall, as well as supplier consolidation in the marketplace.  Through our partnership with JAC, we are able to share assessments of common suppliers, increasing our visibility further down the supply chain and reducing audit fatigue on suppliers.
<b>Number of issues related to forced labour identified</b>	By monitoring the number of issues identified, we can better adapt our policies and procedures.  For example, if the numbers significantly decreased, we would investigate greater awareness-raising activities and improved grievance mechanisms, in order to gain confidence that issues are not going unreported. If the numbers significantly increased, we would review our due diligence processes to gain confidence that such activity is investigated and eliminated.	15	21	15	<b>9</b>
<b>Number of remedial actions taken in response to the forced labour issues identified</b>	By monitoring the number of remedial actions taken, we gain greater confidence that our corrective plans are being actioned and any activity is investigated and eliminated.	13	19	15	<b>9</b>
<b>Number of reports to our external <i>Speak Up</i> hotline related to modern slavery concerns</b>	By monitoring the number of reports made we can better adapt our policies and procedures. All reports are formally and robustly investigated (see page 12).	0	0	0	<b>1</b>  (See ' <i>Speak Up</i> : Investigating grievances' on page 12.)
<b>Number of sites where we have conducted a confidential survey of supplier employees via their personal mobile phones</b>	The increased provision of an anonymised, local language, confidential survey will enable greater transparency of specific worker concerns and provide indicators that may point to potential modern slavery conditions.	8	7	10	<b>12</b>
<b>Number of factory workers participating in a mobile phone-based confidential survey</b>	Increasing the number of factory workers that participate will enable us to better understand the scale of workers' concerns and provide indicators that may point to potential modern slavery conditions.	2,607	4,743	2,556	<b>1,693</b>  Decrease due to anonymous worker surveys using mobiles now being integrated into part of the main on-site audit programme, as a means of ensuring the worker voice is included.

<sup>4</sup> JAC assessments are reported on a calendar year basis.



## Scope of report and review

This Statement describes the activities that Vodafone Group Plc is undertaking to prevent slavery and human trafficking in our business operations and supply chains. It has been published in accordance with the Modern Slavery Act 2015, and covers Vodafone's mobile and fixed broadband operations in the 21 countries where we have operational control<sup>5</sup>.

The Act requires all large UK businesses (with a turnover of £36m or more) to publish such a statement. The following UK-registered entities, which are part of Vodafone, fall into the scope of the regulation and are covered by the content of this Statement:

- Vodafone Group Services Limited (VGSL), including Vodafone Group Plc – which supports our local operating companies;
- Vodafone Sales and Services Limited (VSSL) – which supports our commercial, marketing and brand functions;
- Vodafone Limited (also known as Vodafone UK) – our local UK operating company;
- Talkmobile Limited – our online-only UK mobile brand;
- Vodafone Global Enterprise Limited (VGEL) – which supports our multinational customers;
- Vodafone Enterprise Global Limited (VEGL) – which provides off-footprint services and support to multinational business customers; and

- Vodafone Global Network Limited (VGNL) – which is responsible for carrier services globally, including ownership of subsea cables and associated assets.

The Boards of each of these entities have reviewed this Statement and have approved it. Separately, this Statement has also been reviewed by the Vodafone Group Plc Board, as required, and has been signed on its behalf by the Vodafone Group CEO.



**Nick Read,**  
Chief Executive,  
Vodafone Group Plc

<sup>5</sup> The scope of markets included in this Statement covers our mobile and fixed broadband operations in 21 countries where we have operational control: Albania, Czech Republic, Egypt, Germany, Ghana, Greece, Hungary, Ireland, Italy, Malta, New Zealand, Portugal, Romania, Spain, Turkey, the UK, Vodacom (South Africa) and Vodacom's subsidiaries: the Democratic Republic of Congo, Lesotho, Mozambique and Tanzania.

View our previous Slavery and Human Trafficking Statements [here](#).

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