WELCOME TO VODAFONE

our path to a sustainable investment

We are one of the biggest communications companys in the world ...

Europe's largest **fixed network provider**

Europe's largest **mobile network provider**

One of the largest **digital TV platforms** in Europe

World market leader in **Internet of Things**

Awarded **top employer**

Around **37 billion €** revenue worldwide

... and a leading global provider of digital products & services.

Our **93,000 employees** provide people and business:

- Broadband-Internet & Wifi
- Cloud & Hosting
- Mobile Communications
- Artificial Intelligence

WE CONNECT FOR A BETTER FUTURE

- TV & Entertainment
- Augmented & Virtual Reality
- Internet of Things
- Mobile Payment Systems

We are successful worldwide because we smartly connect people and technology to find answers to the big questions and challenges of the future. Making the world a better place today? Check!

We aim to build an inclusive, sustainable and trusted digital society where all individuals and businesses can thrive. Maintaining trust with our customers, employees, suppliers and the societies we serve is at the heart of everything we do

Sustainability and ESG are a core pillar of our corporate strategy

Our Purpose – Sustainability as a core pillar of our corporate strategy

Unser Purpose

We connect for a better future

Empowering People

Protecting the Planet

Maintaining Trust

Together we can:
Ensure that no one is left behind.

A better future
means that all people have access to the opportunities and possibilities of the digital future.

To ensure that no one is left behind on this journey, we are committed to being bridge builders for diversity and inclusion.

Together we can:
Protect our planet.

A better future
is a liveable future in which business success does not come at the expense of the environment. And where our technologies enable people to a more sustainable life.

With digital solutions, we want to protect our planet and help our customers to do the same.

ESG & Investors | Vodafone

Who are our investors?

Investor Type

Pensions & savings	Insurance	Collective wealth

Geography

UK	US	UAE	Other

What is ESG?

ENVIRONMENT

How companies manage their environmental impact on the planet and opportunities from adaptation

- Energy sources & uses
- Energy efficiency
- Greenhouse gas emissions
- Waste management
- Supply chain
- Circular economy
- Customer enablement

SOCIAL

How companies impact people and culture, and the wider impact on the community

- Data security & privacy
- Diversity & Inclusion
- Employee engagement Learning & Development
- Human rights
- Supply chain (incl. labour)
- Health & Safety
- Tax & economic contribution.

GOVERNANCE

Companies internal system of controls and procedures which ensure good conduct

- Leadership
- Board composition
- Executive compensation
- Audit (Internal & External)
- Internal controls
- Shareholder rights
- Lobbying
- Business conduct & ethics
- Bribery & corruption
- Whistleblower programs

Why do investors care?

1. **Historic high profile corporate failures involving governance, reputation and environment show that bad corporate governance leads to bad financial outcomes, which leads to bad investment returns**
   - E.g. Enron/Worldcom governance failure, BP deep water disaster and Volkswagen emissions
2. **Academics have started to look at the positive correlation**
   - E.g. Happy & diverse teams have better engagement leads to better financial performance, good corporate governance practices optimise and not only avoid or mitigate risk, and understanding & reducing environmental footprint take out cost and become more efficient
3. **Investors genuinely want to to invest in nice companies**
   - It is no longer a "nice to have", but a core part of corporate reporting in a modern capitalist society

What does this mean for Vodafone?

So far…

- Important for Vodafone to prove that we are a good company and not just say we are a good company
- Evolved from narrative story telling to data driven and fact based
- ESG disclosures increased dramatically over the last two years (Annual Report, ESG Addendum, reporting against standards)
- Conducted nearly 1,500 investor meetings to explain our progress

Looking ahead …

- Implement the same rigour around ESG reporting and Financial reporting as it is being mandated by regulators and governments….
- …which will require continued development as there are over a hundred agencies, frameworks, standards and they are constantly evolving
- Report our progress against targets

Team Sustainability – how we achieve sustainability @ Vodafone

ESG-Reporting

Measure and evaluate the company‘s achievements in ESG

Environment

We have implemented an environmental management system according to ISO 14001

Regulatoy

We comply with laws, guidelines and rulings (e.g. GCD, CSDDD, **CSRD**, RTR, GHG)

Partner & Lobbying

We cooperate with partners and federations regarding projects for sustainable developments

Anti-Greenwashing

We monitor our communication regarding misleading statements of our environmental and social engagements

Business Partner

We require certifications and certifications from our partners we work with regarding ESG

ESG & Incentives

ESG in Incentive Plans.. an Evolving Landscape


Executive Pay Tied to ESG Goals Grows as Investors Demand Action Bloomberg, March 2022

- An increasing number of companies are linking climate and broader ESG ambitions to incentives – this is a trend seen across the UK FTSE 100, Europe Top 100 and US S&P 500.
- In the FTSE 100 **90%*** of incentive plans include some form of ESG metric.

Climate	D&I	Employee engagement
H&S	Risk management	Waste & recycling

*Example metrics**

*Source: Deloitte Academy May 2022

Vodafone's Purpose and Progress

We connect for a better future

- Inclusion for All
- Planet
- Digital Society

- **40% women in management and leadership roles by 2030**

Progress - 32% women in management and leadership roles

- **Eliminate Scope 1 & 2 and halve Scope 3 by 2030**

Progress - 23% reduction (Scope 1 & 2)

- **Connect 75 million customers to financial inclusion services by 2026**

Progress - 52.4 million M-Pesa customers

ESG Measure under Long-term incentive ('GLTI')

- ESG measure in place since 2020 grant (following the 2019 remuneration policy review), and was well received by investors.
- ESG incorporated into both ExCo and SLT GLTI awards.
- ESG targets are set annually and tied to externally communicated **long-term ambitions**.

ESG Ambitions (measured to 31 March 2025)

Planet	Inclusion for All	Digital Society / Inclusion for All
80% reduction of Scope 1 and 2 emissions	35% women in management	70.0m M-Pesa and financial inclusion product customers

ESG targets for award granted in July 2022

Our way in Germany to protect the planet.

2020

100 % electricity from renewable sources*

2025

CO2-neutrality**

100% less CO_2 emissions from own activities

2030

50 % less CO_2 emissions from our Value Chain

Supply Chain | Business Travels | Joint Ventures | Benefits from sold materials & services

350 million tonnes less CO_2 from business customers worldwide

through the use of digital technologies

2040

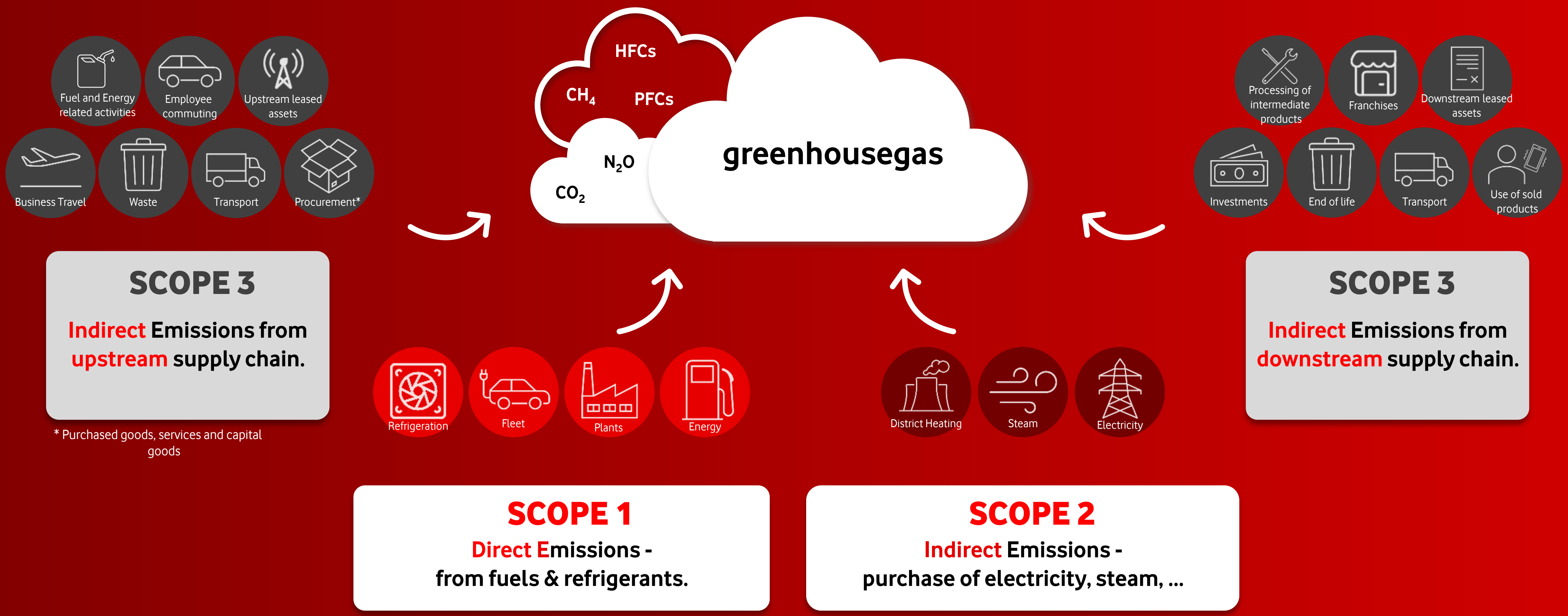
Net zero emissions

along the upstream and downstream value chain

*For third-party sites that do not use renewable energy, compensation is provided via certificates

**CO2-neutral means that we reduce our CO2e emissions by at least 90% and offset unavoidable residual emissions via certified climate protection projects

Emissions in operations and supply chain



WRI and WBCSD (2004), www.ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf , S.24 ff;
WRI and WBCSD (2011), https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporing-Standard_041613_2.pdf, S. 31

Our Climate Transition Plan @ a glance

1 Strategic approach

2025
Net Zero from Scope 1 & 2

2030
-50% Scope 3 emissions*

2040
Net Zero from Scope 1, 2 & 3

Plan being revised every 3 years

2 Initiatives to decarbonise our business

Energy efficiency	Renewable electricity purchasing	Carbon data analytics	Lower carbon devices	Sustainability by design
Alternative fuels	EV fleet in Europe	Key supplier engagement	Device manufacturer engagement	Climate-related policy
On-site renewables		Investment company engagement	Raising consumer awareness	Transparency and disclosure
F-gas strategy		Longer lifetime devices		PPAs

Strategic enablers

Scope 1/2 CTP initiatives *Scope 3 CTP initiatives* *Climate-related risks* *Climate-related opportunities*

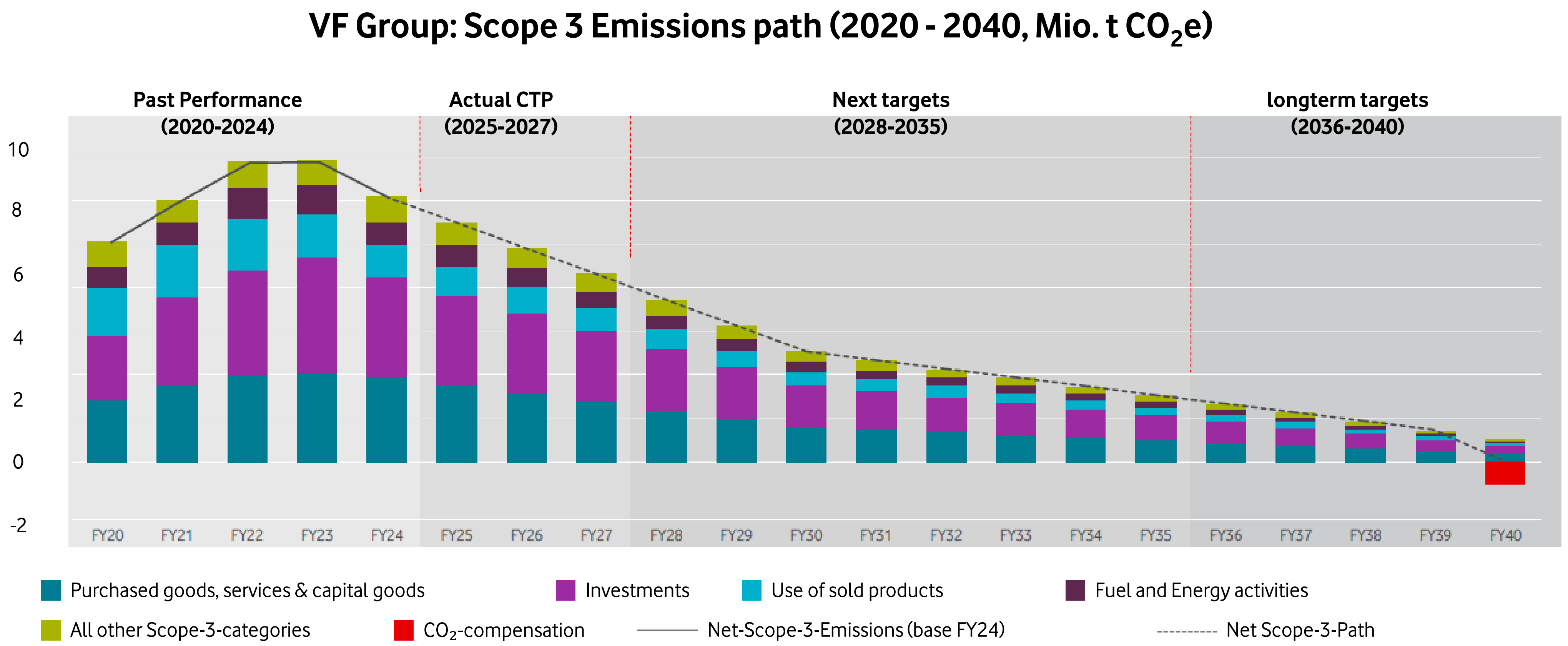
Existing & new actions

Managing risks & opportunities

3 Road to success

- GoTransform Integration
- Connect for a better future: establish cross-functionality
- Further allocation of resources and investments
- "Pace" in the implementation of the focus measures

Our ambitious path to scope 3 Emissions will lead us to our climate target 2040



How you can participate

ESG LAB

TEAM GREEN

IDEAS MANAGEMENT

You want to get more informations? Have a look @ our sharepoint:

Vodafone Principal Partner for COP27

Together we can

Our carbon journey plan

The Vodafone Pension scheme since 2006

Matching contributions on a <u>monthly</u> basis

Taking into account controbutions to state pension

And also social security threshold

Monthly voluntary contributions from base salary

Contributions from one-off payments

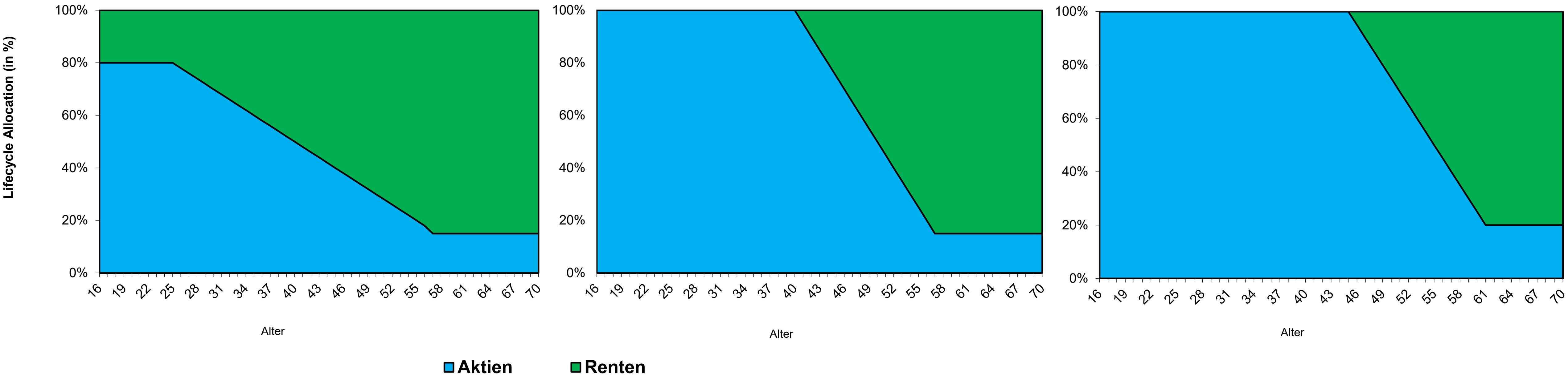
Contributions from capital forming benefits (tariff agreement)

Life-Cycle and strategies @ a glance

Sicherheit

Balance

Wachstum

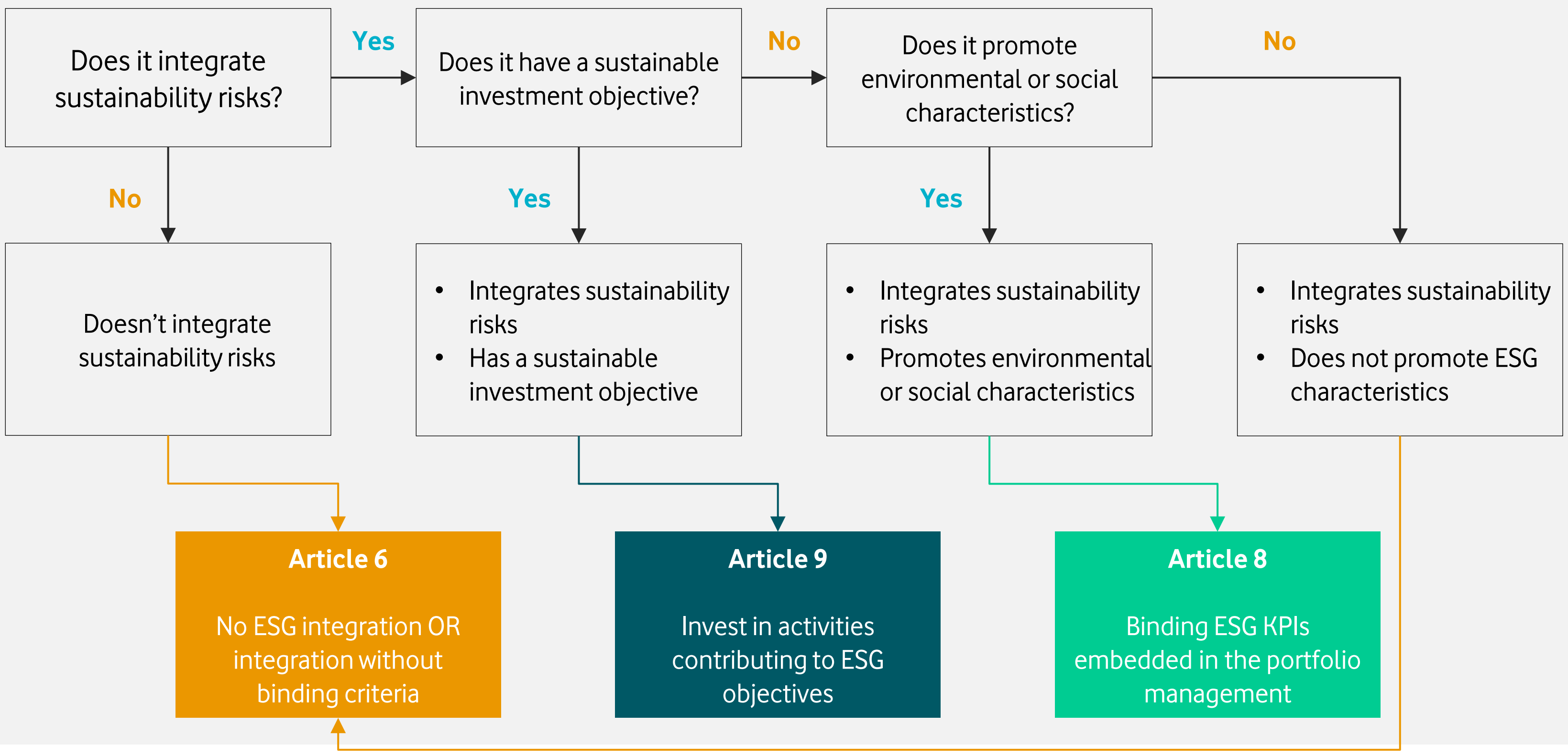


our path to a sustainable pension asset management

- *Nailed down in our statement of investment principles 2022*
- *Using EU Taxonomy für all our Investment Funds*
- *Exclusion % Engagement as key metrics*
- *Implementation of a ESG Scorecard*
- *Reducing our carbon footprint*
- *Benchmark with ESG Tilt*
- *Transparency on investments and continuous communication*

EU Taxonomy for our investment Fonds (SFDR)

Product-Level Classifications



Private Market Investments (Equity and Debt)

Clean Power Generation

- Utility scale renewable energy production (solar, onshore wind, offshore wind, hydro)
- Bioenergy/biomass
- Geothermal
- Re-powering

Clean Energy Utilisation

- Transport electrification
- EV charging

Reducing CO^2

Storage & Distribution

- Smart meters
- Smart grids
- Batteries – Utility scale & Behind the Meter (BTM)

Energy efficiency

- Increasing energy efficiency of buildings
- Replacement of LED lights
- Modern HVAC

Private Market Investments as an important investment class for sustainable investments

SFDR classification in the DC *Funds (2018 – 2025)*

Vodafone Aktienfonds	SFDR	Today	Target
Global Equity Fund (active)	8	70%	58%
Developed World Index Fund	6	10%	-
An ESG Developed World Fund (TBC)	8	-	10%
Emerging Markets Equity Index Fund	6	3%	3%
Emerging Markets Equity Fund	6	4%	4%
China A Shares Fund	8	3%	5%
Global Infrastructure Fund	6	5%	3%
Global REITs Fund	8	4%	5%
European Balanced Renewables	8	-	2%
Energy Transition Fund (OECD)	9	-	2%
Forest Climate Solutions Fund	9	-	2%
Privat Equity Impact Strategies	9	-	2%
Other private markets	9	-	4%

Vodafone Rentenfonds	SFDR	Today	Target
Euro Secure Income Fund	8	8%	8%
Euro Ground Rents	6	-	3%
Other Secure Income strategies	8	-	6%
European Loan Fund	6	3%	-
Emerging Markets Debt Fund	8	4%	3%
Global High Yield Bond Fund	8	3%	3%
Resp. Horizon Euro Corporate	8	19%	20%
Global Multi-Factor Credit Fund	8	10%	10%
Global Sovereign Bond	6	7%	6%
Alternative Credit Fund	8	9%	12%
European IG Government Bond Fund	6	18%	18%
Euro Bond Fund	tbc	13%	-
Global Inflation-linked Bond Fund	6	5%	5%
Private Debt Impact Investments	9	-	6%

In 2018 app. 65% of the assets were classified as article 8 funds.

SFDR classification in the DC *Funds (2018 – 2025)*

Asset Class	Weight	SFDR
DM Equity	5,0%	8
DM Equity	4,9%	9
DM Equity	58,0%	8
EM Equity	2,4%	6
EM Equity	4,9%	6
Listed infrastructure	3,3%	8
Global REITs	4,6%	8
Infrastructure	2,4%	9
Timber	1,5%	9
Secure Income	1,9%	8
Secondaries	1,4%	8
Co-investments	8,5%	6

Asset Class	Weight	SFDR
Secure Income	4,40%	8
Secure Income	1,70%	6
Alternative Credit	17,40%	8
Alternative Credit	1,70%	6
Alternative Credit	1,80%	8
Alternative Credit	8,80%	6
Global High Yield	1,90%	8
Corporate Bonds	7,80%	8
Corporate Bonds	16,90%	8
Euro Agg. Bonds	6,30%	8
Euro Governm. Bonds	16,00%	8
Global Infl.-link.Bonds	4,00%	8
Global Sover. Bonds	5,70%	6
Private Debt	0,70%	8
Private Debt	0,40%	8
Private Debt	0,60%	8

Today (2025) almost 80% of the portfolio are classified as Article 8 and 9 funds.

SFDR classification in the DB *Fund (2018 – 2025)*

Asset Class	SFDR	Today	Target
Global Equity Fund (active)	8	15%	15%
Developed World Index Fund	6	2%	-
An ESG Developed World Fund (TBC)	8	-	10%
Emerging Markets Equity Index Fund	6	1%	-
Emerging Markets Equity Fund	6	1%	3%
China A Shares Fund	8	2%	4%
Global Infrastructure Fund	6	5%	4%
Global REITs Fund	8	2%	4%
Global Sovereign Bond	6	6%	5%
European IG Government Bond Fund	6	10%	
Euro Corporate	8	4%	5%
Euro Bond Fund	tbc	8%	-
Multi-Asset Credit Defensive Fund	6	15%	8%
Global Multi-Factor Credit Fund	8	2%	-
Alternative Credit Fund	8	-	10%
Euro Secure Income Fund	8	9%	9%
Other Secure Income Strategies	8	-	4%
Unlisted global property	tbc	0%	4%
Interest rate swap fund and cash	n.a.	17%	15%

Asset Class	Weight	SFDR
DM Equity	6,8%	8
DM Equity	4,0%	9
DM Equity	19,2%	8
EM Equity	3,0%	6
Alternative Credit	14,8%	8
Alternative Credit	7,3%	8
Global Corp. Bonds IG	1,3%	8
Euro Corporate Bonds	3,2%	8
Global Sovreign Bonds	3,8%	6
Listed Infrastucture	4,1%	8
Global REITs	4,3%	8
Secure Income	11,6%	8
Euro Governm. Bonds	15,0%	n/a

In 2018 app. 40% of the portfolio were classified as Article 8 funds.

Today (2025) almost 77% of the portfolio are classified as Article 8 and 9 funds.

The Vodafone Carbon Commitment

Vodafone is committed to ***net zero for own operations by 2030****, and* ***for full carbon footprint by 2040***

2025 Target

Germany 2025 net zero own emissions

What does this commitment entail?

By 2030, Vodafone will eliminate all carbon emissions from its own activities and from energy it purchases and uses (Scope 1 and 2).

Vodafone also pledged that by 2030 it will halve carbon emissions from Scope 3 sources, including joint ventures, all supply chain purchases, the use of products it has sold and business travel.

The IC propose the following Carbon Journey Plans

Our Proposal for the Legacy Plan (DB-Plan)

2040 Target for net zero emissions

Milestone: 67% reduction by 2030

Rationale for the goal for The DB-Plan

The DB-Plan is closed in the run-off phase with a duration of ~11

The financial goal is to achieve full-funding by March-2033 and de-risk to a low-risk portfolio

As the Net Zero Investment Framework advocates ignoring LDI assets, the DB-Plan can afford to de-carbonize sooner and faster

Our Proposal for the VPP (DC-Plan)

2045 Target for net zero emissions

Milestone: 50% reduction by 2030

What does this commitment entail?

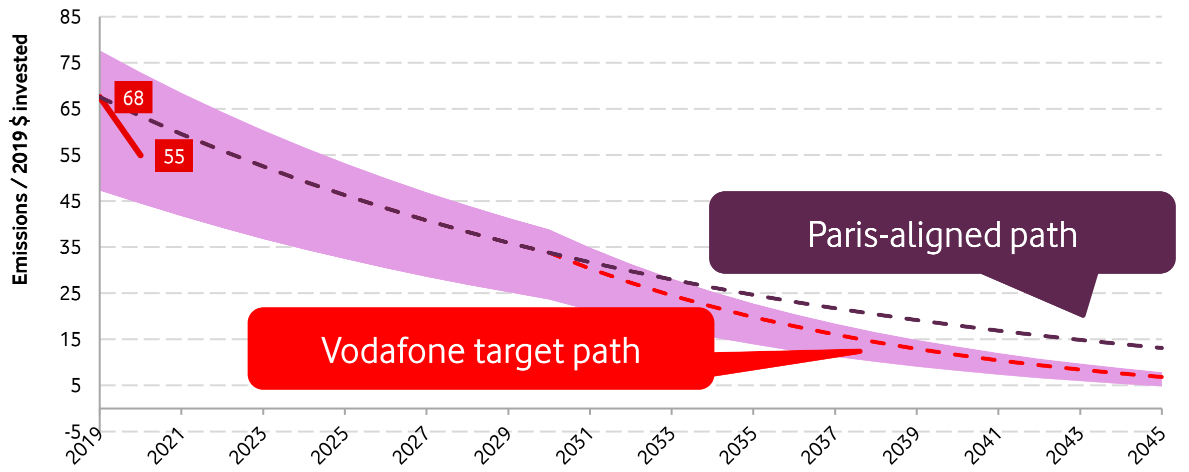
The DC-Plan is open for future accrual (growing)
The structure of the lifecycle means that there will always be a substantial allocation to equities (currently 55%) which are the main source of carbon emissions

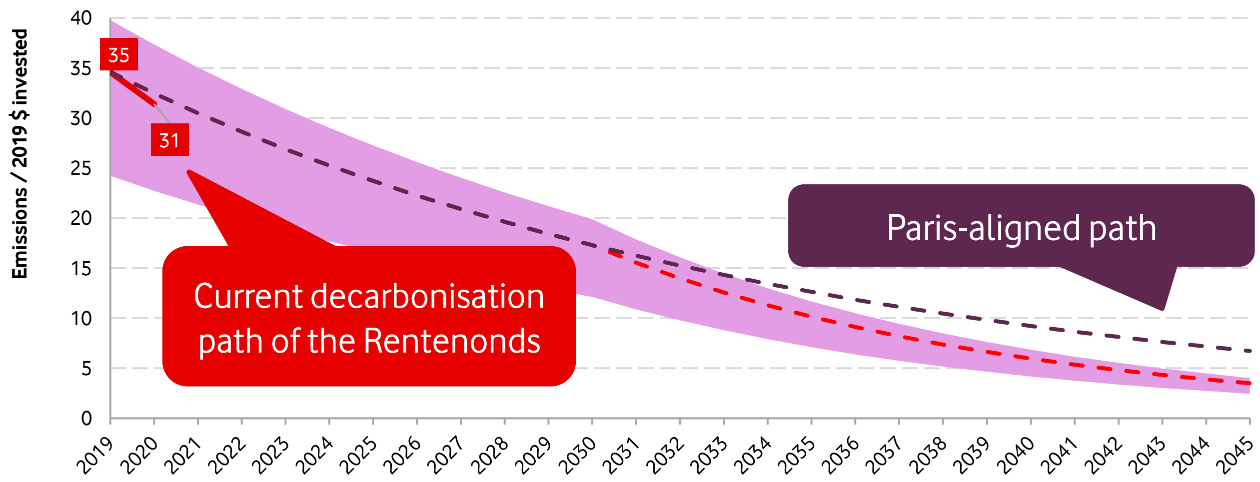
De-carbonizing the DC-plan before the 2050 Paris goal implies a bigger effort than the market and limits temperature rising above 1.5 degrees

Proposed Framework for the DC Carbon Journey Plan

Dimension	Carbon Journey Plan
Start date	31 December 2019
Medium-term carbon reduction target	50 % absolute reduction by December **2030**
Long-term target	Net-zero by December **2045**
Scope of emissions (externally published)	**Scope 1** (direct emissions from company operations) **Scope 2** (indirect emissions from generation of purchased energy)
Scope of emissions (internally monitored)	**Scope 3** (indirect emissions from suppliers and customers) **Scope 4** (negative emissions from carbon avoidance and carbon reduction assets)
Focus on actual emissions vs. emissions relative to benchmark	**Actual emissions**
Primary recommended carbon emission metric	**Emissions /$ million invested**

Vodafone Aktien- and Rentenfonds





Proposed Framework for the DB Carbon Journey Plan

Dimension	Carbon Journey Plan
Start date	31 December 2019
Medium-term carbon reduction target	67% absolute reduction by December **2030**
Long-term target	Net-zero by December **2040**
Scope of emissions (externally published)	**Scope 1** (direct emissions from company operations) **Scope 2** (indirect emissions from generation of purchased energy)
Scope of emissions (internally monitored)	**Scope 3** (indirect emissions from suppliers and customers) **Scope 4** (negative emissions from carbon avoidance and carbon reduction assets)
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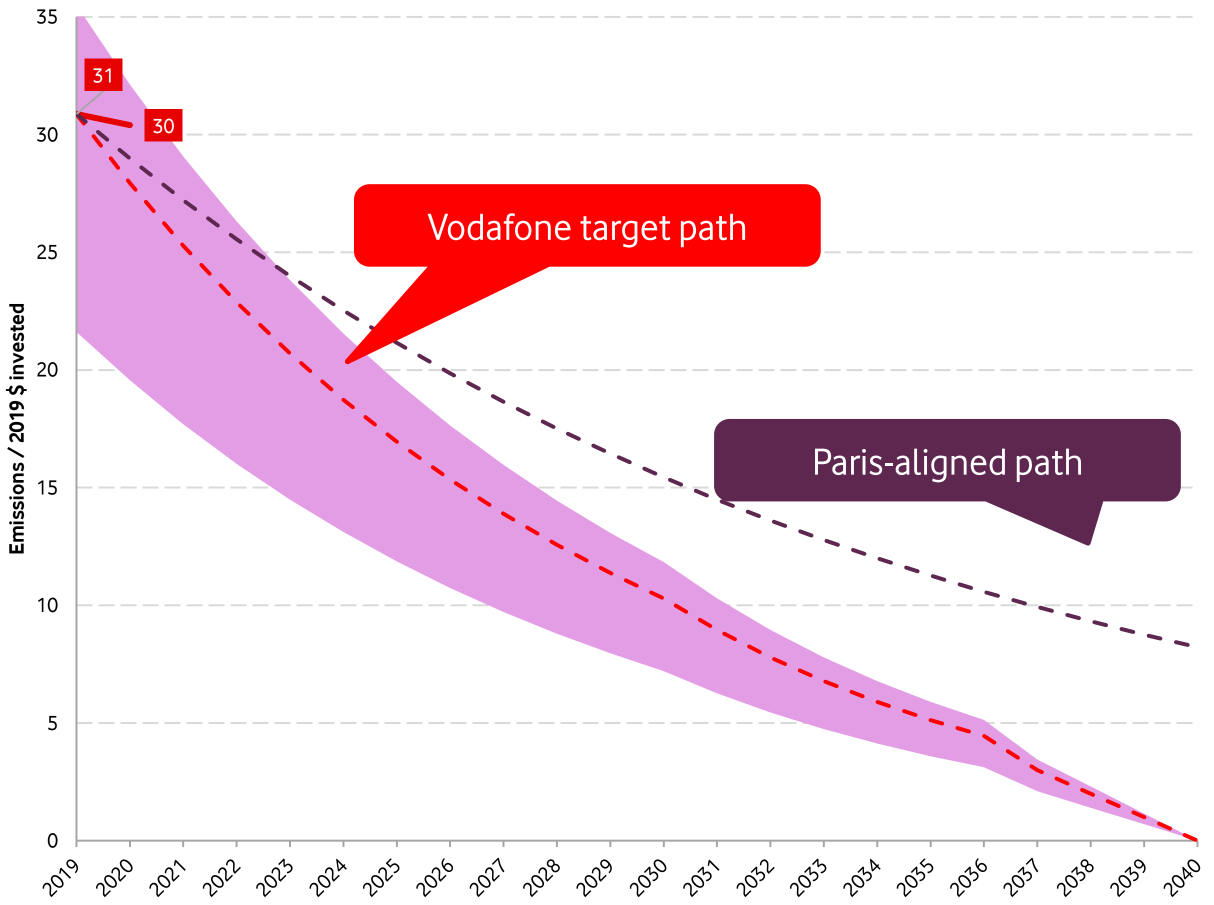
Vodafone Legacy Plan




2022
Deutscher
ESG
PENSIONS
AWARD
Deutscher ESG Pensions Award 2022
TRANSFORMATION
vergeben durch
PENSIONS-AKADEMIE


2025
Deutscher
ESG
PENSIONS
AWARD
Deutscher ESG
Pensions Award 2025
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vergeben durch
PENSIONS-AKADEMIE

Together we can