

An aerial photograph of a lush green agricultural field, likely corn, with distinct rows of crops. A large, white, stylized circular graphic is overlaid on the image, resembling a drop or a leaf. The text 'Vodafone Romania Sustainability Report 2017-2019' is written in white, bold, sans-serif font within the lower-left portion of this graphic.

Vodafone Romania Sustainability Report 2017-2019

Along the years, we have focused our efforts on being an example of excellence.

Our belief is that we have achieved this goal.



> CEO Statement

Going back in time, our beginnings in 1990s were set in a context of turmoil, but also growth in the Romanian economy. We became part of this wonderful story of increasing human interactions and access to information.

Due to the excitement and efforts of the 90s, our world looks very different today: communication, information and entertainment are just one click away, anywhere, anytime.

Over the years, we have pioneered in terms of technology and solutions that we offer. All our efforts have come about with the respect of our core values and by considering the potential of improving not only the business performance, but also the lives of our customers and people with whom we work.

These efforts translated into many “firsts” in the Romanian telecom market. Just to name a few: we were the first digital mobile network in Romania and have launched a customer service center, in 1997.

We were also the first mobile operator to launch the GPRS technology, in 2001, and the 3G technology, in 2004. In 2016, we launched Supernet™4G+ and, in 2017, Supernet™4.5G, which started a new era for the mobile Internet, with higher speeds and increased video quality.

We continued to innovate in 2018, by launching the first NB-IoT in South-East Europe and then, the beginning of 2019 brought for us a new local and also global premiere — the first live hologram concert in the world, enabled by 5G on Vodafone Romania’s network.

Being the best in our line of work was never enough for us. We wanted to use our expertise and the benefits of the newest technologies to improve the lives of those who needed the most. In 1998, soon after starting operating, we launched the first corporate foundation in Romania, an independent nonprofit entity focused on gathering all our efforts and directing them towards people at risk. We were also the first to use payroll giving to make a real change in peoples’ lives.

Currently, the Vodafone Romania Foundation is a paramount institution in terms of best practices in corporate giving and making significant impact in the community. Our foundation

focuses on education, health interventions, including the use of digital technology for better medical care, social welfare and volunteering. All these aspects are key to creating a healthy and thriving society.

We have come a long way since our beginnings, by proving we are a truly purpose-led organization and by working to support our vision. Through all our activities, our aim is to help build a more Digital Society, while ensuring Inclusion for All, i.e., access to technology, digital skills for youth and proper healthcare with the help of technology.

Finally yet importantly, we aim to treat our Planet with responsibility and care. Our actions have positive effects on the communities where we operate, but they may negatively influence our environment, if we do not take proper measures.

Furthermore, all our efforts and activities are aligned to Vodafone Group’s worldwide vision of Connecting for a Better Future and we are proud of what we have achieved so far in this respect.

A customer-centric organization — this is who we are, and we have proved it numerous times. In 2018, we have concluded the insourcing process for our call centers, which involved bringing over 700 employees in Bucharest, Braşov, Craiova and Piteşti back into the Vodafone Romania team. This was triggered by our belief that customer service goes beyond price and core support. It is about trust, quality interaction and reliability, it is an essential contact-point with our customers.

This move has proven to be right, as it translated into a much more dedicated customer support and it has been allowing us to ensure the best experience for our customers.

2018 has been truly a fantastic year for us in terms on innovation and expansion! We have acquired Evotracking, a top Romanian IoT player and, then, later in 2019 we launched the first NB - IoT in South-East Europe, with national coverage in order to provide a large spectrum of services and solutions for our business customers. Also in 2018, and then further in 2019, we initiated the process of becoming a fully integrated telecommunications company.

This process started with the acquisition of UPC Romania's operations, in order to provide a more diversified and relevant portfolio of services to our customers in the form of mobile & fixed and TV offers. This was a huge milestone for us, a real transformation that we think will act as a catalyst for further innovation, especially in terms of network capabilities, as well as services - convergence, bundle configuration, access to content across multiple platforms etc.

We expect both individual consumers and businesses to benefit from it.

Our second focus has been and continues to be on Big Data and AI, to better serve our customers.

This is a complex process, taking place at both our teams' and portfolio's level. We are using this area to design personalized offers and services packages.

This has helped us, for example, to increase the number of personalized offers suggested to our customers from 7, to 10.

The Vodafone network has proven its capabilities and strength year after year, which is why it received yearly rewards on its performance from the independent auditor P3 communications.

A large part of the society relies on our telecom services, and we have focused our efforts and investments constantly on expanding it to manage to connect millions of people in Romania. We have been leaders in network innovation and progress by always bringing better experiences for our customers. For example, Supernet™ 4.5G is the first mobile network with a registered speed of around 800Mbps.

The capabilities of the Vodafone network are also the result of the work of a professional and committed team of engineers, who share a common view on ensuring sustainable services to our customers.

This is very important for the long-term impact both on the telecom users and on the environment.

Protecting our environment is another key aspect to us, which we aim to address with even more consideration in the next years. While our core operations have limited impact on the environment, we are aware that our energy needs and other related aspects may have an effect, and we do our best to minimize it. We are ISO 14001 certified and we measure and monitor our carbon footprint using the GHG Protocol methodology.

Our attention is not limited to our own environmental behavior; we also involve our partners, suppliers and customers in our actions. Innovation is key in this process and stakeholders' needs and interests contribute greatly to these initiatives.

Our aim today is to reduce by 50% our environmental footprint and utilize 100% renewable energy for our operations, by 2025.

All these achievements were possible thanks to our enthusiastic team of professionals. At Vodafone Romania, we nurture the curiosity and everyone's desire to innovate. We have developed a culture of inclusion and motivation, where we appreciate everyone for who they are and for their contribution. Our collective motto has changed

with time, to better express who we really are, moving from "Trust, Speed, Simplicity" to "Trust, Drive, Curiosity and Belonging", values which are embedded into our Vodafone Spirit and which are easily translated into our approach towards our daily activities.

We constantly invest in trainings, offer career guidance to our colleagues and encourage the younger generations to get to know us. We also invest in creating a safe and secure work environment. Thus, Vodafone Romania continues to be a desired employer, and recent awards such as Most Desired Telecom Employer by Catalyst Solutions, Best Employer by BestJobs in 2018 and, in 2019, Most Desired Telecom Employer by Catalyst Solutions are confirming it.

We are looking with confidence to an increasingly better future, as we plan to achieve so much more.

Our aim is to support new generations to both envision and shape the jobs of the future, by bringing technology closer to them and making it accessible and affordable.

We aim to reduce our environmental footprint by expanding our use of eco-friendly technologies and educating people, whether they are colleagues, collaborators or customers. In addition, we will continue to develop leading IoT solutions that make our lives both easier and safer.

Through these developments, we aim to lead innovation, further increase transparency of our activities and we would like to invite those inspired by our efforts to join us on our journey!

Murielle Lorilloux,
CEO Vodafone Romania



Vodafone Romania at a glance



1 Vodafone Romania at a glance

Our local presence

Vodafone Romania is a subsidiary of Vodafone Group, one of the world's leading technology communications providers, connecting people and organisations of all sizes to the digital society. We have extensive experience in connectivity, convergence and the Internet of Things, as well as championing mobile financial services and digital transformation in emerging markets.

Vodafone Group has mobile operations in 22 countries, partners with mobile networks in 42 more, and fixed broadband operations in 17 markets. As of 31 March 2020, Vodafone Group had 362 million customers, including 115 million mobile customers, 25 million broadband customers and 22 million TV customers in Europe and 168 million mobile customers in Africa.

Vodafone is the company that implemented the first GSM network in Romania, in April 1997, and the first mobile operator to launch 3G services on the Romanian market, in April 2005 and, later, the highest performance level, HSDPA¹ 3G broadband. Vodafone is also the operator that launched the first 4G mobile data network in Romania, in October 2012. In 2017, Vodafone Romania has launched Supernet™ 4.5G network, which offers a superior optimization for video streaming, enhanced network security and higher bandwidth.

Vodafone Romania brings value to its customers by integrating innovation as a key success factor into each segment of its activity. We are part of a strong local industry that has all advantages to compete at global level with more mature markets.

Vision

We connect for a better future

Our code

Trust

Consumer trust
Digital Society
Avoiding micro-regulations

Fairness

Leaving no one behind
Infrastructure quality
Fair investment conditions

Leadership

Partnership
Innovation
Standing for what we believe

The company, headquartered in Globalworth Tower, Barbu Vacarescu 201, District 2, Bucharest, Romania, offers mobile telecommunication services through more than 100 owned locations and about 100 franchises throughout the country, with VODAFONE INTERNATIONAL HOLDINGS BV and VODAFONE EUROPE BV listed as owners.

¹ High Speed Downlink Packet Access



- } **1997** The first digital mobile network in Romania;
The first telecom company in Romania to introduce the Customer Relations Service.

- } **1998** The first GSM operator in Romania to launch the short messaging service - SMS;

- } **1999** The first GSM operator in Romania to offer full Internet services through Xnet;

- } **2001** The first operator in Romania having a commercial launch of GPRS (General Packet Radio Service) technology;

- } **2003** The first operator in Romania to include integrated communications services for companies: voice and data solutions, fixed voice services, dedicated fixed data services.

- } **2004** The first video telephony demonstration in Romania based on the 3G technology;

- } **2005** Vodafone acquisition of Connex, estimated at that time as the largest transaction in Romania in the previous 15 years;
The first operator to launch 3G services in Romania, offering video telephony, fast Internet and voice services at more advantageous tariffs;

- } **2011** Certification by the independent auditor P3 communications for the best GSM / UMTS / CDMA network in Romania, for mobile data services, following measurements made on local operators

- } **2012** First 4G commercial services in Romania; our country was among the first European markets where Vodafone has implemented a 4G network, after Germany, Portugal and Italy.

 Launch of the first digital library in Romania, where users could download, free of charge, sections from their favorite books directly to their mobile phone or tablet via a simple QR code scan.

 Launch of Zonga app, the largest online music collection in Romania and the first Romanian product with access to the most extensive music content on the computer and mobile phone.

- } **2013** P3 communications independent auditor certifies Vodafone Romania for "the best data service on smartphone" and "the best broadband mobile data service"

 Opening of "Danubius" Regional Network Operations Center, which supports several Vodafone divisions in Europe with network incidents monitoring and management, for voice and data services

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- 2014**
- Launch of Vodafone Shared Services Romania, a new global service center offering Bucharest-based IT and customer service for Vodafone operations in several countries.
 - Launch of the first Automatic Speech Recognition service in Romania, dedicated for Customer Service at * 222 (Andreea robot)
 - Launch of the Supernet network, designated to Vodafone network's high speed, increased stability and complete protection, all for a superior user experience
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- 2015**
- Independent auditor P3 communications certifies Vodafone Romania as the Best in test operator for data and mobile telephony services.
-
- 2016**
- Launch of Supernet™ 4G+, providing customers with next-generation experiences – Best in test certified
 - Independent auditor P3 communications certifies Vodafone Romania as the Best mobile network for the second consecutive year.
 - Ookla designates Vodafone as The fastest mobile network in Romania.
 - Launch of 4G TV+ video and music streaming service and partnership with Netflix.
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- 2017**
- Launch of Supernet™ 4.5G, providing customers with superior optimization for video streaming, enhanced network security and higher bandwidth
 - For the third consecutive year, independent auditor P3 communications certifies Vodafone Romania as the Best mobile network in Romania.
 - Ookla designates Vodafone as the Fastest mobile data network.
 - Anniversary of 20 years of activity.
-
- 2018**
- Vodafone Romania and OMV Petrom complete the country's first NarrowBand - IoT technology test on a commercial telecommunications network in the oil and gas industry.
 - Vodafone closes a deal with Telekom Romania for wholesale services.
 - UPC celebrates 25 years of presence and innovations in technology on the Romanian market.
 - Liberty Global plc. announces an agreement to sell its operations in Romania, Germany, Hungary and Czech Republic to Vodafone Group Plc.
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- 2019**
- Vodafone IoT solutions for the supermarket chain Mega Image – „Smart Counting”, „Smart Analytics”, „Heat Map”, „Stock Alert”, „Queue Management” etc. — to create the first smart store in Romania;
 - First live hologram concert in the world, enabled by the 5G technology;
 - Launch of the first 5G network in Romania - Supernet 5G;
 - Acquisition of UPC Romania and launch of the first mobile, fixed & TV offers from Vodafone



Vodafone Romania's structure and governance

Governance entity and its roles

The Executive Management Team is the highest level of governance in Vodafone Romania, in charge of establishing strategic business directions. At the same time, the EMT is actively involved in aligning the national development strategy to Vodafone Group's directions.

Furthermore, the EMT oversees and analyzes all data (internal and contextual) related to economic, social and environmental topics with high relevance for further business development, considering all meaningful impacts for Vodafone Romania and the communities where it operates. Such reviews happen according to a recurring schedule, but may happen ad-hoc in extraordinary circumstances. For more information regarding the company's governance structure, please consult the Technical Annex of this report.

Establishing strategic directions

The company's strategic directions are established by the Vodafone Romania EMT during meetings held regularly. In accordance with internal procedures in place regarding the delegation of authority, decisions are communicated to executive teams using various internal communication channels. Specific aspects regarding sustainability, such as environmental, economic and human resources topics are evaluated and developed via the appropriate Committees and implementation is further delegated to the appropriate executive teams.

Community/social initiatives are directly developed and implemented by the Vodafone Romania Foundation. For more information regarding the Foundation, please consult chapter 6. Community.

Memberships

**American Chamber of
Commerce in Romania
(AmCham Romania)**

**Asociația Operatorilor
Mobili din România
(AOMR)**

**Aspen Institute
Romania**

**British Romanian
Chamber of Commerce
(BRCC)**

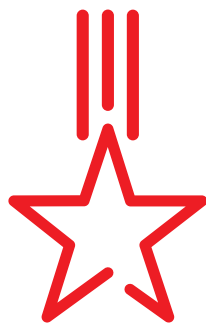
**Coaliția pentru
Dezvoltarea României
(CDR)**

**Foreign Investors
Council (FIC)**



Awards and achievements

Vodafone Romania's performance and results have been recognized by various organizations and marked with many awards and top positions in rankings issued by highly appreciated publications. Some of them, obtained over the last couple of years:



- Vodafone Romania included in The Most Innovative Companies Annual Top published by Business Magazin (2017);**
- Best Content Marketing Project - IAB MIXX Awards Romania (2017);**
- Best Mobile Service at Comunicatii Mobile magazine Gala (2017) ;**
- Best CEO in Romania award by Capital magazine (2017);**
- "The online trader of the year" within NoCash Gala (2016);**
- "Performance in Business" award obtained by Daniel Bobu, Enterprise Marketing Director, at Young Top Managers Gala organized by Business Magazin (2016);**
- Independent auditor P3 communications awards Vodafone Romania "The best mobile network" certification for four consecutive years (2014-2017);**
- Fastest mobile network in the country, according to Speedtest® by Ookla® (2016-2017);**
- Ookla names Vodafone as "Best mobile network for roaming in Europe" (2018);**
- Most Desired Telecom Employer (by Catalyst Solutions) in 2019;**
- Best Project, Collaboration or Event (IABM - BaMAwards), Best 5G Project or Innovation (CSI Awards)**
- 5G HoloRock concert (2019);**
- Coolest Brand in Telecom (by Forbes Romania) in 2019.**

Sustainable development and economic performance



2 Sustainable development and economic performance

Introduction to the FY 2017/19 Sustainability Report

This report covers the activities of Vodafone Romania SA performed in the 2017 and 2018 fiscal years (FY 2017/18 and FY 2018/19, respectively), defined as the time period between 1st of April 2017 and 31st of March 2018, and 1st of April 2018 and 31st of March 2019. Any outstanding data beyond this period is accordingly marked.

The report is structured into 8 chapters discussing material aspects identified during the stakeholder engagement process, as well as other required information according to the GRI Standards: Core option. It is important to note that Chapter 6 (Community. The Vodafone Romania Foundation & other CSR initiatives) describes the activity of the Vodafone Romania Foundation, an NGO that operates as an entity that is independent from the commercial operations of Vodafone Romania. Our community initiatives are implemented mainly via Foundation. Additionally, this chapter describes the CSR initiatives developed by the company's CSR team. The report also includes the GRI Index, a Technical Annex for additional and /or more detailed information, as well as a Glossary and References.

Our vision and goals with regards to economic impact

Over the years, we have chosen to be the company that is putting customers, their needs and interests at the very heart of our work. Respect and responsibility are two key characteristics of our approach. These values are also reflected into our relationship with our entire chain of business.

Besides respect and responsibility, a keen attention to innovation and quality define the ways in which we interact with our partners and suppliers.

As we are primarily a service provider, we rely heavily on our partners' supply chains in order to deliver on our promises towards our customers.

Sustainability is key for success in today's economy. While innovation is paramount in leading our business towards a steady economic development, ethical behavior, concern for safety and environmental consciousness are equally important. These aspects are an integrated part of our culture, and essential in our relationships with our supply chain and business partners. Accordingly, we aim to create added value in a sustainable manner, while staying true to our core values.





In FY 18/19, the company entered an extensive process of reshaping and adapting operations to the local realities. One of the largest steps forward was the acquisition of UPC Romania, a company with complementary services to our mobile telecommunications portfolio. The goal of this acquisition was to create a fully integrated telecommunication company.

Another crucial project in FY 18/19 was the insourcing of our call-center services. Thus, we attracted over 700 new hires in Bucharest, Braşov and Piteşti. Such a large scale HR effort assures us that we are able to offer the best experience to our customers.

Last, but not least, FY 18/19 was the setting ground for Big Data and digitalization. The process is designed to look for and maximize efficiency within our organization, in our internal operations, but also to develop and personalize the portfolio of services addressed to our customers.

Economic performance.

FY 2017/18 was one of the most prolific years for Vodafone Romania¹ in terms of customer acquisition and financial results. FY 2018/19 continued the ascending trend of FY 17/18, as we reached a total of 9,749,664 customers. We have registered an increase in terms of customer acquisition in FY 17/18 - a 2.1% increase compared to the previous FY - and an additional increase of 1.1% in the following fiscal year.

In terms of service revenues, they have reached EUR 723.6 million (FY 17/18) and EUR 715.3 million (FY 18/19). The overall revenue decrease in the latter year has been caused by Mobile Termination Rates from 0.96 eurocents/minute, to 0.84 eurocents/minute for mobile voice calls.

Products and services

We currently serve around 9.7 million customers and thousands of companies in Romania, covering with our network more than 98% of the country.

Our approach has been and always will be to focus on the quality of the services and products that we offer. Vodafone Romania has received over the years the “Best in Test” certification², awarding our efforts and our ethos of going the extra mile in order to serve our customers in the best way.

The Vodafone brand enjoys a wide recognition in the Romanian market. This is partly due to our focus on quality, as well as a diverse, pioneering portfolio:

- IoT services: NarrowBand-IoT, Vodafone Auto Manager etc.;
- 4.5G speeds in the range of 800Mbps on a commercially launched smartphone, optimization for video streaming, stronger built-in security and more bandwidth, along with a varied accessories and devices options;
- Complete Roaming services;
- Diverse content on mobile via Vodafone live!;
- Access to high speed mobile, tablets, laptop or PC data services via Vodafone Mobile Connect;
- E-mail and internet access on phone for BlackBerry and Outlook Mobile;
- Landline telephone services via ‘Vodafone Acasă’ and ‘Vodafone Zona Mea’ (for individuals), plus ‘Vodafone Office Zone’ and ‘Vodafone Office Zone Mobile’ (for companies);
- High speed 3G services on 2100 MHz and 900 MHz broadband;
- GSM mobile and landline telephone services;
- SMS and MMS services;
- Data transfer services (WAP/GPRS).

In FY 18/19, we focused our efforts in developing Big Data services and personalized projects for our customers.

¹ The financial data include Vodafone Romania S.A. economic performance in FY 2017/18 and FY 18/19

² Issued by P3 communications GMBH.



Vodafone Romania and Mega Image launched the first smart shop in Romania, on Barbu Vacarescu BD. The shop uses IoT solutions allowing it to better understand customers' behaviour and meet their needs efficiently. Customer satisfaction and optimization are the two goals of this initiative, thus creating a better shopping experience.

The first IoT concept store offers in-store Wi-Fi, stocks information, customer feedback solutions, statistics and assistance. The whole smart sensors IoT-based ecosystem instantly collects and sends information, building large data volumes which are then being analyzed, thus helping Mega Image to improve customers' satisfaction and optimize the waiting times for them.

"Launching the first smart shop marks a key moment for the local IoT market. Vodafone has always been more than a service provider. It was a partner for all its customers, helping them to succeed in a digital world, putting technology and innovation to their benefit. The recent launch of national coverage NarrowBand-IoT is a reiteration of our mission to use the technology in order to transform the future of businesses."

Natalia Chirițescu, Corporate and High Corporate Director, Vodafone Romania.

"The traditional shopping is reinvented, it goes digital. Our customers are more rigorous and are looking for experiences and solutions shaped to their life-style. They want intuitive stores, which improve their shopping visits. Thus, digital solutions help us understand them better and improve their satisfaction by identifying and responding faster to their diverse needs, as we allocate our personnel more efficiently to increase our stores' productivity."

Adrian Nicolăescu, Marketing VP, Mega Image.

Taxation and economic contributions

Legal compliance is an essential part of our operations. We fully comply with the legal requirements of reporting our annual financial data imposed by the Romanian legislation. Financial data is available both on our website and on the Ministry of Finance's website. Starting this year, we will also use our Sustainability Report to communicate such data and we use the opportunity to place data in the wider context of our impact. In addition, since 2013, the Vodafone Group publishes an extensive report detailing the Group's total taxation and economic contribution on a country-by-country basis. Our total contribution to public finances is constantly updated, and can also be found in the report that you can access [here](#).

Political engagement and state financial support

As a responsible business operating in an EU member state, we do not contribute to political parties, elected officials or candidates for elections, and we do not intervene in any political matters. We comply to the fullest with national and EU regulations and we have strict specific rules under our Code of Conduct regarding gifts, hospitality and sponsorship involving politicians and Government officials and beyond. At the same time, Vodafone Romania has not benefitted from any governmental financial support for any of its activities over the reported period (FY 2017/18 and FY 2018/19, respectively).



Sustainable business strategy

Vodafone has an international impact over people's lives with its products and services. Being part of one of the most dynamic industries, IT&C, we are in many ways trendsetters in terms of ensuring access to information, connecting individuals with family and friends and creating new ways of doing business. The IT&C industry shapes our lives for the better in numerous ways, from enhancing how we live today, to building an exciting tomorrow. At Vodafone, we take on the challenge and accept the responsibility of using our skills and latest technologies in order to bring to the public attention critical topics of our times – like environmental protection, women empowerment, youth digital skills and employment and energy innovation.

Key elements for our sustainable business strategy

Protecting our environment

Environmental issues are a priority for Vodafone in all the markets where we operate. As a symmetry to our networks, environmental issues interlink and affect us all, whether we live in places with imminent climate-change challenges or not. So, starting from our own expertise and resources, and by involving our colleagues, customers and partners, we want to bring significant improvements in the planet protection sector.

Our concern for the environment is also reflected into our attention towards improving our customers' experience and providing them with solutions to decrease their own carbon footprint. For example, companies can use our Vodafone Auto Manager IoT solution that, among others, allows companies to monitor and increase the efficiency of their car fleets, thus reducing their CO2 emissions. Accordingly, we both offer and seek for innovative solutions to decrease our own, our customers' and business partners' carbon footprint. See Chapter 7. Environmental performance for more details.

Women empowerment

We strongly support diversity and inclusion. When all of us bring our best to the table, all challenges can be overcome. Vodafone Group intends to become the best employer for women by 2025 in all its operating centres, including Vodafone Romania. To complement this internal initiative, we also want to offer women access to education, physical and economic security and skills development. We aim to do our part in furthering women empowerment, which is why we have developed several programs addressing the issue. See Chapter 5. Human Resources for more details.

Youth skills and jobs

Similarly to other countries, Romania is confronted with a worrying level of youth unemployment. Factors that led to this current state include a gap between the educational system policies and job market needs, a lack of career guidance, but also deeper problems, such as the lack of access to basic education in numerous rural areas. Together with our local and national partners, we try to cover these gaps as much as possible, and to encourage youth to follow a career path in technology. We also strive to bring technology closer to them in order to facilitate access to the digital skills required to thrive in the national and international job markets. See Chapter 5. Human Resources for more details.

Energy optimization

We are aware of our environmental impact and the challenges that we need to address in this regard. The impact that we have on our surroundings is due to the energy use in our network, the disposal of terminals, as well as our administrative activity. We seek to minimize these effects. Inhabiting a healthy environment is a crucial aspect for the quality of our life. Vodafone Romania aims to use technology in order to improve the lives of our customers, while minimizing our environmental footprint. Accordingly, we monitor the use of resources, as well as our emissions and waste management and transparently communicate on these issues by releasing our carbon footprint report for Vodafone Romania for CY 2017 and 2018³. See Chapter 7. Environmental performance for more details.

³ Vodafone Romania has in previous years measured and compiled data on emissions associated with its activity.

We strongly believe that these goals can transform communities and improve the quality of life. Each one of them is a challenge we want to pursue in Romania, as we consider that our society needs new solutions for balanced, motivated and thriving active people, who feel they can build happy, fulfilling lives for themselves and for the others.

Transparency in our focus and in our practice

In order to show progress on our everyday activities, we aim to communicate transparently our performance and progress made towards reaching the goals we have set. We intend to regularly communicate with our stakeholders on our financial and non-financial practices and developments, but also on our products, customers' expectations, community impact and the work we do with our partners in order to serve our communities. Our communication through various channels, our economic, carbon footprint and other published reports, as well as the current sustainability report are a proof of our responsible conduct in this regard.

Risk Management

Risk management is an essential part of any business' success, companies increasingly focusing on identifying and managing risks before they can potentially affect their operations.

While knowing the potential risks they might be facing will grant options to choose from when trying to mitigate them, the companies' ability to manage risks also allows them to act more confidently on future business decisions.

Vodafone Romania has in place various processes and policies designed to identify potential events that may influence the business, in order to manage the risks within acceptable limits and provide a reasonable guarantee for the business continuity.



Our attention in matters related to risk follows several aspects:

- **Technology** – we look at the probability and impact of a variety of specific threats that could cause a network interruption. By prioritizing, it may be possible to implement measures to reduce the likelihood or mitigate the impact of these threats on Vodafone Romania's network.
- **Enterprise** – encompasses the compilation and mitigation of risks across all levels of the company, which are collected and reported. High-priority risks are managed by an Executive Committee member, who develops and oversees the implementation of an action plan.
- **Fraud** – In addition to risk management, loss prevention is another essential part for the company's success. Our policy in place focuses on a careful analysis and management that prevent fraud, theft or other crimes, whether internal or external, as well as revenue losses resulting from such acts. We have zero tolerance to fraud, theft or other crime targeting company assets, products or services by our employees, suppliers or other parties.
- **Security** – Vodafone employees and assets are protected against attacks whilst at the workplace or when travelling for business. These risks are minimized by ensuring that our employees, customers, guests or contractors are the only ones authorized to access our properties, and that they are appropriately protected whilst working in or visiting the Vodafone locations worldwide.
- **Compliance** – Compliance with all high-risk policies is critical to ensure Vodafone's protection from damages. These policies include a zero tolerance approach to bribery and privacy related issues. All employees must comply with the policies in place to the fullest, as we take the protection and confidentiality of all our customers' information very seriously. Our work to respect all compliance requirements – especially with regards to security – is most visible in our success in maintaining the ISO 27001:2013 certification.
- **Business Continuity & Crisis Management** – represent our control measures to protect against the impact of disruptions on critical business operations through effective and timely response to an emergency or crisis. Our business continuity plan complies by the ISO 22301 international standard, Vodafone Romania being the first telecom company in Romania certified on Business Continuity since 2014. The certification was awarded by Lloyd's Register Quality Assurance (LRQA) and covers Vodafone Romania's entire business, including network operations, sales and marketing, customer service and support functions. The certification was renewed in 2017 and is valid until 2020. In addition, Vodafone Romania is an ISO 9001 (2008⁴) certified company – Quality Management Standard (QMS) – since 2007. In August and September 2017, the surveillance visit for ISO 9001 took place and there were no incongruences.

Vodafone Romania's extensive risk management system assures a quick response when facing any type of emergency or crisis in any of our critical operations.

⁴ Lloyd's Register Quality Assurance.

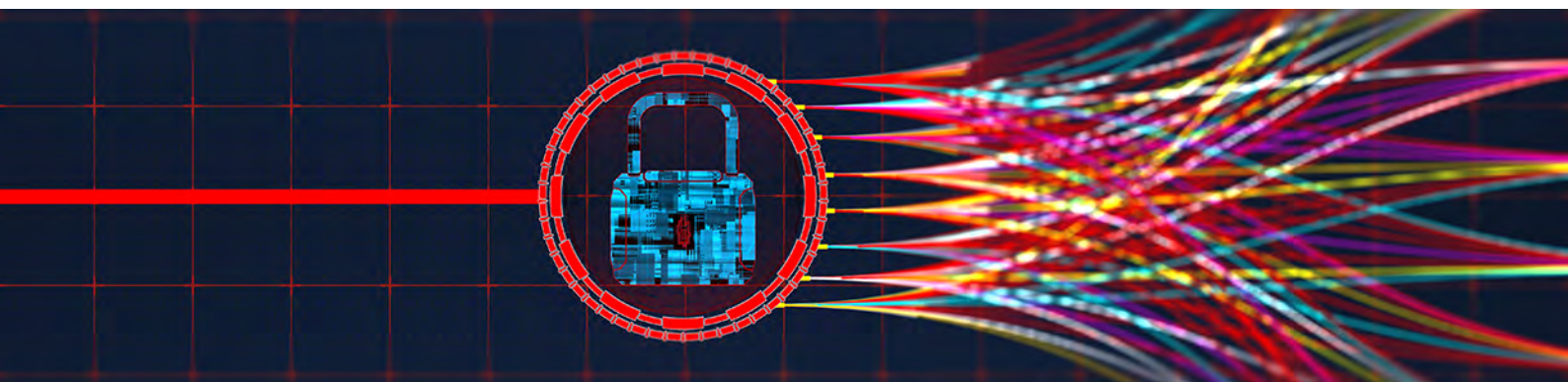
Our products and our customers' wellbeing

All Vodafone products and services are defined by quality. This includes care for our customers' health, as we make it our priority to know and guarantee all services and products they choose. All of our devices and masts operate within the strict limits set by the International Commission on Non-ionizing Radiation Protection⁵, and we regularly offer readily accessible information on the subject in order to keep our customers informed. Although there were almost zero concerns expressed on this subject in Romania, we consider that it is our duty to offer services that have no negative impact on our users' lives, and to inform them on the potential dangers associated with them, if any.

Digital rights and freedoms

In 2005, Vodafone Romania received the first ISO 27001 certification in the Telecom industry for data security and renewed this certification in 2014. Security is an important aspect for a good customer experience, so we dedicate heightened attention to all dimensions of information protection, including organizational and physical security of data.

As part of an international group, Vodafone Romania and its customers have access to the international Digital Rights & Freedoms Reporting Centre. On this webpage, our customers can check the policies and principles, but also access a wide variety of information on related topics, such as law enforcement, surveillance, privacy, freedom of expression, digital rights for children.



Our policy and our approach to ethical practice, bribery and corruption

Corruption is an important topic both in the developed and in the developing world. It is an overarching issue that entrenches poverty, disempowers the vulnerable and reduces business productivity, and results in inequality, an increase in criminal activity and an overall unpredictable climate in politics and civil society alike that breeds distrust and alienation. As corruption can undermine entire societies, it is imperative that this issue is addressed, especially in the current global, European and local context.

“Doing what’s right” is the motto under which we operate every day. Excellence is based on high ethical standards and this principle runs deep into our business culture. The Vodafone Code of Conduct is a unitary group policy that guides all Vodafone Romania staff in matters related to security of people and data, conflicts of interest, compliance, preventing harassment or bullying, anti-bribery practices etc.

We, as one of the largest international investors in many of the countries in which we operate, understand the importance fighting against corruption and we aim to do our part. We have invested tens of billions of euro of our shareholders' funds in building businesses for the long term. Those businesses, in turn, provide employment - directly and indirectly - to hundreds of thousands of people and deliver services upon which hundreds of millions of people rely every day. It is strongly in our commercial interest to do all we can to help ensure the widespread prosperity, social stability and respect for the rule of law necessary for any business to thrive in every country in which we operate. We will not tolerate bribery and corruption in any form. As an organization, we would rather walk away from a business opportunity than engage in any act of corruption or that could be perceived as corruption.



⁵ As an independent organization, the ICNIRP provides scientific advice and guidance on the health and environmental effects of non-ionizing radiation (NIR) to protect people and the environment from detrimental NIR exposure.



Governance and Risk Assessment

Our efforts to prevent bribery and corruption across our businesses are led from the top with overall governance oversight from the Group Chief Executive and the Group Executive Committee.

Each of our local chief executives is responsible for ensuring that our anti-bribery and corruption program is applied effectively in their respective market with the support of local specialists and a dedicated Group team focused on anti-bribery and corruption policies and compliance.

Accordingly, Vodafone Romania's Compliance Department is involved in verifying all suppliers, partners and sponsorship requests.

As part of the efforts in this respect, the department develops ample quarterly Anti-Bribery reports in which more than 10 types of activities undertaken by employees are screened and verified on multiple areas, and which are regularly presented to the CEO and to the members of the Executive Management Team (EMT).

All new contracts, contract renewals, business proposals and requests for sponsorships are subject to a detailed screening process, which comprises multiple inquiries, Anti-Bribery being but the first step in the evaluation process. Accordingly, Vodafone Romania's compliance team verifies all contracts (newly signed or renewed) for the presence of the anti-bribery clause, and the team is actively involved in auditing random samples of selected suppliers and contractors each year⁶.



The compliance team also coordinates the Policy Compliance Review (PCR). This is an ample process in which high-risk policies (Anti-Bribery being very often present) are tested by Group Auditors and Policy Champions to determine the level of adherence to the Group's standards and to the Romanian legislation requirements. The results of the latest PCR's – FY 2016/17 Anti-Bribery showed full compliance and in FY 2017/18 Vodafone Romania has ranked 1st out of all European entities –demonstrating the efficiency of Vodafone Romania's Compliance team.

Moreover, between December 2017 and February 2018, an internal audit has been undertaken on Anti-Bribery. This audit was finalized with a B- rating and 6 improvement opportunities were suggested. All remedial actions have been undertaken and verified by the internal audit and Group Compliance before their respective due dates.

Anti-competitive behavior

Anti-competitive and monopoly behaviors can affect in a serious manner any market. We are a key player in the local market and we know our practice may have fundamental effects in our field and communities. Thus, we use our principles to fight any behavior of anti-competitiveness and monopoly and we expect all our partners to follow the same path. In FY17/18 and FY18/19, Vodafone Romania had no legal action for such behavior and we want to maintain the same good practice.

⁶ While 100% of contracts are screened, the percentage of suppliers audited, and a breakdown type of business partner cannot be presented due to confidentiality constraints (in certain categories we have very few or a single partner, making them easily identifiable).



Anti-bribery and corruption trainings

Compliance with Applicable Laws in relation to bribery and corruption is a matter of fundamental importance for Vodafone Romania. This is one of the reasons why the Compliance department is heavily involved in day-to-day business, through activities such as classroom and online trainings and Anti-Bribery audits of suppliers and partners.

It goes without saying that all new hires take part in an Anti-Bribery and Competition law course. Furthermore, in addition to completing this course, every two years, Vodafone Romania employees working in high-risk positions must participate in a live face-to-face training in which updated materials and information regarding Anti-Bribery are presented, and they must pass a test at the end.

During the FY 2017/18 and FY18/19, a number of 582 employees were trained during 10 face-to-face trainings, this number representing about 30% of the Vodafone Romania employees working in 'high-risk positions'⁷, and whose training had expired during the reporting period.

Communicating with our employees, suppliers / third parties and civil society

At Vodafone, we seek to ensure that everyone who works for and with us is aware of their obligation to help tackle the risk of bribery and corruption within our businesses. At Group level, we run a high-profile internal communications program – Doing What's Right – to maintain a consistent level of understanding across all roles and functions. At Vodafone Romania, Anti-Bribery campaigns are communicated each year through email, our internal app — Vodafone News — and our social media platforms. Vodafone's anti-corruption policies and procedures were communicated to all governance body members and to all Vodafone Romania employees.



Similarly, suppliers and contractors are informed regularly via email on our policies and other relevant details, but also about the importance of Anti-Bribery for Vodafone Romania. For FY 17/18 and FY 18/19, anti-corruption policies and procedures were communicated to 100% of Vodafone Romania's business partners.

The civil society is an important partner for Vodafone Romania, as we seek to play an active role in supporting a range of stakeholders with a mutual interest in tackling bribery and corruption. At Group level, we are active members of or participants in:

- The Transparency International Business Integrity Forum;
- The Institute of Business Ethics; and
- The Good Governance Forum.

Over the aforementioned two-(fiscal) year span, no bribery cases and no breaches of anti-bribery rules and regulations were recorded, therefore no investigations have been undertaken during the reported period.

⁷ A breakdown by employee category could not be determined as identifying positions within the company considered to be high-risk is not possible due to confidentiality constraints.



Supply chain integrity and safety

Known as a green industry, IT and telecommunications has its own challenges when it comes to conflict minerals or the working conditions of terminal products providers. In our case, these risks are minimized, as Vodafone Romania is not a direct contractor of high-risk products and services that may not fully comply with human rights and/or environmental policies. This does not mean that we do not do our due diligence.

Our business is about interconnection and our modus operandi is based on collaboration with a wide variety of suppliers and distributors. Hence, we could not operate optimally without their assistance, and we always acknowledge and appreciate the efforts they make so that our services and products do justice to our brand.

Vodafone occupies a top position in the Romanian business community, and it is well known for its focus on offering quality services. We choose our partners carefully and work with those who share our culture and values, as their way of doing business can affect our own standards. This, for us, translates into precise, transparent and ethical acquisition procedures, and all of our suppliers must comply with the Ethical Purchasing Policies. This procedure is designed to promote safe and fair working conditions, as well as a responsible management of environmental and social issues in Vodafone's supply chain.

We embrace our leading role in this respect, and, as one of the key economic players in the country, we understand the responsibilities this generates on our end. We purchase products and services from approximately 300 actively operating companies in Romania. Most of our suppliers are commercial services and technology companies, based and active mainly in our national market. Our international expertise in terms of supply chain challenges helps us monitor and minimize potentially hazardous situations in the local context.

Ethical Purchasing Policies

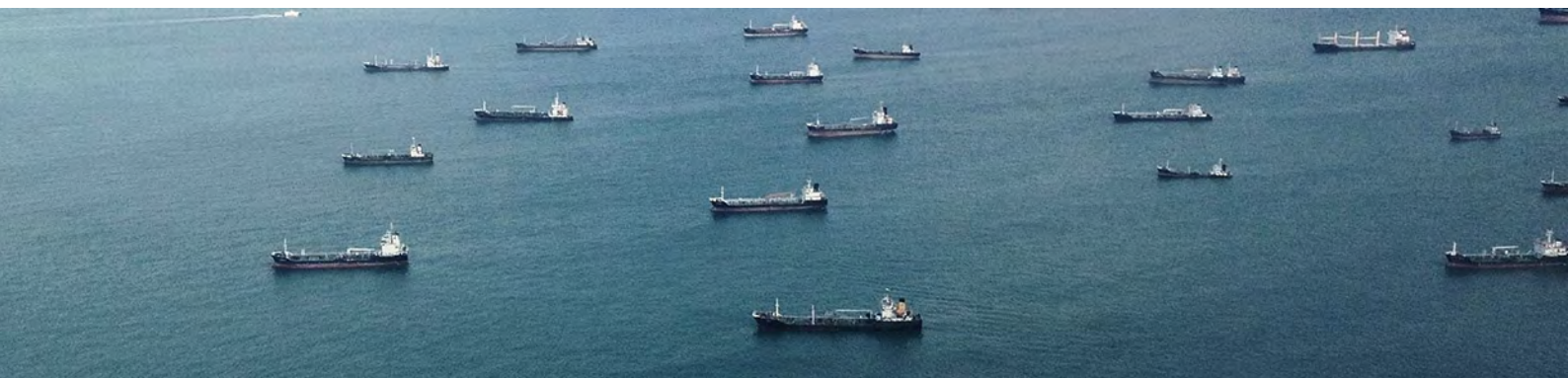
The Vodafone Ethical Purchasing Policy states that all providers must:

- Ensure a healthy and safe environment to their employees;
- Have systems in place and organize training programs to prepare for and respond to accidents, health issues and foreseeable emergency situations;
- Ensure employees' working hours do not exceed the maximum threshold set by the local law;
- Provide fair and reasonable pay and ensure employees understand their employment terms;
- Not tolerate bribery;
- Not engage and support physical/verbal abuse or discrimination;
- Not employ anyone below the minimum legal age for employment.

We require all our potential suppliers to clearly state that they fully understand, accept and will comply with the requirements of the standards set in our Ethical Purchasing Regulations. The standard terms and conditions of each contractual agreement prepared for the suppliers state their acceptance, regardless of the company size or the transaction volume. If a supplier does not agree to comply with the Ethical Purchasing Regulation, it cannot pass the supplier procurement process and will therefore not enter into a business relationship with Vodafone Romania. As a result of this due diligence effort, in FY 17/18 and FY 18/19 we had no reported incidents related to human and labor rights, social or environment protection issues in our supply-chain.

The Business Principles are our other important tool in setting the quality of our partnerships. As stated in the Code of Conduct, when we look into our business practices, we take into consideration economic criteria intertwined with social and environmental considerations. We believe that no economic performance is possible without commitment towards communities and environment.

In the selection process, all vendors interested in becoming our suppliers must communicate and prove that their practice respects social human rights and environmental policies. Also, all new vendors registered in SAP are screened against negative media coverage on corruption, bribery, state owned companies, politically exposed persons. On top of this, we cover sanctions screening and any trade-related article, as well. In FY 17/18 and FY18/19, all new vendors of Vodafone Romania have followed these procedures and screenings, resulting in 100% checking and validation.



Safety and health in our supply chain

We also invest significant amounts of resources in training and helping our partners develop. Safety and wellbeing should be part of everyone's job experience and we do our best to make sure that our providers respect these rights. Companies who want to become our suppliers have access to these contractual requirements online and all these criteria are part of our contract. Moreover, we regularly monitor and evaluate our suppliers' performance based on such criteria.

Prevention is the first step in reducing incidents and accidents in our company and in relation to our suppliers. We have a zero tolerance practice in breaching safety rules, but, first of all, we make all efforts to help people learn and understand our safety policies.

It is important to note that, during the 2017/2018 fiscal year, there were no significant changes regarding the company size, structure, ownership, or supply chain. In FY 18/19, Vodafone Group initiated the acquisition of Liberty Global's operations, covering the following European countries: Czech Republic, Germany, Hungary and Romania. In the local market, Liberty Global is the main shareholder of UPC broadband telecom operator.

Supporting the UN Global Goals

The UN Sustainable Development Goals (SDG's) are a set of ambitious

targets, which require joint efforts from the economic and public sectors, along with each of our individual efforts. Ending poverty, fighting inequality and injustice and reducing climate change should be addressed at high level, but also at micro, individual ones.

Together with the Vodafone Romania Foundation, we have started to address these issues since our early years as a business in Romania and we want to constantly grow and make our activity more efficient. The Vodafone Romania Foundation acts chiefly in education, health and social welfare related issues. On the other hand, we, as a company, focus on ethical economic growth and creating a sustainable business environment in Romania, using technology to reduce age-, gender- or other minority gaps, and to protect our environment, but also to promote and support cultural and artistic manifestations.

Vodafone's goals at global level are aligned with several SDGs, and through our work, we actively contribute towards reaching the following: Goal 4 — Quality education; Goal 5 — Gender equality, Goal 8 — Decent work and economic growth, Goal 9 — Industry, innovation and infrastructure; Goal 13 — Climate change. We invite you to discover ways in which we contribute to these SDGs by reading the following chapters of this report.



A close-up photograph of a hand holding a white smartphone. A white outline of a leaf is superimposed over the phone's screen. The background is a blurred city street with buildings and a clear sky.

Responsible Products

3 Responsible Products

Our vision and aims with regards to responsible products

Technology is an integrated part of our everyday life, creating a network of information, developing new skills and providing access to opportunities such as jobs, new businesses, entertainment and much more. At the same time, by providing services with such a major impact on people's lives, we are equally aware of our responsibility in terms of data and customer safety, customers' health and so on. Accordingly, we dedicate great attention to all these topics and we work together with our customers and partners to make sure our services offer them best experiences in terms of quality, safety and privacy.

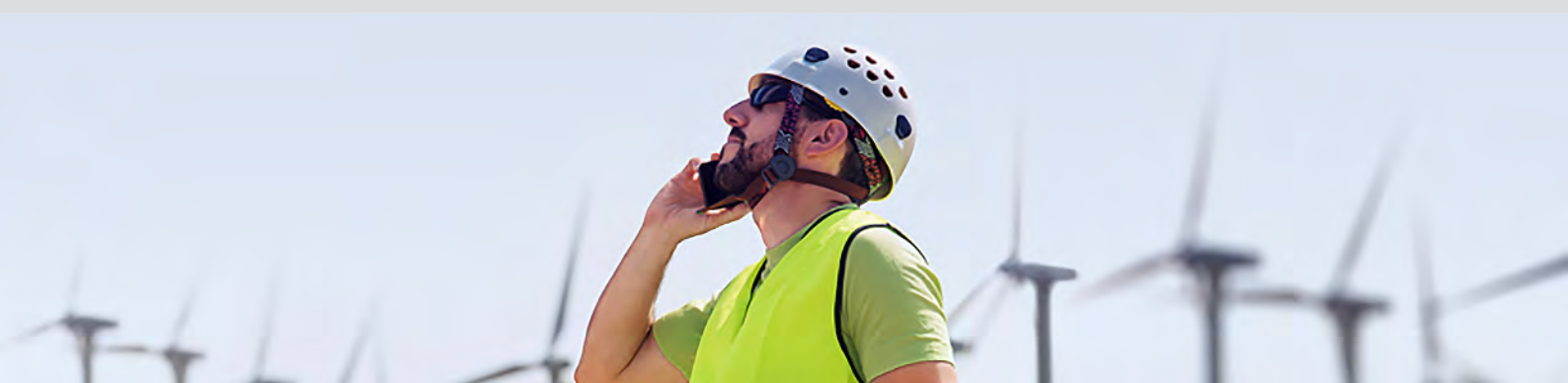
In 2017, we have celebrated 20 years of presence on the Romanian market, a wonderful moment to take pride in our achievements, and one that confirms our efforts over the years. Currently, we serve more than 9.7 million customers in Romania, as well as several thousand companies, providing access to quality services on which they can rely on every day. This is a big responsibility, which is why we need to make sure that our services correspond to a wide variety of needs and demands, that they are both flexible and reliable in order to be able to preserve the same level of quality at all times for all our customers.

Our beliefs today - embedded into our Vodafone Spirit, **'Trust, Drive, Curiosity, Belonging'**, are easily translated into our approach towards our products. Having technology at a fingertip can contribute to increasing the quality of life for our customers and even to saving lives. Digital services have the power to reduce environmental impact and to bridge social gaps. Therefore, we prepare ourselves for tomorrow by developing and implementing new ways to enhance the user - technology relationship and make Trust, Drive, Curiosity and Belonging a reality for everyone.

Vodafone's business strategy is based on innovation, enhanced customer experience and authenticity, but also on responsibility and adaptability.

We listen to our customers' needs and expectations, whether they are individuals or companies, and we take them into consideration when planning and executing our activities.





Vodafone services for today and tomorrow

In terms of technology solutions, we are proud to be pioneers in the Romanian market: we're constantly seeking and offering new solutions to existing problems, and we strive to anticipate future needs.

We have consistently done this throughout our history, offering the first GPRS services in 2001, 3G in 2005 and 4G in 2012. We have launched the first Customer Service Unit in Romania in 1997 and the first corporate foundation in 1998, Vodafone Romania Foundation. In 2014, we have launched the first automated voice recognition service, resulting in yet another premiere for the Romanian telecommunication market. Our Supernet™ 4G services were launched in 2016 and received an enthusiastic response from our customers thanks to the high speed internet, with HD experience on video and to the increased security.

Shortly after its launch, Supernet™ 4.5G was once again awarded as the best network in the country. The **Best in Test** certification awarded in 2018 by the independent auditor P3 communications for the fourth year in a row is an excellent performance, achieved only by other two other operators worldwide, one in Germany and one in Switzerland. I want to thank our technical team for this achievement, as well as for the ones that followed. These excellent results registered every year during the network independent audits are a confirmation of our long-term commitment, as well as consistency in offering our customers the best telecommunications experiences.

Murielle Lorilloux, CEO Vodafone Romania.

Furthermore, we were the first in Romania to offer dedicated telecommunication and internet services for the business sector. Our services include, also, data access and IoT solutions — NarrowBand - Internet of Things, car fleet management tools and technology benchmarking tools or efficiency increasing measures (SmartInvoice) - for the economic actors. We're constantly developing new, dedicated IoT services for the Romanian business sector.

All these efforts and products consolidate our position as best in class services provider.

Our responsibility towards today's needs

Our products and services are designed to serve a wide array of needs, and we aim to be close and of assistance to anyone seeking our support regarding our services. Therefore, we pay close attention to the needs of our customers. Whether they are faced with the challenge of their children using the internet, they are having medical difficulties or they only require reliable basic telecommunications services, like, for example, elderly, we do our best and go the extra mile to make sure we adapt our services to each and every need of our customers.

Our ambition is to offer our customers the best experiences when using our products and services. We offer detailed information on them, but also with regards to the rights and responsibilities of Vodafone service users. These are available online on our website www.vodafone.ro, but also in the Vodafone stores. In FY 17/18 we had no complaints or non-compliance incidents concerning our products and services.



Vodafone services tailored to specific needs of individuals

Nowadays, technology becomes part of our lives at really early stages of our development. Thus, it is paramount to keep our youngest users safe while surfing the web. We, at Vodafone, aim to help parents, children and teenagers have safe and secure interactions with technology and electronic devices, like smartphones.

Games, music, movies, social media, technology assisted homework and Internet represent ideal opportunities for personal development, but, at the same time, they may have unwanted effects. We aim to help parents reduce the risks to which their children may be exposed to while accessing internet and avoid any potentially dangerous situations.

Dedicated emergency numbers

116000 is the number people can call to in order to report the disappearance of a child. The number exists since 2009, it is free, can be accessed from any network in Romania and other 13 European Union countries (Belgium, Denmark, France, Greece, Hungary, Italy, Great Britain, Netherlands, Poland, Portugal, Slovakia, Slovenia and Spain) and it is available 24 hours a day, 7 days a week. For more information, see Chapter 6. Community or visit our website.

Senior consumers

For our customers that require a more basic use of telecommunication services, we have a special voice and SMS package at affordable prices. In addition, we offer special devices with displays and keyboards customized for usage by seniors.

Similarly, we are attentive to the needs of the business community. As part of a multinational group, Vodafone Romania understands that communication is of utmost importance in making operations run smoothly at all times. We devote a significant amount of energy for developing solutions and services fit for the needs and desires of our business customers.



The Romanian business environment is defined by the capacity to respond in real time and by efficiency. Many industries have shifted their relationship with customers and partners to the virtual space, as they need the fastest instruments to communicate. To cultivate flexibility, in 2017, we have launched the Ready Business Industry Score and have designed a new instrument as part of the Ready Business portfolio, namely, the Smart Invoice.



Vodafone services for businesses

Ready Business Industry Score

In Romania, the digitalization ratio of the business sector has jumped from 36% in October 2016 to 44% in March 2017¹. The Ready Business Industry Score allows companies from the same industry to benchmark their digital efficiency and adaptability to new technologies. The Industry Score is part of our Ready Business Score, an innovative tool that allows companies to access business analyses and a set of personalized recommendations, free of charge.

„As 4.500 companies informed us via the Ready Business Score, 55% of Romanian companies use dedicated software for their finance related activity. Smart Invoice, a fast and efficient tool, constitutes an optimal solution to the challenges of this process.

The need for such a solution is confirmed by the increased mobility identified in the market and the market high-rate penetration of smartphones and tablets”.

Daniel Bobu, SME and SoHo Director, Vodafone Romania.

Smart Invoice

This online tool allows companies to make daily operations such as: create, send and archive invoices and other financial instruments (receipts, notices etc.). Smart Invoice is easy to access, as it can be used on any device with an internet connection, and it is based on high-security solutions that allow for operating payments from all the national online payment providers.

By using Smart Invoice, companies can easily and safely manage their financial tools online, at any time.



¹ <https://www.vodafone.ro/despre-noi/media/media/comunicate-de-presa-2017/vodafone-romania-lanseaza-scorul-pe-industrie-in-cadrul-platformei-ready-business-score/index.htm>



Our responsibility towards the future

As we aspire to continuously develop our services, while maintaining high standards of quality, we are on a steady quest for new ideas and solutions. As part of this ambitious pursuit, we have developed several innovative services throughout the years. 2017 was no different, as we have set the scene for the “See the future” campaign and several new projects (Vodafone Auto Manager, NarrowBand - Internet of Things (NB – IoT), fiber-optic internet services for companies that guarantee users the benefit of dedicated bandwidth with speeds up to 1Gbps etc.) and services that underline our responsible business approach (Eco Scor).

Glimpse of the future today. Vodafone services designed for tomorrow.

“See the future”

In March 2017, Vodafone has launched “See the future” campaign, an event that celebrates the 20 years long presence of the company on the Romanian market, but at the same time, looks forward to the future. In this campaign we have used 360° virtual reality to illustrate how we see the jobs of the future. This initiative constitutes a premiere for Vodafone Romania and it is the first initiative of its kind in the local telecom industry. The campaign was implemented in over 50 stores in Bucharest and in other 22 cities. Each installation was equipped with Samsung Gear VR glasses and smartphones, which offered each visitor the opportunity to see how current jobs, such as being a doctor or architect, may look like in the future.

Vodafone Auto Manager

The first and only plug-and-play solution in the market, designed for locating and monitoring small-sized auto fleets via GPS. Reports generated offer information on route, time spent in traffic and average speed. This plug-and-play solution needs only a GPS and a SIM with data connection, and it is available for Android and iOS operating systems. To use this optimizing solution, the user needs to connect a dedicated tool to an OBD II plug in the car and to synchronize it to the Vodafone Auto Manager application installed on a compatible mobile phone.

The management solution offers a clear view of the driving patterns, route management based on time of the day and locations, but also signal breaches of traffic rules, such as speeding, as well as unauthorized travels.

Though mainly conceived as a management efficiency tool, Vodafone Auto Manager is a great tool for reducing pollution and can help us in achieving our environmental protection goals.

NarrowBand - Internet of Things

Vodafone Romania and OMV Petrom have successfully tested the use of standard NarrowBand - Internet of Things (NB-IoT) in the oil and gas industry. The technology was tested as a solution for isolated sites, mainly oil wells, with no access to Internet or GSM. NB-IoT is a Low Power Wide Area (LPWA) used to connect millions of devices – sensors, counters, cars, home supplies, but also oil, gas or water pipes. The technology brings a huge shift in our relationship with different equipment and their utility. NB-IoT is designed to connect devices in remote areas or locations that are difficult to reach with the existing radio technologies, which have low power consumption requirements and which have previously been too expensive to connect. Importantly, NB-IoT also offers enterprises the reliability and safeguards they need, as it operates in licensed spectrum and provides the same levels of security as 4G. The 3rd Generation Partnership Project (3GPP) standardized the solution globally in June 2016, and Vodafone Group was the first telecom provider in the world to launch NB-IoT, in January 2017, in Spain.



One specific project – NarrowBand - Internet of Things – deserves a special mention. Its importance and novelty is best described by the words of Valeriu Nistor, Enterprise Business Unit Director of Vodafone Romania:

“This is a truly unique premiere in Romania, both for the telecommunication industry and for other industries in the national economy, such as oil and gas, which can benefit greatly using this technology. Cost efficiency, monitoring and real-time control, in safe conditions, reduced environment impact are just a few of the benefits of this technology. NB-IoT can connect millions of devices, reduce costs and requires a minimum effort. This is a success story both for Vodafone Romania and OMV Petrom.”

Valeriu Nistor, Enterprise Business Unit Director, Vodafone Romania

But also by the words of Peter Zeilinger, the representative of our chief partner in this project, OMV Petrom:

“Technology and innovation are key vectors in OMV Petrom Strategy 2021+. Starting 2009, we initiated an automation and digitizing project for our warehouses. We managed to implement such projects to 4.200 wells out of 8.100 active ones, but for those placed in isolated areas, with no GSM access, data connection is a real challenge. We continue automation and digitalization of our wells and equipment; by 2020, 70% of our wells will be automated, long-distance monitored.”

Peter Zeilinger, member of OMV Petrom Directorate, Upstream Responsible

This project showcases Vodafone Romania’s drive in terms of innovation and developing forward-looking services that not only respond to needs, but also anticipate future demand.

Vodafone devices and safety

Over the years, some concerns have been expressed regarding the safety of mobile phone usage and the effect of these devices and/or radio antennas on human health. As these devices are core to our business, we pay close attention to international studies and recommendations on how radio frequencies and electromagnetic fields may affect us.

The World Health Organization (WHO) conducted a study in 2014, analyzing the effects of EMF on public health. The study concluded that, “to date, no adverse health effects have been established as being caused by mobile phone use”².

This does not mean that we do not do our due diligence. All of our devices operate within the guidelines set by the International Commission on Non-Ionizing Radiation Protection, an independent organization and partner of the WHO.

We are always open to communication on the topic with any concerned party, and we have all our operations certified to the highest standards in the industry.



² WHO (2014). Electromagnetic fields and public health: mobile phones. World Health Organization.

Human Resources



4 Human Resources

Our vision and goals with regards to our responsibility towards our team

Globally, Vodafone strives to become the best employer for women and youth. Similarly, Vodafone Romania aims to achieve this status on the local market.

The Romanian labor market struggles with a long-term structural crisis in human resources. According to data from the INSSE¹, in 2017, the Romanian population has declined by 120,700, as many skilled individuals chose to leave the country to work in other EU countries.

The decline continued in FY 18/19, with no substantial change in sight. In the past few years, a significant number of young, highly educated people chose to live and work abroad, generating disequilibrium in the Romanian labor market and affecting the predictability of the main employee base.

Transparency in the way we conduct our business and our relationship with our own employees builds a culture of trust, desire to innovate and, most importantly, respect. Our ambition is to become the best employer for women by 2025 and to continuously expand our training and mentoring programs for youth, in order to offer them best opportunities for work.

The Romanian legislation created a relatively equitable environment in terms of salaries by gender.

As indicated by Eurostat, while the average practice in UE leads to a 16% pay gap between men and women, in Romania this has been reduced to 5.2%. This legislative framework, however, does not guarantee an equal presence of genders on the labor market, the Eurostat data also revealing that out of all employees in Romania, only 43% are women:

NATIONAL EMPLOYMENT RATES	2016
Total	8,078
Females	3,470
Female employees	43%



¹ INSSE (2017); no data available for 2018



Diversity, remuneration, benefits and equal opportunities

In terms of technology solutions, we are proud to be pioneers in the Romanian market: we're constantly seeking and offering. The Vodafone culture places human excellence at its core. We embrace diversity, as it is a channel for evolution and progress. A respectful and inclusive attitude allows people to explore and achieve their full potential, and we aim to nurture everyone's desire for professional fulfillment through our policies and practices.

FY 18/19 brought significant internal improvements, as the company structure went through important changes, as well. The decision to re-integrate the call-center services in order to offer better customer service experiences translated into a high number of new employee entries. We welcomed our over 700 new colleagues open-heartedly and we are eager to continue to grow together as a united team.

Our overall employee structure reflects our efforts to bring female talent into the company. Out of 2,935 employees in FY 2017/18, 59% were women and, out of 3,107 employees in FY 2018/19, 61%. We aim to do more than just having a significant number of female colleagues; therefore, we devote significant efforts to support them in developing their careers. At global level, Vodafone management teams, including senior leadership, had a ratio of 25% women in 2017. In Romania, our commitments led to having 47% of women in similar positions, including our CEO. We are very proud of this achievement.

Our attention does not stop at having gender-based equilibrium in the company. We also offer a fair treatment in terms of remuneration. The overall difference between our male and female colleagues' remuneration stands at 19%, but when we look closer to the pay gap between men and women working in similar positions, the difference shrinks to less than 5% in 2017.

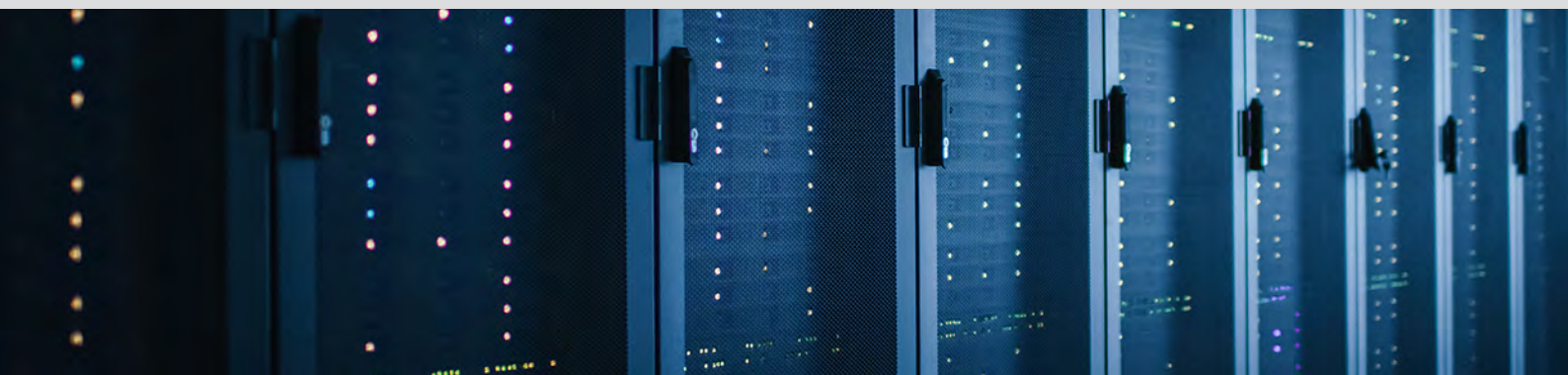
Our culture is based on diversity; we want everyone to feel welcome in our team and to thrive in their chosen professional trajectory. Inclusion is based on trust and support, thus we have zero tolerance to any form of discrimination. As stated in our internal Code of Conduct, we want all our colleagues to act fairly and respectful towards others, and to signal any concerns regarding potential misconduct to the HR department or through our 'Speak Up' internal channel.

Speak Up is an internal channel that allows our employees to report any concerns in terms of bullying, harassment, conflict of interest, danger to health and safety of employees and customers, any potential abuses of human rights or serious environmental issues.

The company pays attention to these alarms sent by our employees and does not retaliate on any good faith concerns that are raised.

It is important to note that, during the two reported fiscal years, we registered zero discrimination incidents in Vodafone Romania.





IT&C is recognized as a highly dynamic environment, requiring a lot of motivation, interest for innovation and contact with everything new. As our turnover² falls within the IT&C industry average of 30%, our efforts to grow our team are constant and proactive. As a team, we want to excel in our work, whether technology, sales related or any other aspect of our activity, and we dedicate a great deal of attention to our colleagues who have continuous contact with our customers. In order to achieve this, we are focused on three key elements: Talent, Capability and Culture.

All remuneration components and value are determined with internal and external stakeholders (Vodafone Group), based on individual performance and Group policies — especially in relationship to corporate bonuses. These procedures are similarly applied to both executive and management employees. Our remuneration packages include: salary, corporate bonuses and variable payments, standard medical care, life insurance, flexible benefits — including private funds and third party companies' discounts. Additionally, management-level employees may opt for car allowances/company car and company shares, based on performance and potential.

The performance evaluation system is the same for all employees. It relies on the Performance Management System, which is based on the objectives set out at the beginning of the financial year, and assesses both the performance and the potential of the employee, starting from a set of clearly defined set of competencies and future potential indicators.

Since we want to offer equal opportunities for the professional development of our team, all the benefits we offer to full-time employees are part of the salary packages offered to our part-time employees, as well (2,126 fulltime employees, and 30 part-time employees).



To us, choosing a part-time job does not translate into less involvement or a limited value of our employees, but rather a way to align the needs of our colleagues with the needs of the company.

In FY 17/18, we have offered more than 150 new jobs, targeting mostly young, active people, in our Customer Relations Centre in Pitești, thus expanding our customer service network to a new community. The process continued in FY 2018/19, as we hired a large number of employees in Bucharest, Brașov, Craiova and Pitești. Our approach focuses not only on our business development goals, but also on keeping youth in local communities, which otherwise are drawn towards larger cities or go abroad.

² In FY18/19 we had a turnover of 791 employees.



Professional development and lifelong learning

In 2017, we have launched the ReConnect program in Romania, an initiative aimed at recruiting talented women who have left the workplace for several years (in most cases to raise a family) and who wish to return to work on a full-time or flexible basis. Around 3% of our colleagues (both female and male) were on parental leaves during FY 17/18, and 6% during FY 2018/19³. With this program, we wished to enable an even more inclusive environment by focusing on creating a flexible framework, aiding the development of new skills and knowledge and building the professional connections needed to succeed.

We use an in-house developed platform called Vodafone University and various online platforms for up-skilling all our employees. To facilitate lifelong learning, Vodafone University offers over 30,000 online courses for employees. Topics covered include a wide array of career development related issues, but also other essentials, such as Policy and Human Rights (DWR). Our employees have access to Digital Skills development programs focused on Agile, Big Data, IoT.

ReConnecting with the jobs market

ReConnect includes recruitment activities that target women who temporarily suspended their presence in the labor market, along with trainings aimed at rebuilding and improving their professional skills. As part of these efforts, we also aim to work with managers to help them understand and embrace the challenges that women face in their careers, as well as the needs that emerge out of their work-life balance specifics. For example, employees in such situations are encouraged to find common solutions with regards to a flexible work schedule and gradual reintegration options.

ReConnect is an initiative that is aligned with Vodafone Group's efforts to support women. You can find more information on the topic [here](#).

Youth skills and jobs

Another important initiative designed to foresee and respond to youth needs and aspirations is the investment in a new IT laboratory within the Faculty of Economic Cybernetics, Statistics and Informatics of Bucharest University of Economic Studies. Our investments in the lab enable students to learn in a modern environment and prepare for their future careers.

Equal opportunities for women in technology

"Girls in STEM" is an initiative developed by Vodafone at international level. In 2017, the program started with a clear objective: to encourage high school female students to follow an educational development in technical universities, and later to build a technical career for themselves. The program focuses on 4 days workshops, organized by Vodafone trainers and aimed at building technical abilities and sharing coding concepts and tools. In 2017, Vodafone Romania organized the first "Girls in STEM" sessions in August, when 22 participants benefited from this experience.

Discover is a two-year program designed for youth who are just about to finish college and for fresh graduates with little or zero work experience.

Throughout the program, the Vodafone Discover can have 3 separate placements, for example, the first two of 6 months each and the last one for the remaining 12 months, within different areas/departments/teams, in order to acquire a broader business understanding and to explore various job opportunities.

During the 3 placements, the Discover employee will have responsibilities to carry out, according to the team specifics & needs. The Discover program allows for hands-on work experience, as the participants develop themselves and their professional skills in an accelerated manner, through the various processes, feedback sessions and networking.

³ In FY18/19 ~190 of our male and female colleagues were on parental leave.



The internship/apprenticeship with Vodafone Romania consists in 3 weeks of useful workshops and presentations for up to 21 high school students.

Vodafone Romania organized such APPRENTICESHIP sessions between 25.06 and 13.07.2018, when 21 high school students benefited of this experience.

Domestic violence and abuse policy

This global policy is a commitment by Vodafone to prevent domestic violence and abuse and to provide safety and support for the victims of it.

Domestic violence and abuse can affect any employee regardless of their age, gender, economic and educational background, culture, race or religion. The policy refers to specific measures related to prevention, support and assistance, including helping employees to maintain their professional life, particularly while they are trying to escape from a violent or abusive relationship. They can access flexible working hours and unpaid leave (up to a maximum of ten days, in order for the victim to obtain a protection order or put in place other safety measures, to seek legal assistance or attend court or legal appointments, to find a place of safety for the children, to find new accommodation or seek counselling and other supports).

Smart Working

At Vodafone, our vision is to create a workplace that offers flexibility to our employees, maximizes the opportunity for collaboration and enhances productivity. By taking advantage of our own technology, the Smart Working concept allows us to offer more flexible working conditions and brings us closer to our ambition of becoming a truly digital company. Smart Working allows employees to work remotely for 4 days a month, 1 day each week, based on their prior acceptance of the required safety conditions.

This approach is not only environmentally friendly (eliminates long commutes, reduces traffic and saves gas), but it can also contribute to the wellbeing of our employees by allowing them to work in their preferred environment, as well as enhance the professional – personal life balance by enabling them to spend more time with their families, while also being more productive.

Employees' representation

Vodafone employees have additional representation tools, which offer them continuous and efficient support in their interaction with the company. Our employees can choose to communicate via employee representatives (designated according to the Romanian Labour Code), but can also raise day-to-day concerns and needs within informal employees' groups. Aspects such as air-conditioning needs, access to supplies and other concerns are easily solved during monthly meetings. The company collects all suggestions and requests and responds in the shortest time possible, based on prioritization and the availability of resources.

All internal procedures related to the employer - employee relationship are based entirely on the legal framework established by national legislation⁴, stating important aspects, such as labor contract, remuneration procedures, maternity leave, communication channels and notice of any changes in the work conditions or other factors affecting the relationship with employees.

One specific example regarding the communication with our employees refers to Tax Code amendments in 2018, on transferring tax contributions from the employer to the employee. To this extent, we dedicated communication channels and ensured our full availability to explain the implications of these changes for our employees. Our HR Director led the communication efforts, while our HR department responded to all inquiries from our colleagues.

⁴ The framework includes the Labor Code (Law 53/2003, updated in 2018); Law nr. 319/2006 for labor security and safety; Law nr. 677/2001 on data protection and privacy for individuals; Directive 679/2016; Law nr. 67/2006 on employee's rights in case of unit or divisions transfer; Competition Law (21/1996); OUG Nr. 96/2003 and Law nr. 154/2015 on maternity rights protection at the workplace.



Health and Safety

Over the past 2 financial years, we invested great efforts in order to consolidate our organizational culture on safety and we go beyond legal requirements, as we consider safety a paramount aspect of our relationship with our colleagues, suppliers or any third party. Our main focus areas since 2017 are:

- Risk management;
- Positive safety;
- Acknowledgement and appreciation of our employees;
- Supplier practice on health and safety requirements;
- Delegation, participation, employee expertise and
- Digital innovation.

Each department has at least one employees' representative in the Health and Safety Committee, along with the company representatives and the occupational health doctors.

Moving beyond legal requirements, in order to open as many and easy-to-use channels of communication, we have our internal '**Ask HR**' direct line and a dedicated email address where employees can ask any related questions or raise any concerns regarding this topic.

Over the past 2 years, one of our colleagues suffered a minor injury while working for Vodafone, 4 of us suffered accidents during work travels, while 14 were involved in potentially dangerous incidents (road traffic incidents).

Considering the nature of our activities, our employees **are not exposed to high risk of illnesses** related to their occupation, and we had no such incident reported during the past 2 years.



Historically, we have built a culture of workplace safety, with a heightened focus on compliance in order to achieve and maintain a zero fatalities rate, both among our employees and our suppliers' workforce. In order to achieve this goal, we continuously invest in trainings for our employees and partners, facilitate formal and informal meetings with employee representatives, monitor high-risk activities, organize ongoing campaigns on health and safety topics that we consider relevant, deliver first-aid trainings and equip our main offices with AED equipment.

The new safety strategy of Vodafone Romania brings to focus the awareness and heightened attention towards accident prevention and risks control. This has led to a continuous decrease of work related accidents, and in the same time, an increase in near miss reporting, which by thorough investigation helped us address the root causes that could have hurt our employees or suppliers.

By aligning our efforts with the strategy of the Vodafone Group, we are not only meeting the legal safety requirements, but we are also enhancing our entire performance and responsibility, by protecting the most important resource - our people.



Our H&S strategy includes:

Safety Leadership on positive safety:

- **84 safety tours** led by our top management;
- **100% of incidents reported on time**, followed by thorough investigations and improvements;
- **2 awareness campaigns on health and safety** involving all our employees and high risk suppliers;
- **2 recognition and award sessions of employees** who contributed to our health and safety culture;
- **3 recognition and award sessions for our suppliers**, as an appreciation for their major contribution to our performance. We awarded 4 companies for their efforts on these topics, along with 3 suppliers' employees: managers, HS specialists and project managers.
- **4 campaigns on occupational health.**

Managing health and safety risks and evolution:

- **Rigorous assessment of risks** as a first stage before implementing any projects;
- **Health and safety (HS) passports for all workforce involved in high risk activities.**
The passports describe the competence and all specific trainings for each job: experience, medical approvals and the required certifications for high-risk activities.
- **Risk registry covering all company operations;**
- **21 of our partners assessed against HS performance;**
- **538 field inspections** delivered by certified and highly experienced personnel on HS;
- **233 safety audits in the Vodafone stores;**
- **Introductory HS training** to all new employees (including partners);
- **350 employees trained on first-aid procedures:** at least one person in each Vodafone location, but also any volunteer employee who wanted to join this training;
- **Specialized HS trainings for our suppliers;**
We trained 400 coordinators, project managers or team leaders on an annual basis.
- **Specialized HS trainings for 66 of our employees** who operate high-risk activities (project managers, key accounts, drivers etc.);
- **3 HS events organized in our supply chain**, including recognition and awarding best practices and improvement initiatives. The events gathered on average 50 companies and 150 participants.
- **Digital Safety** – in November 2017, we organized an event on “Working at Height interventions” dedicated to our employees and suppliers. We used a virtual reality simulator to replicate working at height interventions, new-generation safety gear and apps designed to raise awareness on the risks of this job. Further to come, we will continue our investments into virtual reality trainings and e-learning for our employees and suppliers.
- **HS responsible in each department and business unit.** The scope of this decentralized approach is to simplify communication on high-risk activities topics, increase efficiency on recognition and control of risks, increase awareness on HS topics amongst our employees and partners.
- **Specific guidelines** for our top high-risk activities (driving, working at height, electricity, working in public spaces, lifting works) and constant monitoring of our seven Absolute Rules that must always be followed by any party working with us.

HS objectives for our Network department:

- **100% of high-risk activities to follow a pre-approved HS plan**, embedded in our contracts.
- **To share our practices and collaborate with all telecom operators** in order to improve the safety of the Romanian telecom industry.
- **HS audit for all our technical sites**, and correction of all nonconformities.

External monitoring from Territorial Labor Inspectorates (ITM)

Over the past 2 years, we had **22 monitoring visits** from the ITM. At the end of these visits, 11 did not require an action plan, the rest of 9 required improvement actions, which we have implemented in due time. Vodafone Romania received no fines related to its HS procedures and practices.



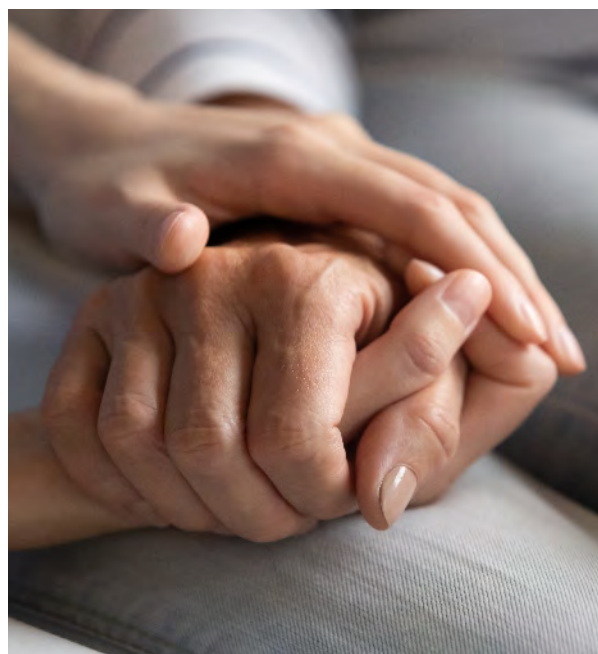
Community. Vodafone Romania Foundation

5 Community. Vodafone Romania Foundation

Community

In 1998, right after we have started our business in Romania, we have also initiated our first community programs for socially at-risk groups and we continued to be involved ever since. The communities where we intervene have always expressed their gratitude for the people who offered their support by volunteering, donating and trying to change the lives of those less fortunate for the better. We are proud of all the support that Vodafone is giving to others.

Empathy and care for everyone we may impact, whether now or in the future, is something we consider as a defining characteristic of Vodafone Romania. Since our early days, we have looked for the most effective way to invest in vulnerable communities, with a heightened focus on education and health initiatives and we plan to continue to do so. As part of our interventions, we aim to use technology as a driver in solving current and emerging needs of all the communities in which we operate.



Our community initiatives are mainly performed through Vodafone Romania Foundation, but we also conduct CSR projects directly by the company, through our specialized department, such as the Salvamont app, ensuring emergency numbers for missing children and so on.

Vodafone Romania Foundation

The Vodafone Romania Foundation is an important part of Vodafone Romania, but it constitutes a separate legal entity and acts independently from the commercial operations of the company. Vodafone Romania is an important contributor of the Vodafone Romania Foundation, but the non-profit organization develops and implements all of its strategic and operational plans based on social needs, as analyzed and evaluated by its own board.

The foundation is especially involved in providing support to vulnerable communities in Romania and its role and actions are best described by Angela Galeța, the Director and member of the Board of Directors of Vodafone Romania Foundation:

“The Foundation invests most of its resources to improve people’s life here and now, but our goal is also to change mentalities, so that good deeds are not seen as extraordinary or as exceptions anymore, but as natural events performed by each and every person. Hence, we look at the stringent needs in the society, but we also pay a close attention to how and why people want to offer support. We support the processes that help people do good, thank those who choose to use them and bring their stories further to those who need encouragement and hope.”



The Foundation's activity areas and community investments

As an organization, we work hard to improve the lives of people in need. We are continuously exploring solutions that nourish their own capacity to help themselves in the long run, to shape their lives based on their own dreams and cultures.

There are four key pillars that guide the activity of the Foundation: healthcare, education, social services and volunteering.

These pillars offer a holistic approach to improving people's lives by solving urgent needs, but also by looking into long-term solutions to truly change their existences. Each of these pillars is translated into strategic programs and partnerships aimed at doing good deeds for those in need.

Healthcare

Healthcare initiatives represent the most important pillar of intervention for the Foundation's activity, as access to healthcare and well-being is a fundamental human right. Unfortunately, certain categories of people still don't have access to proper healthcare and there are still remote areas in the country where basic health services are not accessible at all. Children, the elderly and disadvantaged social groups are the most exposed in this respect and the Vodafone Romania Foundation has, over the years, invested in long-term programs that tackle healthcare related issues in the country.

In addition, we have proved that technology plays a crucial role in today's medical practice and that we can use our technology and expertise to enhance medical care.

Accordingly, we have looked for solutions that allow us to put technology to the best use. Examples of our involvement in this area are represented by the first telemedicine solution implemented in Romania (equipping SMURD¹ ambulances with medical apparatus and communications devices), the medical caravans that enable physicians to check on patients in remote area. Another example here is the financial support provided for the construction of the Intensive Care Unit for Newborns at the Marie Curie Hospital.



Healthcare related initiatives of the Foundation

Modernization of the local blood transfusion centers

Health is a key factor for the development of our communities. Timely and quality medical interventions can save lives and minimize long-term hospital treatment. Blood donations play an important role in many interventions. Yet, the Romanian transfusion centers were in desperate situations, their needs varying from renovating the building where the centers operate, to endowing them with equipment in-line with the European standards. Thus, we realized that we need proper medical centres in order to encourage blood donations.

¹ The Mobile Emergency Service for Resuscitation and Extrication or SMURD for short is an emergency rescue service based in Romania.



Our intention was to provide donors with a warm, welcoming environment, motivating them to become recurrent donors and provide the medical staff with European-standard conditions.

Here are some of our accomplishments over a five-year span:

- **2014: renovation and endowment of the Bucharest (Blood) Donation Center**, the largest of its kind in the country;
- **2015: extension of the program to additional 7 blood transfusion centers** from Buzău, Cluj-Napoca, Giurgiu, Iași, Slatina, Suceava and Târgu-Jiu;
- **2016: renovation and endowment of 10 blood transfusion centres** from Alba-Iulia, Arad, Braşov, Călăraşi, Slobozia, Bistriţa and Drobeta-Turnu-Severin;
- **In 2017 - 2019: 23 centers** added to the program, hence expanding our intervention to all blood donations centres in Romania;
- **Over 830.000 patients** benefited from the blood donated in the renovated and/or endowed centres;
- **33.761 sq. meters were renovated**;
- **Over 6.000 donors responded to our call to join the blood donation campaigns**, among them are our colleagues from Vodafone, as well as employees of other 40 partner companies;
- **Overall Foundation investment reached 1 million EUR.**

The “Be prepared!” caravan – Mobile training center for emergency interventions

There are situations when you only have a few seconds to make a decision. In such moments, our reactions can save lives. Whether we talk about fires, floods, earthquakes or accidents, if we are prepared, we have higher chances to make the best decisions in emergency situations. This is why we chose to be a part of the program that enables everyone to learn how to be prepared for such events.

Launched in 2016, the “**Be prepared!**” caravan traveled in more than 60 communities and trained over 20,000 people. It consists of a mobile center mounted on the structure of a lorry, comprising a 40-seat training room equipped with all necessary medical and first aid equipment.

The training courses are addressed to both the general population, as well as to the emergency professionals and are delivered by specialized trainers, who are IGSU employees. People can join trainings by signing in on-line or via Emergency Situations Department app.

The training module includes screening of training movies made by the Emergency Department and the General Inspectorate of Emergency Situations, plus an interactive demonstration session performed by SMURD paramedics.





Reconstruction and modernization of Newborn Care Unit from Constanța County Hospital

The infant mortality rate in the southeastern part of Romania exceeds 9.7 out of 1,000 newborns, which is above the national average and three times higher than the European one. The Constanța County Hospital New Born Unit, which hosts patients from a large geographical area in the south, includes two sections: a newborn intensive care unit and a unit for premature infants. There are around 900 newborns admitted to this unit annually and two thirds of them require intensive care. The unit takes care of 15-20 patients at a time, although there are only eight beds available in the unit and the conditions are dire. Some other 350 patients are prematurely born children and the unit that is supposed to care for them lacks the necessary resources. This unit has not been renovated since the hospital was built – approximately 50 years ago – and consequently it registers the highest infant mortality rate in the country, and the situation continues to deteriorate.

Vodafone Romania Foundation has been coordinating the rebuilding and modernization works for the Newborn Intensive Care Unit of the Constanța County Hospital, and has allocated 1.1 million EUR to finance the project, out of a total estimated budget of 1.5 million EUR.

Following the renovation, the Vodafone Romania Foundation will endow the Newborn Intensive Care unit with a telemedicine system allowing doctors to monitor children even from outside the medical unit, to transmit vital medical data or to organize video-conferences with specialists from other hospitals in Romania or abroad.

Education

We are aware of the fast changes influencing our society. The IT&C is one of the most visible factors bringing these shifts. After all, the first NASA rocket to reach the moon used a memory of 4KB – far less than any technology people use today in mundane activities. These changes lead to important shifts in our social behaviour. For example, technology replaces jobs, but also introduces new ones to our lives. In these circumstances, we understand that education – technical and entrepreneurial, in particular – have a crucial role in helping young generations keep up with the new requirements on the job market.

According to Eurostat figures, the unemployment rate of teenagers (14 – 25 years old) in Romania was 20% in 2016, meaning one in five young adults struggled to find a job. Moreover, children in poor rural areas are trapped in a vicious circle, with little chances for a life better than that of their parents. Bearing this in mind, we strive to support education in its many forms, by investing in School after School centers and offering scholarships for talented children and teenagers.

Results can be easily noticed, as in 2017-2018 school year, we have assisted over 300 children in eight social centers in Alba, Bistrița, Constanța, Ialomița, Ilfov, Maramureș, Neamț and Teleorman counties.

Most of these types of initiatives involve two of our main community pillars - education and social support for disadvantaged social groups, as these children, teenagers and their families are the ones who need complex interventions in order to succeed in changing their destinies.





School in a Box

Digital education as a way of preparing children for future jobs is the mission of the School in a Box program. We primarily aim to help teachers and students in 10 schools from rural areas develop their digital skills by adopting classroom interactive working methods and digital content in education.

Thanks to an e-learning platform www.scoaladinvaliza.ro and the "Instant Classroom" mobile boxes (each containing a laptop, 25 tablets, a video projector, a sound system, a built-in equipment charging solution, a Wi-Fi router and a 4G modem), educators working in the 10 rural schools turn lessons into an interactive and fun experience.

The www.scoaladinvaliza.ro platform provides access to an educational hub where over 500 educational resources and links are available to the public, as well as to a school-dedicated section. In this login to members only area, the teachers create digital lessons according to the subjects they teach. The section provides access to livestreaming solutions, tutorials, webinars and forums. Thanks to the functionalities offered by the platform, teachers can become digital content creators.

To further develop their digital skills, teachers are continuously trained as part of the program.

Social services

In Romania, the number of children living in poverty or risk of poverty is double compared to the European average, with most of these children living in the rural areas of the country. Studies have shown that, in 2014, between 9% and 25% of the children were vulnerable to poverty. For these children, working is not an optional activity and they often go to sleep on an empty stomach². According to the 2017 Education and Training Monitor of the EU Directorate – General For Education and Culture, early school leaving (ELS) “is concentrated in rural areas and among Roma. The proportion of early school leavers among young people aged 18-24 decreased slightly (from 19.1 % in 2015 to 18.5 % in 2016), but remains the third highest in the EU³.” Such challenges limit these children’s rights to a normal development and force them to take up domestic responsibilities from an early age.

Our investments in rural communities through the ‘Investment in the Rural Areas’ program seek to bring normality into the life of these children, by providing a proper educational environment through working closely with kindergartens, schools, libraries and local associations. The first steps of the program are aimed at restoring and developing the community spirit in localities of up to 30,000 inhabitants from Romania, and turning the rural school into a friendlier experience.

Following two years of investments, we have managed to solve the basic problems for pupils from different rural schools. Encouraged by the results, we wanted to find out how we could help even more. So, from February to July 2017, together with World Vision Romania Foundation, we have launched a nationwide study: “Investment in the education of children from rural areas”. Our goals were to gauge the consequences of poverty on the educational system and to use the results of the study in designing the projects for the 3rd edition of the Investment in the Rural Areas program in order to closely match our efforts to the real-world needs. The results of the study indicated that more than 2/3 of rural schools have poor results in the national evaluations, have a high school dropout risk, high absenteeism and non-promotion rates and many are coming from families with social problems. This confirmed that it was necessary to continue our support of School after School centers for the 3rd edition in a row.

In the 4th edition, over the course of the program, 6 strategic partners have joined us in implementing 115 projects reaching 60,375 beneficiaries. The projects were implemented with the aid of 791 volunteers and with community contributions of EUR 740,000 in addition to the EUR 1.3 million invested by the Foundation.

² World Vision România (2014). Bunăstarea Copilului din Mediul Rural. p. 88.

³ European Commission (2017). Education and Training Monitor 2017 Romania. p. 4.



Volunteering

The fourth pillar of our community initiatives consists of volunteering. Every year, hundreds of volunteers join the causes of Vodafone Romania Foundation, adding their energy, ideas and sincere joy to our projects. Increasingly more people find it natural to roll up their sleeves and tackle issues, to get engaged where needed and to help where they can. Sometimes, a hard day's work at a family home building site is all it takes for our volunteers to permanently change the life of an underprivileged family.

Every year, more than 2/3 of our colleagues from Vodafone Romania volunteer in one of the existing projects and the company encourages and nurtures their efforts to get involved. Accordingly, each Vodafone Romania employee can choose to dedicate 2 paid working days per year for volunteering, which most of them do, and also extend their involvement in their own personal time.

Since not all of us can contribute in the same way and the same amount, we have created a platform, allowing our colleagues from Vodafone Romania to find the means to support social causes that are most suitable to them. The main mechanisms we offer to them are:

- directing 2% of their income tax to the Vodafone Romania Foundation;
- enrolling for payroll giving;
- get involved in our Foundation's volunteering initiatives.

Vodafone Romania Foundation achievements

In over 20 years of activity, Vodafone Romania Foundation financed over **1,132 programs** with **706 NGOs** as community partners.

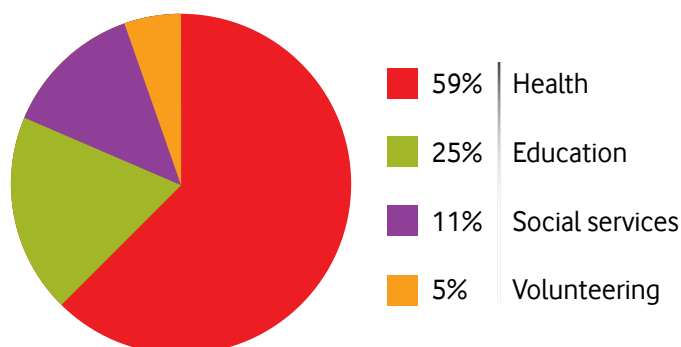
We reached over **3 million beneficiaries** – children, elderly, at risk people (special needs people or financially deprived). The investments exceeded **30 million euro** over the course of our Foundation's existence.

Vodafone Romania Foundation Achievements

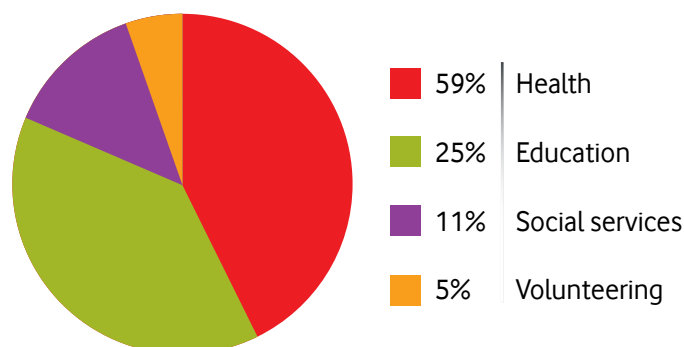
	2017	2018
Total grants Eur	1,689,700	1,854,630
Beneficiaries	105,938	238,000
Projects & Programs	37	44

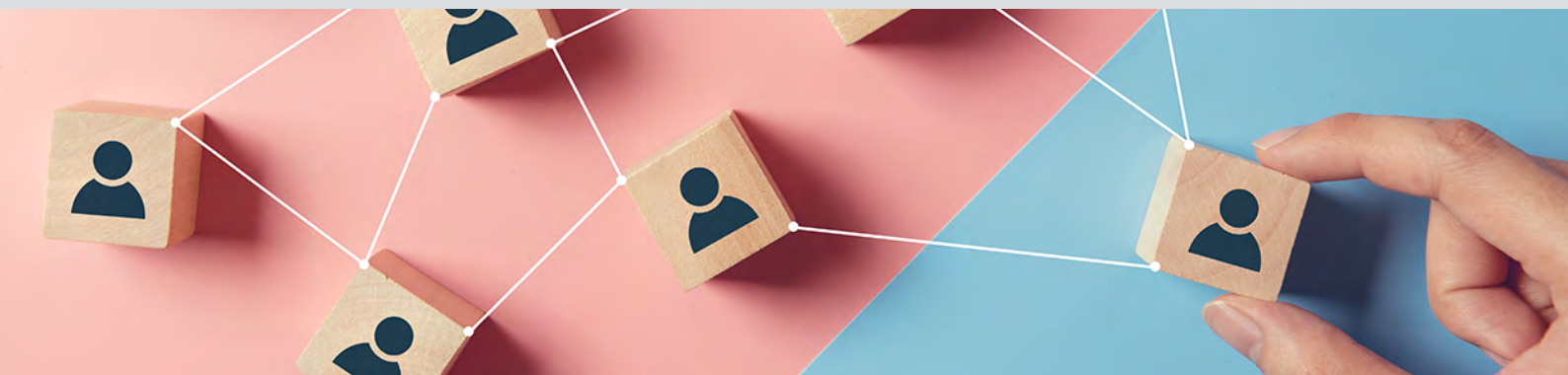
Strategic programs resources distribution 2017 and 2018

2017



2018





Main projects & programs supported by the Foundation:

- Renovation of ICU for Newborn Babies, Constanta County Hospital;
- Connecting for Good;
- Investment in Rural Areas;
- Renovation of Blood Donation Centers;
- "Be prepaid" SMURD Caravan.

For more information regarding our programs, please visit:
www.fundatia-vodafone.ro
<http://jurnaldebine.fundatia-vodafone.ro/>
www.facebook.com/fundatiavodafone.

Overarching multiple pillars: Connecting for good

Using technology as a tool for improving life, investing in sustainable changes in our community and aiding those in need are at the heart of the Vodafone Group initiatives worldwide. The Vodafone Foundation is the initiator of one of the most innovative and transforming programs that allows digital technology to serve people in need: Connecting for Good.

The program was launched in 2012 in Romania and since then we have contributed to 55 projects, more than EUR 4 million, and have reached over 40,000 beneficiaries.

Funding for the Connecting for Good projects is granted following rounds or calls that the Foundation launches once a year. Through this program, we support projects that are focused on delivering public benefit through the use of technology in the health, education and social services.

Examples of programs supported via Connecting for Good

- Tele-assistance and medical tele-monitoring services for housebound elderly suffering from serious and chronic diseases, as a way to increase their life-quality;
- Real-time monitoring and assessment via mobile application for autism children undergoing therapy and rehabilitation process, by interconnecting physicians, psychologists, social workers, parents and educators;
- Establishment and endowment of the first "Telemedicine Centre for Pediatric Diabetes" that allows the registration and tracking of 150 insulin-dependent children across the country;
- Neuro-navigation system and electrophysiology monitoring system to assist the pediatric neurosurgeons team at Marie Curie Hospital;
- PEDITEL 1791 – Non-stop over-the-phone emergency and medical advice for children and their parents, covering almost 28.000 calls in one year;
- Elderly helpline providing useful information and moral support to the elderly;
- 9 telemedicine solutions (e.g. on SMURD ambulances, for patients from rural areas, in intensive care units for newborn babies);
- Different applications (e.g. for children with autism, children with serious illnesses and extended hospitalization, smart public transportation for patients with sight impairment).

Corporate Social Responsibility by Vodafone Romania

Community initiatives of Vodafone Romania

As the community needs are complex and require various approaches, some of our initiatives are run directly by the company, rather than through the Foundation, while others require a 'hybrid' approach (both entities are involved). This is mostly the case when community needs can be connected directly to our products and services. In this respect, SMS donations and emergency numbers are just two examples on how we put our expertise to the use of our communities.

One-time and recurrent donations via SMS

Together with three other telecommunication operators present in the Romanian market, and in strategic partnership with a non-profit organization, we have formed a joint program for SMS donations that aims to support in an effective and transparent manner social causes that are important to our customers. The initiative - donatie.ro - is helpful both for our customers (i.e. donors), as well as for NGOs that benefit from these donations, as the platform provides access to all four operators on the market via only one simple application process. This program is the perfect example of our combined approach to solving societal needs, as both our Foundation and Vodafone Romania are actively involved in supporting the donation mechanism. In the two reported fiscal years, our customers have sent 1.527.326 text messages (including recurring monthly donations) raising over 3.291.920 EUR. This donation mechanism is convenient for customers (most of them having their mobile phone at hand), cost-efficient for us and for the non-profits they elect to support, but also highly effective.

SMS for Life - text message donation mechanism highlight

M.A.M.E. Association is a nonprofit organization that has been selected to manage the allocation of short SMS numbers 8824 and 8826 to individual cases of adults with serious illnesses that need medical interventions abroad.

The target group for this project is represented by adult patients diagnosed with serious conditions who cannot undergo treatments or surgeries in Romania. M.A.M.E. offers a wide range of services to patients and their relatives, such as

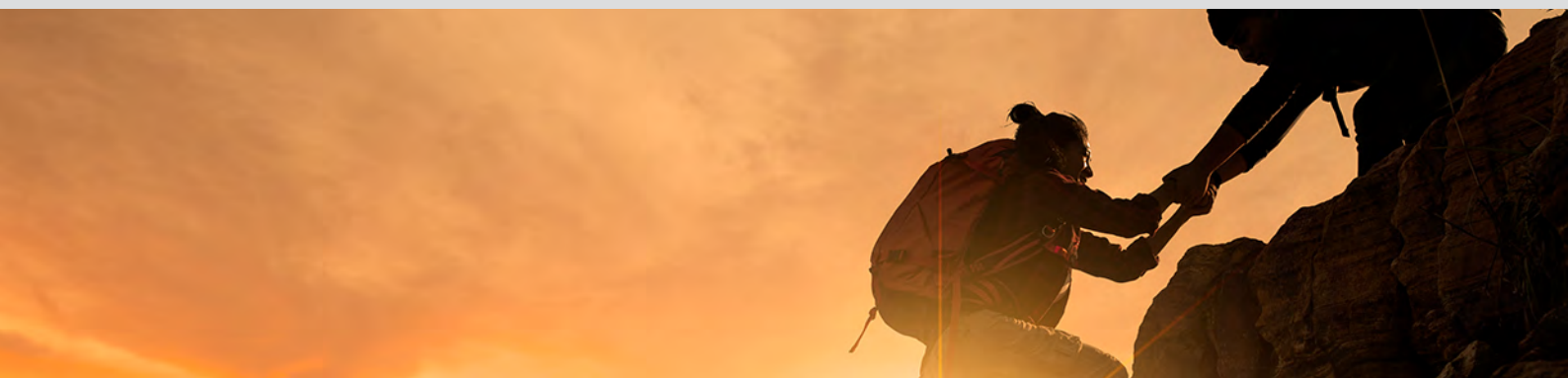
- guidance on how to access the SMS number;
- selection of eligible cases under the conditions agreed with the project partners;
- provision of a database of clinics from abroad to potential beneficiaries;
- support for designing the media plan meant to promote the SMS number;
- transferring the amounts collected from SMS donations to the beneficiaries;
- tracking the correct spending of the funds collected by the beneficiaries.

This project is part of the "Life Reserve Fund for Adults" program implemented by M.A.M.E. Association with the financial support of Vodafone Romania Foundation, in collaboration with other NGOs and mobile service providers. These partnerships and the financial support are essential for this project as Maria Culescu, President M.A.M.E. Association describes:



"The services offered through this project are vital for adult patients with serious illnesses who need money to access various medical services that cannot be performed in our country or cannot be granted in due time. Practically, through a dedicated SMS number, they have access to a simple fundraising mechanism that is easy-to-use by individual donors. The sums raised through SMS donation campaigns have, in most cases, made the difference between life and death, as they gave patients the chance to benefit from treatment at clinics and hospitals around the world. More than 70% of these patients are alive today due to the generosity of over 350,000 community members who have chosen to get involved during the 6 years of this project and who have donated more than 800,000 euro for the treatment of those in need. M.A.M.E. Association is grateful to Vodafone Romania Foundation for their long-term partnership that allows us to offer a chance to life for seriously ill patients across the country."

Maria Culescu, President M.A.M.E. Association



Emergency number 116000

Apart from the initiatives run through the Foundation, our CSR team engages in additional activities that benefit our communities directly. One example is the free to dial, 116000 number where, starting 2009, people can report missing children. The number is accessible 24/7 in any network in 14 European countries, including Romania (the other countries are: Belgium, Denmark, France, Greece, Hungary, Italy, Great Britain, Holland, Poland, Portugal, Slovakia, Slovenia and Spain).

The Romanian Center for Missing and Exploited Children manages the program nationally and intervenes in reported cases of missing children along with Romanian General Police Inspectorate.

Between 200 - 500 cases are reported daily, and since its beginnings, Focus was involved in solving 2,100 cases, out of which 85 are on-going investigations.

More details on 116000 number can be found on www.copiidisparuti.ro.



Salvamont Strategic partnership

Since 2004, Vodafone Romania is the **official partner** of The National Association of Mountain Rescuers in Romania (ANSMR). Through this collaboration, Vodafone Romania has provided over the years continuous financial and material support, essential for the mountain and cave rescue operations performed by ANSMR.

The partnership is important both for Vodafone Romania and its partner, the ANSMR.

“The support given by Vodafone Romania to mountain rescue is significant and valuable. This partnership allowed us not only to solve a number of issues – funding, equipment etc. – we face when performing mountain rescue activities, but also represented an important opportunity for continuous professional training of our human resources, and for organizational development of the Rescue structures across the country.”

Sabin Cornoiu, Salvamont Romania President

Collaboration highlights

Our collaboration with ANSMR has been fruitful and lengthy. We would like to highlight a few achievements:

- Setting up of the National Dispatch Center and providing financial and material resources necessary for its proper functioning;
- Developing the "Salvamont" application for mobile phones, the Salvamont website and providing all the financial resources necessary for its maintenance and permanent development;
- Acquisition of vital equipment for the operation of Salvamont teams (GPS, mobile phones, stretchers, protective gear, medical equipment, teaching materials etc.);
- Covering the editing and printing costs for a series of manuals and informational leaflets (The Mountain Rescuer's Manual, educational material for tourists);
- Financing the upkeep of hiking trails and Salvamont training facilities;
- Financing for Salvamont member training and development, as well as the annual national meeting.

Notable results of ANSMR:

Due to the national infrastructure of the organization, Salvamont has successfully solved over 85,000 emergencies, saving over 55,000 individuals in the past 10 years. During this period, ANSMR has managed over 262,000 calls by operating a call center that offers 24h/7 assistance and through its 42 units across the country.

For more details, please visit the [ANSMR website](http://www.ansmr.ro).



Salvamont mobile app

In 2013, together with our long-standing partner, Salvamont, we have launched an application to serve people who need crucial information such as maps, weather forecasts and access to communications with mountain rangers. The app data covers 51 mountain areas, 600 trails, 150 lodges and 180 ski slopes. Apart from access to this information, the app also presents an SOS feature, which enables hikers to mark their GPS location and send messages to mountain rangers in emergency situations. This feature has proven crucial for rescue operations.

“It is a great app. I was wondering when we will have such a tool available on our phones. I am very much interested in weather forecasts before I go on trails. Especially for peaks trekking, these weather forecasts are crucial. Congratulations, Salvamont and Vodafone Romania!”

Salvamont app user

In addition to being greatly appreciated by its users, since the app became the official communication tool of Salvamont, it was ranked by profile websites as one of the most reliable sources of information. We are proud to be able to contribute to the development and maintenance of such an indispensable tool and aim to continue to do so in the future. We are also continuously looking for other ways to contribute to solving key societal problems with the use of our technology and expertise.

Supporting cultural and artistic manifestations

Over the years, we took part in the cultural life of our communities by forming partnerships for important events, such as TIFF (Transilvania International Film Festival), Future Shorts, Act Theatre or the George Enescu Music Festival. All these events we have supported over the years granted us the opportunity to bring colour and joy in people's lives, but also the ability to offer access to different cultures, ways of entertainment and, more importantly, to inspire the creativity of young people. For more information on this topic, please access our website.

A look into the future

We believe that all these initiatives are a testament to our commitment to the wellbeing of the communities in which we operate. We aim to continue – and potentially expand – our support through Vodafone Romania Foundation's projects, as well as other CSR activities performed by our Vodafone Romania responsible team.

Environmental performance



6 Environmental performance

Our vision and ambitions regarding our responsibility towards the environment

'Red loves green!' is a core value for Vodafone Romania. Therefore, environmental considerations are integrated into the decision-making process of our business, as responsibility towards the environment is something we believe in and stays at the core of everything that we do.

In 2017, we have commissioned a Reputational Study and its results confirmed that we are on the right track concerning corporate social responsibility activities undertaken by Vodafone Romania¹. Given that the vast majority of our respondents indicated safeguarding the environment, recycling and environmental education as top priorities for our company, we have listened and started working on many fronts: developing and publishing our sustainability report, measuring our carbon footprint, calling on major and well-established NGOs to partner with us in developing and implementing environmental projects, as well as starting internal recycling campaigns for our employees. These actions will increase our existing efforts and contribute decisively to a step-by-step improvement of our current practices.

Our aim is to advance from 'red loves green' to 'we are green', and we would like to thank all the wonderful people who stood by, guided and inspired us on this journey."

Ștefan Panaiteșcu , CSR Specialist, Vodafone Romania



As an environmentally responsible business, Vodafone Romania aims to become a green company by reducing its greenhouse gas emissions², and to enhance recycling practices, including the recycling of WEEE's generated by our activity.

This vision is shared by one of our long-lasting partners in recycling and related environmental care activities, ECOTIC:

"Selective collection and recycling are a first step towards resource efficiency and a proof for the company's commitment to protecting the environment. At the same time, it is an important element in organizational culture, one that has the ability to gather employees around a common goal and to position the company as a responsible business."

Diana Trifu – Communication Officer, ECOTIC

¹ The vast majority of our stakeholder groups (for more information on these groups, see the Methodology. Stakeholder engagement chapter of this report) have indicated "Care for the environment" as being a key area of interest for them, as well as an important component of our business.

² Our ambition is to reduce mainly our Direct (Scope 1) and Indirect (Scope 2) energy associated greenhouse gas emissions (i.e. emissions that come from sources owned or controlled by the organization), as these are the ones on which we can exercise the largest amount of control. Scope 2 (energy indirect) emissions can be controlled to a lesser extent, but we are ready to go the extra mile to find all available solutions in the Romanian market.



ECOTIC is the first collective scheme of producers and importers of electrical and electronic equipment (EEE) in Romania. Founded in 2006, it aims to bring more efficiency, unity and uniformity in the fulfillment of environmental responsibilities.

ECOTIC manages Waste Electrical and Electronic Equipment (WEEEs) on behalf of more than **600 affiliated producers and importers**. It assures and supervises the entire retrieval, transportation, dismantling and recycling process to the point that WEEEs no longer constitute a threat to the environment. To date, over **110,000 tons of WEEE** were managed by the ECOTIC system.

You can find more information on ECOTIC [here](#).

Sustainable thinking, at the company level, means that we are switching to a different and more innovative perspective, but also that we are placing responsibility at the core of our business strategy and activities. We are aware that both our consumers and our employees care about the environment, and that being responsible towards our environment presents both risks and opportunities. Accordingly, we aim to integrate sustainable thinking into our operations in such a way, that it benefits our customers, employees, the environment and our business altogether.

Vodafone Romania's activity and the environment.

Today, there is a fair general acceptance about the destructive effects of climate change and the leading role that human activity (more specifically, the greenhouse gas emissions generated by these activities) plays in these environmental transformations³. The excessive and irresponsible use of fuels, energy intensive industries and production processes, as well as the careless disposal practices have led to imbalances in ecosystems that affect us all and it is a matter of strategic thinking to address these issues — i.e., how individuals and businesses can reduce and reverse the negative impact of the human activity on the environment.

Although generally perceived as a green industry, IT&C has its own non-negligible footprint on the environment. One of the most substantial issues is represented by the significant amounts of WEEEs generated by the industry and the outlook of their end-of-use cycle.

Terminals utilized in conjunction with cellular services contain valuable, but also potentially hazardous materials. If these are not handled properly, they may constitute environmental risks. As the speed with which consumers desire and acquire new gadgets increases, and more and more people have access to mobile phones, a clear strategy for the safe disposal of discarded terminals is required.



³ IPCC Fifth Assessment Report (2013).



Over the years, legislators have proposed an array of potential solutions for this and, depending on the country, there are either government led or private initiatives that aim to reduce such waste. Vodafone Romania is proud to be part of such a private initiative and, together with ECOTIC —our long-standing partner —, we strive to increase the quantities of potentially renewable materials that are recycled and reduce the amounts that end up in landfills.

Another important aspect of our activity is related to the emission of greenhouse gases (GHGs), which is largely due to our electricity use. Since our core business activity relies heavily on electricity, we continuously explore avenues for energy efficiency and means of securing our energy supply.

General information regarding our energy consumption

The field of mobile telephony involves the existence of a very large number of distinct energy contours, with relatively small energy consumers spread across a geographic territory (the so-called base stations - BTS), but also the existence of more energy-consuming “local switching centers”. In addition to the production elements (base stations and telephone centers), there is a large number of energy consumers represented by office space, stores or call centers.

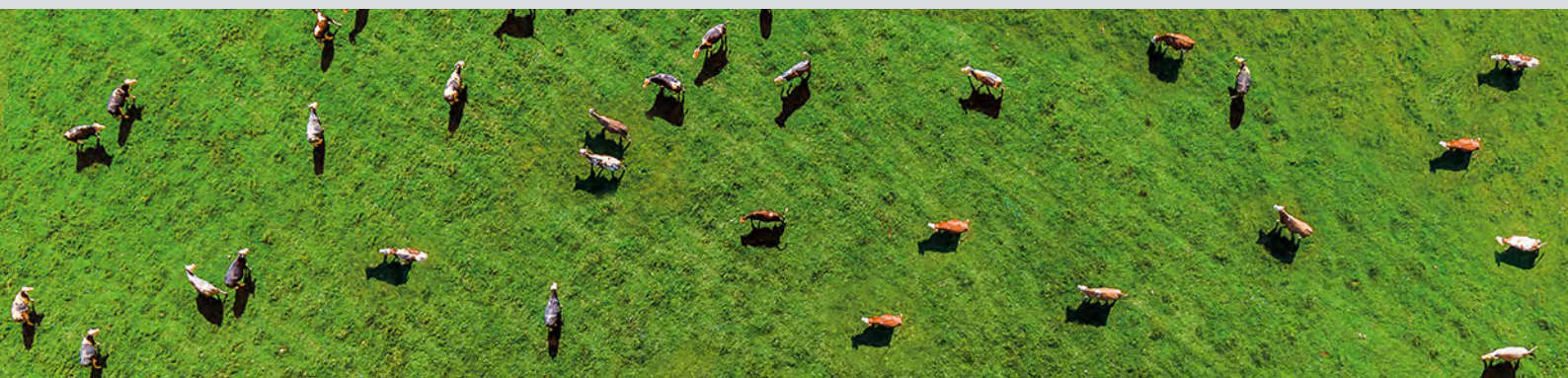
The locations with a higher monthly consumption (over 35 MWh/month) have hourly load time counters and a GSM modem for remote data transmission, but since they have multiple destinations (telephone exchanges, office spaces, call centers etc.) downstream of the total energy measuring point, an on-line metering system has been developed according to the type of production and office consumers. In the technical spaces, the amount and evolution of each type of consumer is constantly monitored (both telecom and cooling equipment). Therefore, if the efficiency of the telecom equipment is largely due to the technological level, air conditioning units can be streamlined. And this can easily be quantified.

Vodafone Romania - Energy Efficiency Improvement Program.
Improving energy efficiency in telecommunications



Mobile terminals used by our customers are regular consumers of energy, but more importantly, our core business activity — from the functioning of masts to transportation and our office activities — requires a continuous flow of energy, which inevitably generates GHGs. Since we understand the impact we may have on the environment, we constantly search for innovative and reliable solutions, and we regularly adapt our procedures in such ways, as to minimize our use of non-renewable resources and limit the amount of GHG emissions produced. Vodafone is a large investor in innovation on a global scale. In this respect, we continuously explore optimization solutions, such as a network of technology sites with disaggregated and relatively small consumption or working with our vendors/partners for equipment solutions. We also use smart power management technologies, SRAN equipment⁴, energy-saving features and Self-Organizing Networks or free-air cooling technology (instead of conventional air conditioning) —these being but a few examples of this approach.

⁴Single access radio network, which allows one radio hardware to run multiple technologies (2G, 3G and 4G).



Vodafone Romania and the Sustainable Development Goals

Globally, Vodafone has stated its support for several SDG's and actively contributes towards reaching them (Goal 4 - Quality education; Goal 5 - Gender equality; Goal 8 - Decent work and economic growth; Goal 9 - Industry, innovation and infrastructure; Goal 13 - Climate change). Vodafone Romania understands this sustainability challenge and aims to contribute to influencing the lives of all around us for the better.

In this respect, we have already achieved a lot. For the past 11 years, Vodafone Romania has been ISO 14001 certified and we are constantly investing in developing a more sustainable business. As part of this process, we pay close attention to all the resources we use, including energy, paper, plastic, water etc., and we invest in reducing the amount of waste that may end up in landfills.

Accordingly, we devote attention to packages and terminals, one of the main sources of waste generated in our business. As most of our activity is office-related, we seek out landlords who offer sustainable office spaces, including environmentally friendly waste disposal procedures, despite the fact that these types of buildings are not yet widespread in Romania. Furthermore, in some cases, our waste management options and energy use depend on the building management procedures set by our landlords. Here, their work is doubled by our actions aimed at recycling and reusing as much as possible. We created partnerships with NGOs and companies to improve the methods of selective waste collection. Our ambition is to expand such actions as a common practice, in a sustained effort to minimize our footprint.

Responsible materials

As a telecommunication service provider, we are intrinsically linked

with the technological devices that make mobile communication possible. Mobile phones — central not only to the business, but to everyday life, as well — are made up of a mixture of mined raw materials and manufactured materials. Many of the materials used in the manufacturing of key components for these devices can be potentially harmful to the environment if they are not recycled or are not disposed of properly. In addition, we use various types of processed materials for packaging, transporting and delivering products to our stores, partners and customers, but also in our day-to-day administrative and marketing operations.

Waste management

Generating waste is unavoidable, even in the otherwise predominantly green IT&C services sector. Whether these are recyclable or potentially hazardous, we at Vodafone take the same responsible approach to managing our waste. We meticulously monitor the amount and type of waste we produce, including WEEEs, and ensure that they are either recycled or properly disposed of in order to reduce the possibility of such substances ending up in landfills. This is especially important, as the waste of electrical and electronic equipment (WEEE) is “one the fastest growing waste streams in the EU, with some 9 million tonnes generated in 2005, and expected to grow to more than 12 million tonnes b2020”⁵.



⁵ European Commission (2018). Waste Electrical & Electronic Equipment.



The total WEEEs generated over the two-years reported period come from electronic appliances: batteries, battery components and IT&C equipment. A large portion of the total generated WEEE was collected and stored in appropriate facilities owned or operated by Vodafone Romania, or properly disposed of by Vodafone Romania's partner company, ECOTIC, while the other portion was recycled. WEEEs stored in Vodafone facilities are periodically reviewed by a designated committee, which decides whether these can be refurbished / repaired, or they need to be properly disposed of with the aid of specialized partners.

Table A. WEEE and B&A recycled

Description	Unit	CY 2017/18	CY 2018/19
		Amount recycled	Amount recycled
WEEE including: telecom tower equipment, large appliances, etc.	Tonne	14.00	9,91
	Tonne	70.89	91,24
TOTAL		84,89	101,13

As we aimed to increase our refurbishing and reuse practice, over the two years 113.977 units have been repaired in our stores or partner services, thus reducing drastically the number of WEEEs.

Our energy use

Electricity is the most important resource for a telecom operator. In order to provide quality services, in FY 2017/18 we have consumed 149,663,586 kWh (GJ 539,158.33), both from renewable and non-renewable sources. In FY 2018/19, our consumption increased by 3.45%, to a total of 154,927,971 kWh (GJ 557,740.70).

Most of our energy consumption (around 95% of the energy we use) is bought from local energy providers, who offer a mix of conventional and renewable energy and we also supplied some of our network sites and offices with our own energy sources, that, similarly, combine renewable (solar panels) and conventional sources (diesel). As we strive to minimize our impact, over the years, we looked for most suitable resources to power our network and office spaces.

In 2017/18, our energy use equaled the average consumption of 1,760 Romanian households.
In 2018 /19, our energy use equaled the average consumption of 1,835 Romanian households.

Table B. Total energy consumption within the company. Non-renewable sources

Type of fuel	Unit	Quantity consumed 2017/18	Quantity consumed in GJ 2017/18	Quantity consumed 2018/19	Quantity consumed in GJ 2018/19
Petrol	Litre	49,958.18	1,721.68	43,040.00	1,483.27
Diesel	Litre	612,636.00	22,208.18	526,322.00	1,483.27
Natural gas	kWh	1,882,535.00	6,777.12	1,824,524.00	6,567.29
Grid electricity	kWh	81,578,774.39	288,455.40	79,053,988.32	284,594.36
TOTAL			319,162.37		311,630.70

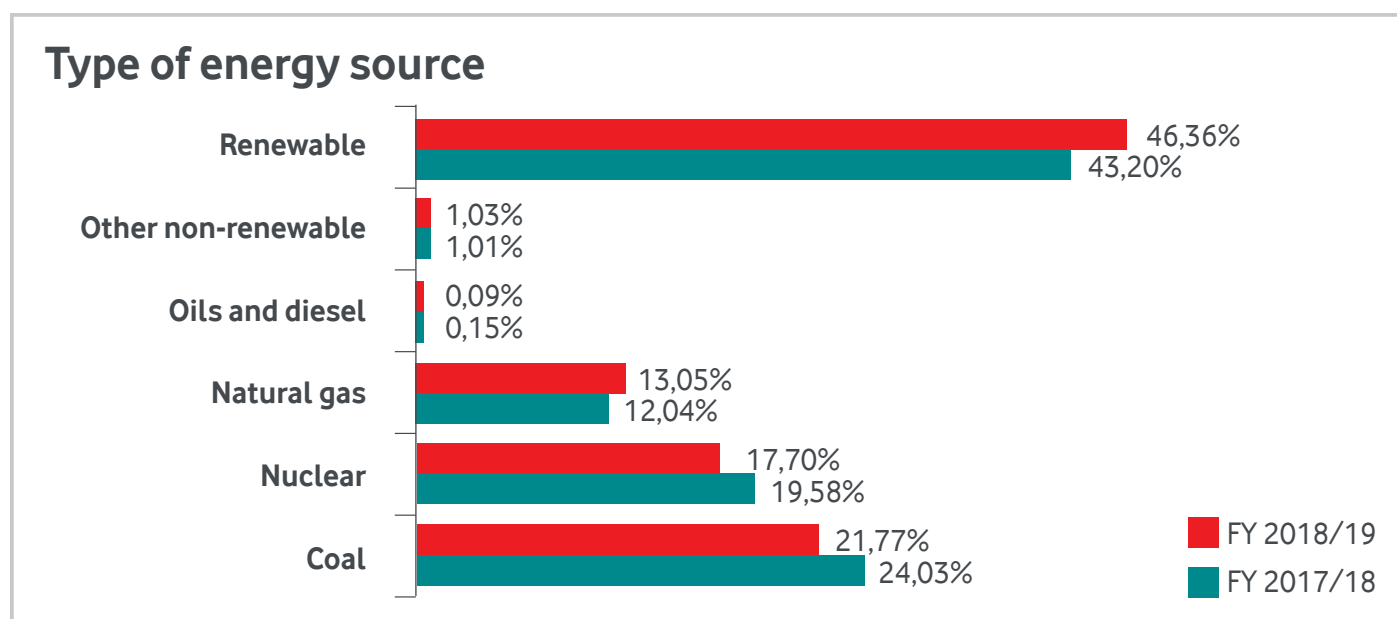


Vodafone Romania strives to reduce its use of energy overall, and the energy coming from non-renewable sources in particular. In order to achieve that, we have focused on acquiring more electricity generated by renewable sources (such as solar grids), and less energy coming from non-renewable sources (such as diesel or coal).

Table C. Total energy consumption within the company. Renewable sources

Type of fuel	Unit	Quantity consumed 2017/18	Quantity consumed in GJ 2017/18	Quantity consumed 2018/19	Quantity consumed in GJ 2018/19
Grid energy	KWh	612,636.00	219,888.73	68,363,888.68	246,004.45
Self-produced solar energy	KWh	29,784.00	107.2224	29,320	105.55
TOTAL			219,995.94		246,110.00

Figure D. Total grid energy by type



Over the two reported years⁶, almost half of the grid energy used came from renewable energy sources.

Thus, we plan to make FY 2019/20 the first year when all our bought energy comes from renewable sources.

⁶ The 2018 national energy mix label is not available, thus we used the 2017 national energy mix label to calculate the approximate split of energy sources for the rented units.



Energy efficiency programs and initiatives

As part of the Vodafone international Group, Vodafone Romania is involved in many energy efficiency programs and initiatives that are developed specifically for Vodafone or are carefully adapted to the market and geographic area of each network.

These measures include:

- Free Cooling - where chilled water and cool outdoor air is required, from various additions, thus drastically reducing the use of compressors for air conditioning;
- Phase - Change Materials, which are wall - covering materials with heat absorbing properties (PCM) in order to achieve a more efficient heat extraction from the technical rooms, by diminishing as much as possible the day and night temperature differences. These materials are able to store a certain amount of heat during the day, which they gradually release at night;
- Many other initiatives, programs and technologies designed to bring energy efficiency

These programs are continuously monitored and improved at the Group level in order to design dedicated solutions for each specific market.

Energy efficiency measures

The energy efficiency measures implemented in 2017 have led to a 1.8% reduction in energy consumption⁷, which places us within the European target for 2017, but in 2018, our energy use increased, due to operational investments.

The energy efficiency measures implemented in 2017 have led to a 1.8% reduction in energy consumption, which places us within the European target for 2017, but in 2018, our energy use increased, due to operational investments.

- Implementing an office space heating system by using heat from data centers and thus reducing heat consumption;
- Installing “free cooling” equipment;
- Improving performance of air conditioning equipment used in server rooms by replacing the thermostatic rolling valve with an electronic valve;
- Raising the temperature of server rooms and telecom containers.

Smart metering

As part of our efforts to decrease the energy use, we have installed smart metering units at various partner or customer locations, as well as at Vodafone Romania owned buildings or sites.

A feasibility study performed by A.T. Kearney at the request of the EBRD, recommended the implementation of smart metering for the electricity sector in Romania and indicated that “significant reduction in the electricity consumption level and reduction in CO2 emissions can be achieved by providing information about consumption either to central internet portals, which consumers can access over the internet, or directly to devices present in consumption places (dedicated in-home displays, tablets, TV screens and others).”

⁷The total reduction in energy consumption for CY 2017 is 222 tones, out of a total of 12,239 toe. Toe (or tonne of oil equivalent) is a unit of energy defined as the amount of energy released by burning one tonne of crude oil.

Smart metering is but one of the many energy efficiency solutions implemented at Group level that Vodafone Romania is currently implementing or examining the opportunity to implement. Similarly to the feasibility study referenced above, Vodafone Group estimates have indicated that these systems have a high potential for energy savings, and Vodafone Romania will consider expanding the implementation of such systems in the future.

More details on our overall approach to energy and CO2e reduction are available on our group sustainability report, here.

Greenhouse gas emissions

The main source of green gas emissions is the energy use, especially in our network. The source is linked to our core activity and has its own specific challenges, as technology use is on the rise. The total CO2e Scope 1 and Scope 2 emissions⁸ in the two years reached 45,955,044 kg of CO2e in FY 2017/18, respectively 49,595,097 kg of CO2e in FY 2018/19. The amounts signal an 8% increase in CO2e emissions, over the two years span. This increase emphasizes our need to monitor and follow our target for 2025, to reduce by 50% our CO2 emissions, a commitment we are determined to keep.

Table E. Gross Emissions

CATEGORY	TOTAL SCOPE 1 GHG	TOTAL SCOPE 2 GHG
Unit	kg CO2e (inc CO2)	kg CO2e (inc CO2)
FY 2017/2018	2,526,120	43,428,924
FY 2018/2019	2,251,756	47,343,341

As expected, given the nature of the sector in which Vodafone Romania operates, most of our emissions are generated by the purchased electricity, especially in our network activity. Additionally, we are generating CO2e mostly via transportation and refrigerant and fire suppressants activity. As our focus is on optimization, green products and services, technology upgrade and use, we strive to achieve important CO2e reductions in the future. Our attention on not using ODPs in our equipment is another proof of our efforts to be an environmentally responsible company. Moreover, in 2017, Vodafone Romania started testing different complementary solutions to reduce the refrigerant agents and the energy use. The pilot initiatives take place in our data rooms, and, based on our learnings, we plan to expand our solutions to other locations in our network. 9% of our CO2e were generated in our retail units, 7% by offices and 4% in our network.

Table F. Scope 1 carbon emissions data FY 2018/19⁹

Unit	Network	Office	Retail	Sub-total (Transport)	Refrigerants and Fire Suppressants	TOTAL
Kg CO2e	87,049	165,498	198,318	1,364,820	436,071	2,251,756

Table G. Scope 2 carbon emissions data FY 2018/19¹⁰

Unit	Network	Office	Retail	Sub-total (Network / Office / Retail)
Kg CO2e	44,058,088	2,477,785	807,468	47,343,341

⁸ The calculation of CO2e emissions has been made using Vodafone Group calculation tools.

⁹ Due to data collection changes in 2018/19, we chose to include in the current report only the FY2018/19 carbon emissions split data, in order to avoid potential information ambiguities.

¹⁰ Idem



Water consumption

Vodafone Romania, by the nature of its business, is not a large consumer of water¹¹. This does not mean that we do not pay attention to this aspect. We take pride in being attentive to a wide range of resources that we utilize during our operations, and water use is no exception.

Table H. Water Consumption

Description	Unit	FY 2017/18	FY 2018/19
Water use	Liters	28,977,224	27,575,175

Our attention to resources is focused on all aspects of our activity, as sustainability principles guide us constantly. Thus, we put our best efforts to reduce our footprint and consumption. Our use of water has decreased over the past years at a steady pace. In FY 2017/18, we reduced our water consumption by 7% compared to the previous year, and in the last calendar year, we reduced our water consumption by another 5%.

As one of the leading IT&C companies, we are aware that we do not only generate positive economic impact, but we are also responsible for long-term value creation, enablement of a better life within the communities in which we operate, as well as for a special care for our environment. Vodafone Romania is actively involved in supporting projects that contribute to creating a responsible attitude towards the environment through eco-education and promoting the importance of selective waste collection and recycling for a cleaner and healthier environment. We aim to continue (and to develop) our responsible business practices in order to protect the environment by reducing our overall carbon footprint and by supporting environmental projects that are aligned with our sustainability strategy.

¹¹ It is important to note that Vodafone Romania does not withdraw water from sources such as surface or groundwater, it does not collect or store rain water, nor does it collect waste water from other organizations. Accordingly, there are no water sources significantly affected by withdrawal. Furthermore, due to the nature of Vodafone Romania's operations, and the type of water source and use, the company does not recycle and reuse water; all used water is being disposed of through the municipal water disposal system.

Methods, Materialities and Stakeholders Engagement

7 Methods, Materialities and Stakeholders Engagement

The present report and its boundaries

FY 2017/18 and FY18/19 are the first financial cycles that we used the GRI methodology to report our non-financial performance in the Romanian market for. The report references GRI Standards GRI 101/ 2016: Core option. The report covers all relevant (i.e. material) aspects of the economic, social and environmental impacts of Vodafone Romania S.A.¹: our work philosophy, our principles, as well as our approach to sustainable development. Material aspects discussed in this report were identified during the stakeholder engagement process and clearly stated in the Materiality Matrix (see Figure 8.1). The details of this process are discussed below.

Regarding the content of this report, it is important to mention that non-financial performance indicators presented here cover the 2017/2018 and 2018/2019 financial year period (01.04.2017 - 31.03.2018, respectively 01.04.2018 – 31.03.2019). If information presented in this report refers to a different timeframe, then this is clearly marked throughout the document. The purpose of including - a limited amount of - activities outside of this timeframe is to provide a better understanding of how we have impacted our communities. In addition, we have also included some case studies to exemplify our activity, which may include wider timeframes. Please note that activities outside of the reporting period (i.e. FY 2017/18) are adequately marked. For example, our environmental performance is assessed based on data collected from the 2017 and 2018 calendar years (CY 2017/18, CY 2018/19).

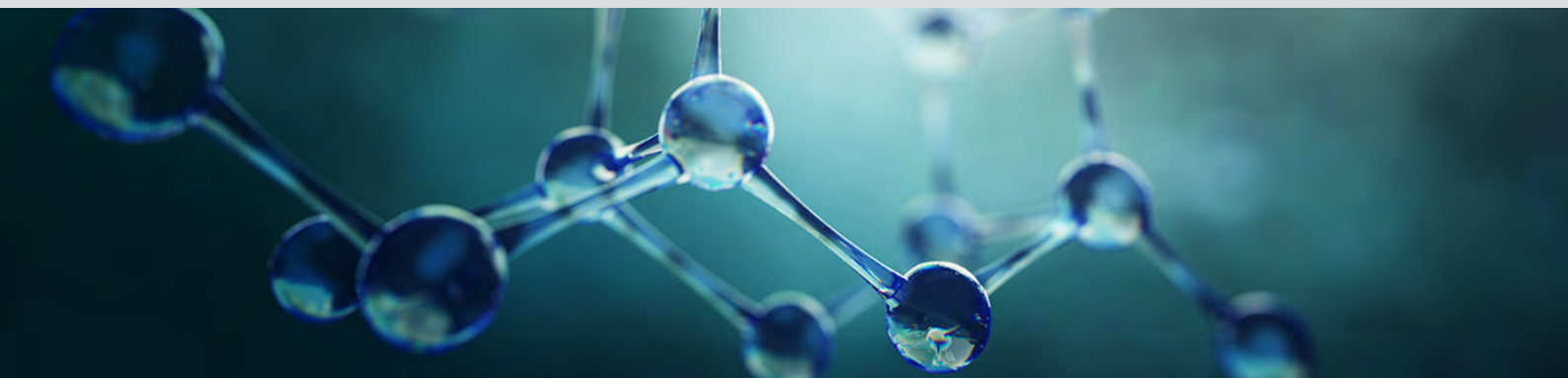
Moreover, it is paramount to mention that, due to the fact that Vodafone Romania chooses to perform most of its community oriented activities via the Vodafone Romania Foundation — an independent entity aimed at supporting health, social, education and volunteering - related community projects —, the contents of chapter 6. Community refers strictly to the activities of the foundation. However, other CSR activities are also included and are adequately marked.

We aim to release non-financial reporting on an annual basis, as we trust its value in communicating about our own practice, its usefulness in initiating and maintaining dialogue with our key stakeholders, and the opportunity it holds in identifying and setting new, bold sustainability goals.

Our Governance Committee supports a transparent reporting process according to the highest international standards. Therefore, it oversees and validates the process of development and the content of the report. In this process, competencies may be delegated to appropriate Committees or teams, as necessary.



¹ In addition to details on Vodafone Romania S.A.'s activity, this report also includes information on the societal impact exerted by the company through Vodafone Romania Foundation. See Chapter 4. Community for details.



Identifying material aspects through the stakeholder engagement process

As we embarked on the journey of developing our first sustainability report of such complexity, we knew that our closest partners, those affected by our activities and other relevant groups, should be included in our endeavor to define the most relevant topics that needed to be addressed and included. We wanted their voices to be heard in this report, and we aimed to develop a document that is not only compliant with international reporting standards, but it is also highly relevant for our stakeholders' interests and expectations with regards to our activities and impact.

Consequently, in fall 2017 we have initiated an extended a consultation process, involving over 600 individuals from all of the following relevant stakeholder groups:

- Vodafone Romania employees;
- B2B customers;
- Individual customers;
- Local and central authorities;
- Local and central mass media;
- Trendsetters;
- NGOs;
- Other partners.

Stakeholder selection process

The stakeholders selection process was performed following the guidelines set forth by the Reporting Principles in GRI 101: Foundation, combined with the practical guidance of the FRP Guide to Stakeholder Engagement². This approach ensured both the objectivity and relevance of the process. At the outset, a team from Vodafone Romania – together with its partner in developing the present report – has mapped the participants by identifying a list of representative stakeholders. As part of this process, the working group has established a list of all possible internal and external stakeholders, determined the means in which they interact with the company, as well as the frequency and purpose of engagement.

The internal stakeholder mapping process resulted in a compact group of individuals that were in the position to provide insights into all the relevant branches of Vodafone's business. The external stakeholder group was determined using similar principles, but also by using additional criteria such as:

- They have influence (i.e. decision-making power);
- Interact most often with the company;
- Can legitimately claim to represent a constituency;
- Depend on the company's activity economically;
- The company has financial or legal responsibilities towards them;
- Are the intended audience of the company's policies and value statements³.

The identification process resulted in a map of potential stakeholder groups. Representatives of these groups were identified and consulted using both quantitative (online questionnaires & CAPI) and qualitative (in-depth semi-structured interviews) research methods, depending on their salience, geographic location and availability.

The quantitative data collection process itself was outsourced to a third party with extensive experience in market research, while the process of construction of the questionnaire items was supervised by ARC Romania and the Vodafone CSR representatives.

² CERES (2007). FRP Guide to Stakeholder Engagement.

³ Idem. p.9.

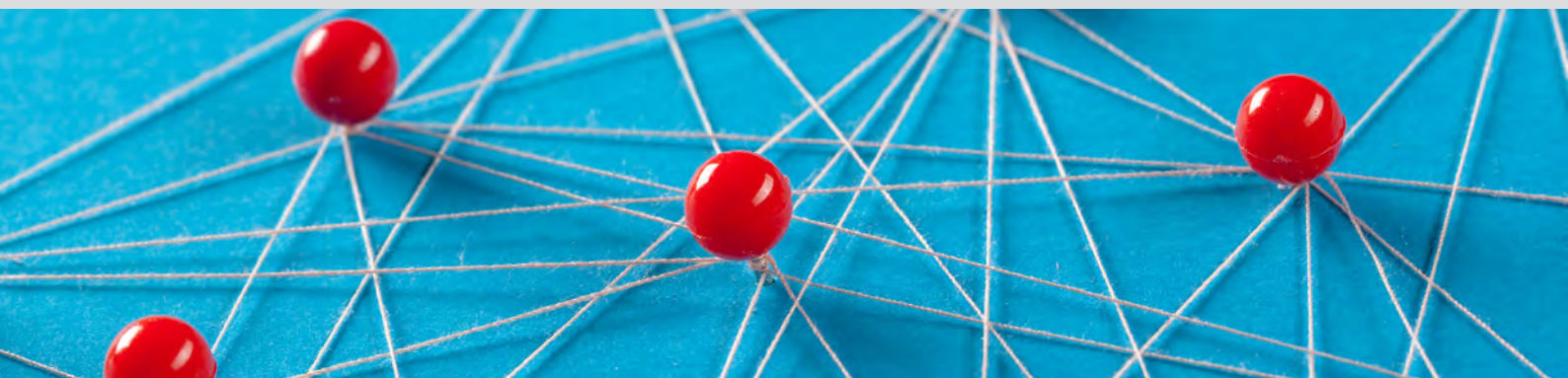
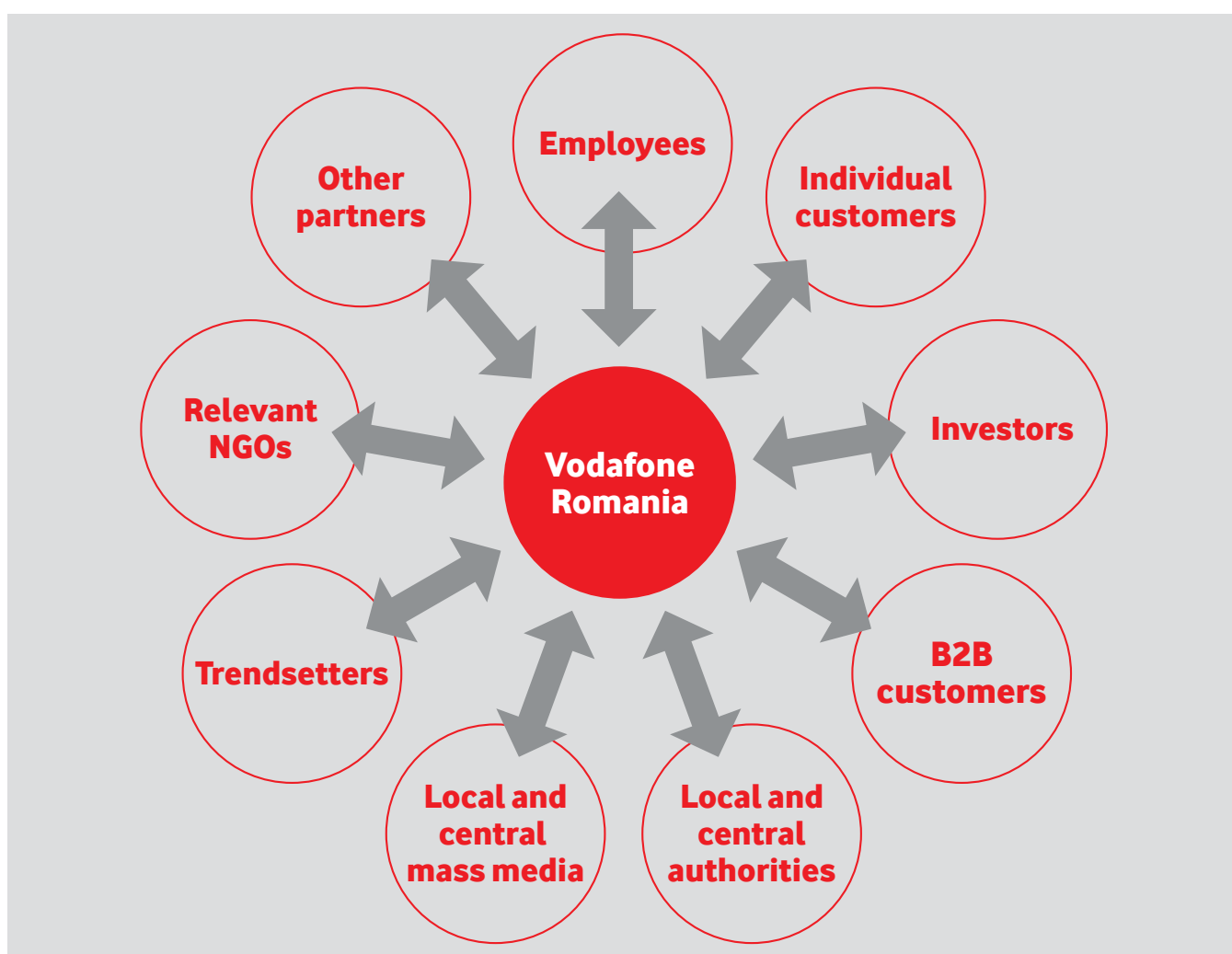


Figure A. Diagram of Vodafone Romania's stakeholder groups



Engaging stakeholders

Our quantitative research has focused on identifying the most relevant aspects of our activity and impact for each of the relevant stakeholder groups, but also information on how these should be reflected in the report. Stakeholders could express their preference for material topics to be reflected in our sustainability report by completing an online questionnaire or by answering questions during the CAPI process.

This quantitative data collection process was combined with a qualitative research process. The latter was focused mainly on key internal stakeholders. This qualitative process allowed us to refine the areas where external stakeholders have shown interest, to add relevant details and to define company targets in all the main development areas. These stakeholders provided us with detailed insights on how Vodafone Romania plans and communicates its approach to sustainability, their own expectations with regards to the reporting process, but also relevant market and industry characteristics and changes. Their input was essential in further refining what constitutes relevant information and which entities address specific projects (e.g. Vodafone Romania Foundation).

The materiality matrix

These studies laid the ground for the development of the FY 2017/18 non-financial report Materiality Matrix. By combining the results of the consultation processes described above — according to the guidelines of the GRI Standards —, we have obtained a visual representation of the relevant issues (i.e. materialities). This matrix (see Figure 8.2) also allows for the prioritization of stakeholder concerns and guides the process of determining what information to include in the non-financial report.

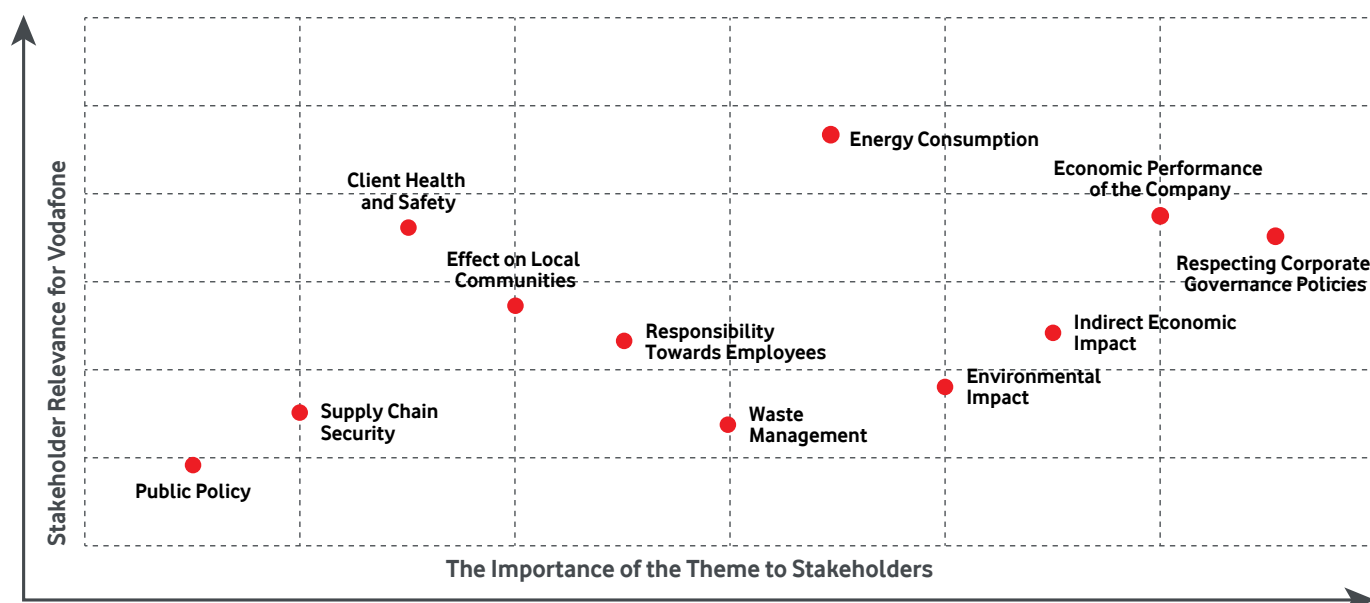
In the process of determining the priority of the material topics, two dimensions were taken into account: the relevance of the stakeholder to Vodafone and the importance of the topic/theme to the stakeholder. In addition to those outlined in GRI 101: Foundations⁴, other relevant scientific theories have also been taken into account in preparing this report. Accordingly, in establishing stakeholder's relevance, we have drawn on Mitchell et al.'s theory of stakeholder salience which states that stakeholder salience is the product of its power to influence the company, the legitimacy of its relationship to the company and the urgency of its claim on the company. The more of these attributes a stakeholder is perceived to have, the higher their salience is considered to be⁵.

Accordingly, Vodafone Romania's stakeholders were ranked based on their salience, while topics were ranked based on their importance to the stakeholder (determined by a calculated score). Using these sources as guidelines in the process undertaken for the development of this report, the more salient a stakeholder is, and the more important a topic is for the stakeholder, the more material the topic is considered to be.

Therefore, topics found in the upper right third of the matrix (marked in red) are “highly relevant”; topics in the middle third of the matrix (marked in yellow) are considered “relevant”, while topics in the bottom third of the matrix (marked in green) are considered to have “low relevance” for the present report (see Figure 8.2 for details).

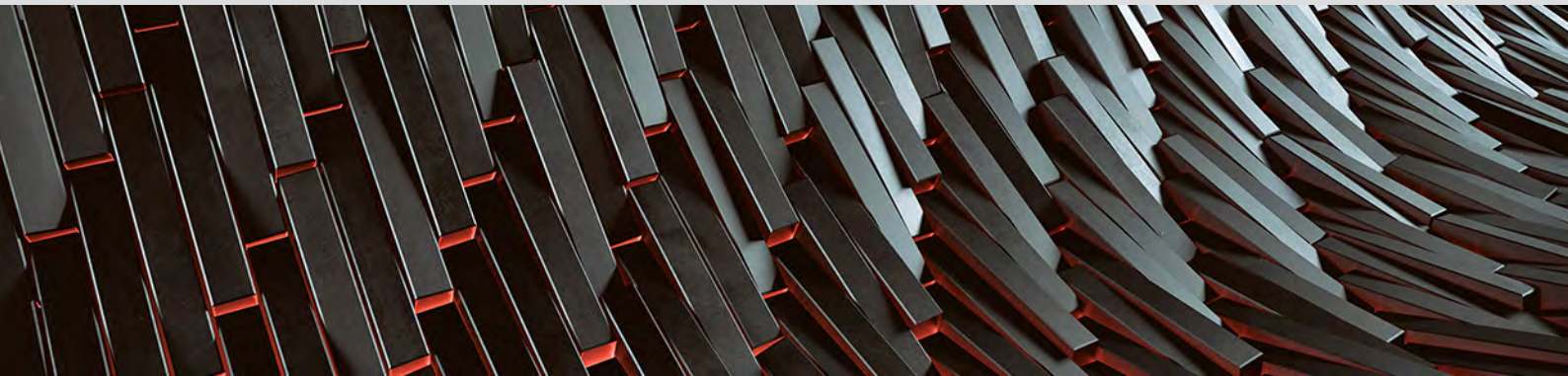
The ranking of material topics has been validated with the Vodafone CSR representatives, as well as with key internal stakeholders. Upon the identification of the material topics, related boundaries were identified via face-to-face meetings with relevant Vodafone specialists and managers.

Figure B. Materiality Matrix (Visual representation of prioritization of topics)

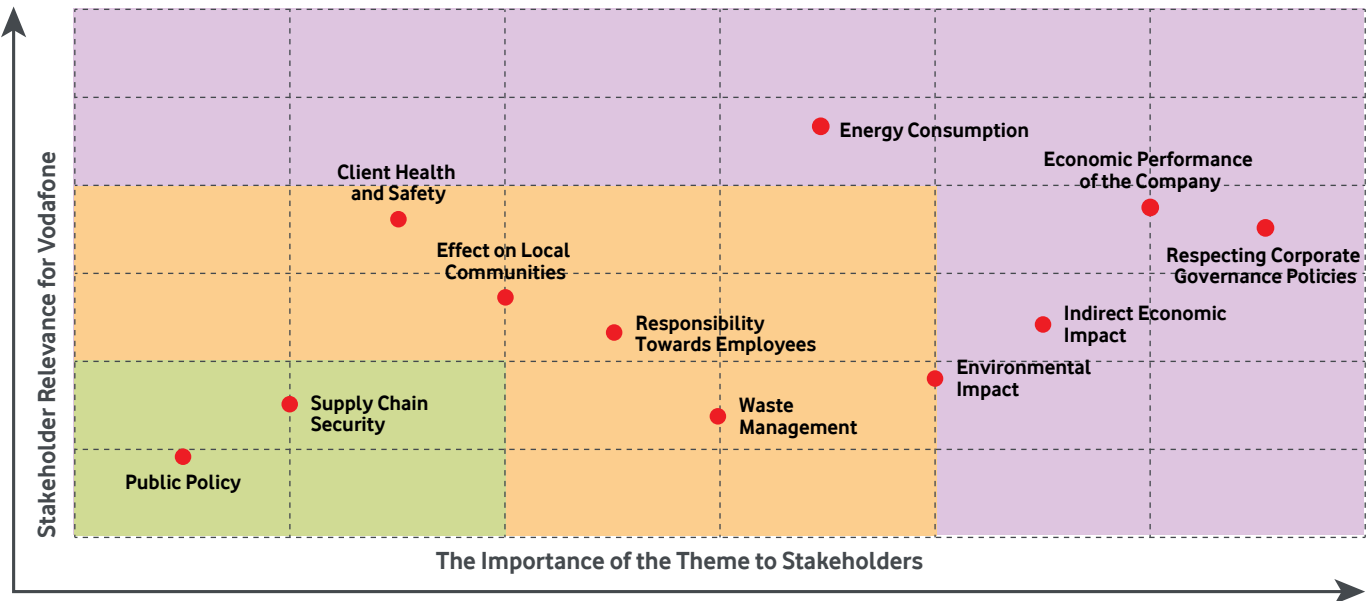


⁴ Global Reporting Initiative Standards (2016). Consolidated Set of GRI Sustainability Reporting Standards. GRI Foundations, Section 1: Reporting Principles, p. 10-20.

⁵ Mitchell et al. (1997). Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts.



Materiality Matrix



It is important to note that topics identified in this process as being “highly relevant” (Energy consumption; Economic performance; Corporate governance practices; Indirect economic impact and Environmental impact) or as “relevant” (Customer health & safety; Impact on local communities; Employee policies and practices; Waste management) constitute the main focus of this report and have been covered at length, while aspects considered to have “low relevance” (Supply chain safety and Public policies) have also been included, but these are not discussed at length in the current report.

The materiality matrix

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