

Climate Transition Plan 2025 to 2027



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Welcome



“We have established Vodafone’s climate ambitions – to reach net zero by 2040. Now we are focused on the most challenging part: executing the plan to achieve our goals and make the transition to a low-carbon economy.”

Margherita Della Valle,
Vodafone Group CEO

Climate change has become one of the defining issues of our time, which will shape the experience of future generations on our planet. Together, businesses, governments and citizens have the technology, financial capital and ingenuity to address the crisis we face. We must now turn ambition into action and drive the transition towards a low-carbon future for our planet and its people.

At Vodafone, we are committed to playing our part. We recognise the great potential of the digital society to accelerate carbon reduction and address the impacts of the climate crisis. However, we also recognise the environmental impact of technology, and that is why we have set ambitious goals to reduce our greenhouse gas emissions. The global transition to net zero faces many challenges and uncertainties. Like all businesses, we must address these challenges with flexibility and pragmatism, but we are ready to manage the risks and opportunities that climate change creates for our company.



Click to read more about our climate goals and performance in our latest Annual Report and ESG Addendum:
vodafone.com/sustainability-reports

We are proud to retain our place on the CDP A-list for climate change and remain committed to continued transparency in our disclosures. We have set science-based targets, validated by the Science Based Targets initiative (SBTi) to reduce emissions from our operations by at least 90% by 2030 and achieve net zero emissions across our full value chain by 2040. However, we know that setting ambitious goals is not enough. We must plan and execute actions to achieve them. This, Vodafone’s first published climate transition plan, sets us on the pathway to net zero.

As with the entire climate challenge, we will only achieve our ambitions through collaboration and partnership, with our suppliers, our customers, our industry peers, and the governments and citizens in the countries where we operate.

Introduction

Our climate transition plan

This Climate Transition Plan (or ‘transition plan’) outlines our objectives, strategy and governance for:

1. Reducing emissions over financial years 2025 to 2027, in line with our climate targets
2. Managing our climate-related risks and opportunities to build climate resilience into our business

We have developed our transition plan with reference to the framework developed by the UK Transition Plan Taskforce (TPT) (published in October 2023). The TPT framework is the latest available best practice benchmark at the time of writing and aligns well with the priorities that Vodafone has identified for planning our climate transition.

This transition plan covers the period 1 April 2024 to 31 March 2027, reflecting the three-year time horizon of our business planning cycle. It includes actions that should deliver near-term emission reductions, and actions to build the organisational capacity and capability needed to enable longer-term future emission reductions – keeping us on a pathway towards net zero by 2040.

In publishing this first transition plan, our intention is to outline the road that lies ahead for us, our partners and stakeholders, so that we can continue on this journey together. We commit to reporting on our progress in delivering this plan, as part of our annual reporting, from financial year ending 31 March 2025 onwards.

We anticipate our transition plan will evolve as we learn more about what needs to be done and we look forward to sharing lessons learned with our stakeholders as we progress. We plan to publish the next iteration of our transition plan in 2027. Until then, if we need to make any significant changes to our transition plan, we will disclose these changes as part of our annual reporting.

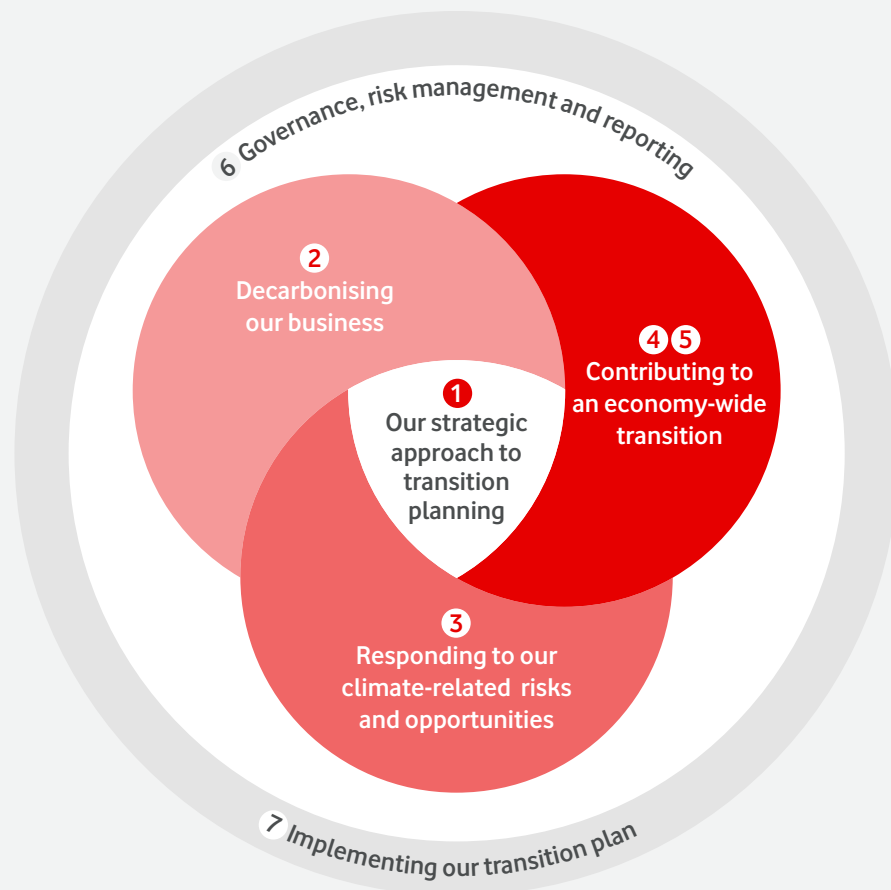
Our transition planning principles

The initiatives identified within this plan are designed to meet three core principles:

- **Ambitious:** Our actions should match our ambition and targets.
- **Actionable:** Our actions should be tangible and actionable within the near-term
- **Accountable:** Our actions should have clear accountability in place

Introduction continued

Overview of our approach to transition planning



- 1** Our climate goals set the scale of our ambition. This transition plan sets our direction of travel towards achieving them.

Our climate ambition and transition pathway

- 2** We have defined climate transition initiatives in 13 priority areas of action to reduce the emissions from our own operations (Scope 1 and 2), and from our full value chain (Scope 3).

Decarbonising our own operations

Decarbonising our value chain

- 3** We have defined climate transition initiatives in four priority areas of action to build climate resilience in our business, in response to material climate-related risks and opportunities.

Responding to climate-related risks and opportunities

- 4** Through partnerships and collaboration, we are working towards an economy-wide transition.

Working with others towards an economy-wide transition

- 5** For the small proportion of emissions that we cannot yet eliminate, we plan for carbon offsetting beyond our value chain.

Carbon offsetting

- 6** Our strategic approach is underpinned by robust governance, risk management, and reporting – to keep the delivery of our plan on track and hold ourselves to account.

Measuring our progress

Governance

Risk management

- 7** Successfully implementing our climate transition will rely on enablers such as integrating our Climate Transition Plan into our financial and business planning processes and organisational culture.

Financial and business planning

Culture, skills and engagement

Our climate ambition and transition pathway

Our strategic ambition, objectives and priorities

Vodafone has set ambitious goals to reduce our greenhouse gas emissions. Our long-term SBTi-validated science-based target, is to achieve net zero emissions across our full value chain globally by 2040. This includes the absolute reduction of our Scope 1, 2 and 3 emissions by at least 90% by 2040.

Our near-term science-based target (also validated by SBTi) is to reduce the emissions from our own operations (Scope 1 and 2 emissions) by at least 90% globally by 2030, in line with the pathway required to limit global warming to 1.5 degrees by 2100. To support this ambition, we have set two pathways towards net zero operations – specific to the regions where we operate. In Europe¹, we aim for net zero emissions from our operations no later than 2028. In Africa², we aim for net zero emissions from our operations no later than 2035.

Where local market conditions and capabilities allow, we will endeavour to stretch our ambition to reach net zero ahead of our regional targets. For example, Vodafone Germany is striving to achieve net zero operations by the end of 2025, three years ahead of our 2028 European regional target.

We recognise the challenge of reducing emissions whilst volumes of data traffic on our fixed and mobile access networks increase due to growing demand for digital connectivity. We remain committed to innovating our network technology and operations, both to support our pathway to net zero and to provide the connectivity services needed to create prosperous digital societies.

 [Read more about our approach to managing the risks, impacts and dependencies of our transition plan.](#)

In addition to reducing emissions from our own operations and value chain, we seek to build our climate resilience by mitigating the business risks that arise from physical changes in the climate and the transition to low-carbon economy.

This plan also sets out our role in enabling and accelerating the economy-wide climate transition, through our provision of digital connectivity and technology solutions to businesses, governments and citizens.

This transition plan applies to Vodafone Group as a whole, including all continuing operations that fall within the Group's operational control³.

Our climate goals

- | | |
|------|--|
| 2025 | – Match 100% of the grid electricity we use globally with electricity added to the grid from renewable sources ^{1,2} |
| 2028 | – Net zero emissions from our operations (Scope 1 & 2) in Europe ^{3,4,5} |
| 2030 | – Reduce emissions from our operations (Scope 1 & 2) by at least 90% ^{2,4,5}
– Halve emissions from our value chain (Scope 3) ^{2,4} |
| 2035 | – Net zero emissions from our operations (Scope 1 & 2) in Africa ^{3,4,5} |
| 2040 | – Net zero emissions across our full value chain (Scope 1, 2 & 3) ^{4,6} |

Notes:

- Our renewable electricity purchasing is partly enabled through the procurement of renewable electricity certificates ('RECs'), which certify that electricity has been added to the grid from renewable generation sources, such as wind, solar and hydropower.
- These goals are part of our SBTi-validated near-term target, which was re-validated in FY24. The Scope 1 and 2 GHG emissions target was revised as part of the revalidation process to align with the SBTi Corporate Net Zero Standard, which targets a minimum 90% emissions reduction. This target was previously presented as a 90-95% emissions reduction in our FY23 Annual Report.
- During FY24, we introduced these goals to reflect the two pathways we have set towards net zero operations (Scope 1 and 2) – specific to the regions where we operate (Europe and Africa). These regional net zero goals replace our previous goal (net zero Scope 1 and 2 emissions from our operations globally by 2030) to support transition planning within each regional context. These goals include a minimum 90% emissions reduction, with any remaining emissions neutralised through carbon offsetting from the net zero target year.
- Against a baseline of financial year ending 31 March 2020 from our continuing operations.
- Our Scope 1 & 2 emissions are those that come directly from continuing operations under our operational control and indirectly from purchased energy used in those operations.
- This goal is part of our SBTi-validated long-term net zero target, which was approved in FY24. This includes at least 90% absolute reduction in Scope 1, 2 and 3 emissions. To read our target in full, please visit the SBTi's target dashboard at sciencebasedtargets.org/target-dashboard.



[Click to read our ESG Methodology and learn how we measure climate performance: **investors.vodafone.com/esgmethodology**](https://investors.vodafone.com/esgmethodology)

Notes:

- The markets with continuing operations in our European region (including Turkey) on which the transition pathway described in this plan is based are the continuing operations that fell within our operational control reporting boundary for financial year ending 31 March 2024, as follows: Albania, Czech Republic, Germany, Greece, Ireland, Portugal, Romania, Turkey and the UK.
- The markets with continuing operations in our African region on which the transition pathway described in this plan is based are the continuing operations that fell within our operational control reporting boundary for financial year ending 31 March 2024, as follows: Democratic Republic of Congo, Egypt, Lesotho, Mozambique, South Africa and Tanzania.
- These are defined as entities and subsidiaries for which the Vodafone Group is able to introduce and implement its own operating policies without the need for agreement from another party. Excludes any discontinued operations. For more detail on our definition of operational control, please refer to our latest ESG Addendum.

Our climate ambition and transition pathway continued

Scope 1, 2 and 3 emissions

Greenhouse gases (or 'GHGs'), such as carbon dioxide (CO₂) and methane (CH₄), cause climate change by trapping heat within the earth's atmosphere. The more GHG emissions that are released, the faster the planet warms up. There are three classifications used to measure GHG emissions:

- Scope 1 emissions are directly released into the atmosphere when a company burns fossil fuels (such as petrol, diesel or natural gas) in equipment it operates or industrial processes, or releases gases containing GHGs (such as fluorinated gases or 'F-gases'), which can leak from chemicals used in cooling equipment or fire suppressant systems.
- Scope 2 emissions are those released into the atmosphere to generate the energy purchased and used by a company in its operations (e.g. the emissions released by a power plant to generate electricity). Scope 2 emissions can be calculated based on the location where the energy is used (called 'location-based') or on contractual agreements (such as renewable energy certificates) that specify the source used to generate the energy (called 'market-based').
- **Collectively, Scope 1 & 2 emissions are known as operational emissions.**
- Scope 3 emissions are released into the atmosphere as an indirect result of the company's activities or business model. They originate from the production of goods and services that the company buys (upstream emissions), the use of its products or services by its customers (downstream emissions) or the activities that it finances through its investments.
- **Collectively, Scope 1, 2 and 3 emissions are known as full value chain emissions.**

Our climate transition pathway

Our base year, from which we measure our emission reductions, is the financial year ending 31 March 2020¹. Since then, largely as a result of energy efficiency improvements and increasing renewable electricity purchasing, we have reduced our total annual Scope 1 & 2 emissions (market-based) by 59%. Conversely, our annual Scope 3 emissions increased by 20%², partly due to improvements in the completeness and accuracy of data.

Scope 1 and 2 emissions

We have set a transition pathway for our Scope 1 and 2 emissions, based on the estimated emission reductions from our planned actions (outlined in this transition plan from 2025 to 2027), and our predictions for future emission reduction trajectories (based on reasonable assumptions about the future state of technology, markets and policies beyond 2027). This pathway assumes that we can largely eliminate our Scope 2 (market-based) emissions by 2025, and incrementally decrease Scope 1 emissions. Reducing Scope 1 and 2 emissions in our African markets will be more challenging than in Europe, due to the earlier stage of maturity of renewable electricity markets and grid infrastructure, and a higher dependency on fossil-fuel (diesel) powered generators.

Scope 3 emissions

For our Scope 3 emissions, we have less direct control of reduction activities, greater uncertainty about data availability, and greater reliance on partners in our value chain. We have set a trajectory to reduce these emissions from our base year (2020) to our near-term target year (2030), and our long-term net zero target year (2040). Realistically, the pathway towards our targets will not be linear. However, this pathway gives us a useful reference against which to measure our progress, and we intend to refine it as we learn more about the forecast emissions reduction impact of our actions.

Our priority during this transition planning period is to turn around the upward trend in our Scope 3 emissions and set us on a correction course towards halving Scope 3 emissions by 2030.

Currently, one of the key drivers of year-to-year trends in our Scope 3 emissions is improvements in the quality of data inputs, emission factors or calculation methods. We continue to invest in improving the quality, accessibility and availability of carbon footprint data to enable better measurement and reduction of Scope 3 emissions across our industry.

Keeping on track

In some cases, initiatives in this transition plan may not yield significant emission reductions within the transition plan period (i.e. by 2027), but will help build capacity and lay the essential foundations needed to deliver future emissions reductions in line with our 2028, 2030, 2035 and 2040 climate targets.

We expect to iterate this transition plan based on lessons learned from its implementation. We will be clear about areas where more work is needed (by us or in collaboration with others) to reduce our emissions, and the next steps we are planning in response.

Significant changes to our business – for example, through mergers, acquisitions or divestments – could affect the trajectory we pursue towards our climate goals. When such changes occur, we will recalibrate our GHG inventory in line with GHG Protocol reporting standards, and chart a revised pathway towards our climate goals.

Notes:

1. Our 2020 base year GHG inventory is restated when necessary in accordance with the GHG Protocol Corporate Standard, to enable year-on-year comparison of emissions. We use our latest published emissions for our 2020 base year when comparing our annual GHG emissions. If we need to restate our base year emissions in the future, including due to any divestment or merger, we will recalibrate our transition pathway to reflect this, whilst maintaining our trajectory towards our stated climate goals and committed targets.
2. This increase was primarily due to improvements in the completeness and accuracy of data, and mapping to corresponding emissions factors for our upstream supply chain purchasing. It was also driven by an increase in procurement spend, which causes an increase in emissions that are calculated using a spend-based methodology.

Our climate ambition and transition pathway continued

Vodafone's transition pathway for Scope 1 & 2 emissions

Performance to date (2020 to 2024)

Key achievements on our climate journey to date include:

- 100% of the grid electricity used in our European operations has been matched with renewable sources since July 2021
- Each unit of data traffic carried by our network requires around 65% less energy than it did in 2020

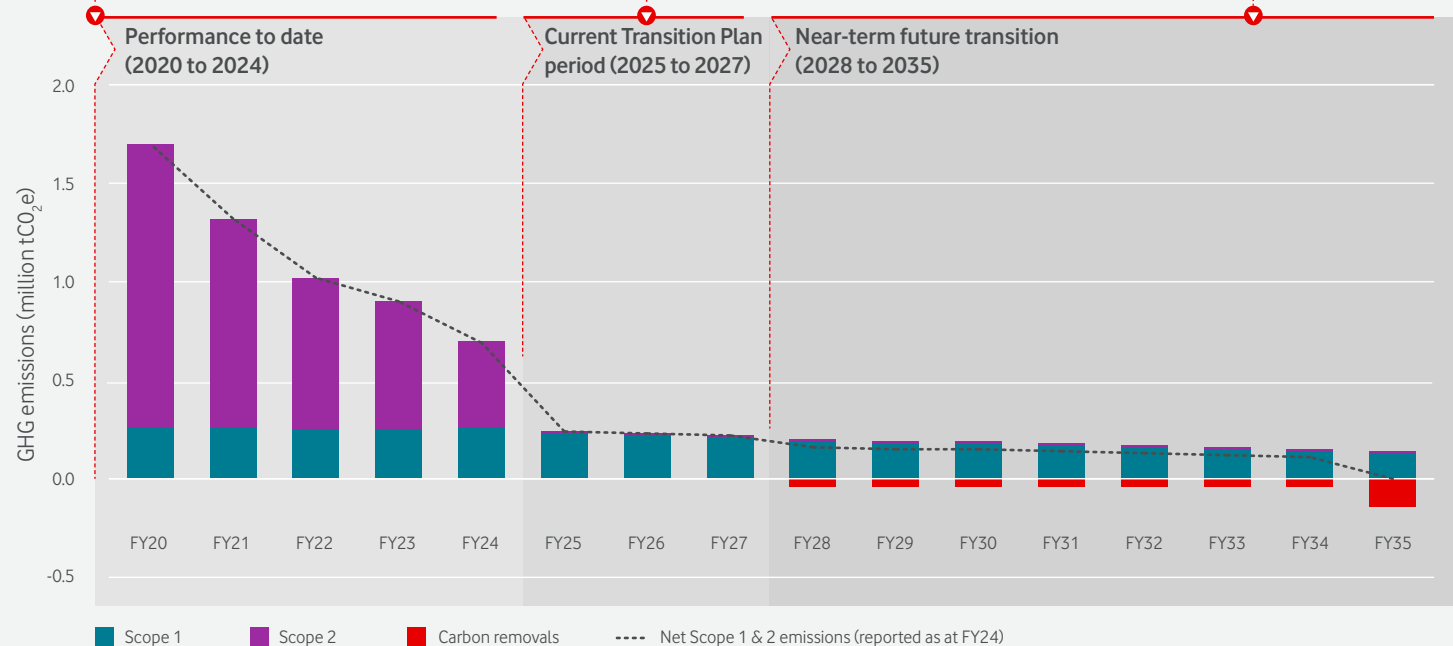
Current Transition Plan period (2025 to 2027)

In this climate transition planning period, we aim to achieve:

- Matching 100% of the grid electricity we use in our operations globally with renewable sources by 2025
- Net zero emissions from our operations in Germany by 2025
- Net zero emissions from our operations in the UK by 2027

Near-term future transition (2028 to 2035)

- We are laying the foundations to achieve net zero operations from our European operations (as a whole) no later than 2028
- We will also continue to tackle the underlying challenges for our African operations to achieve net zero by no later than 2035
- First and foremost, we are prioritising action to reduce emissions to absolute zero, and intend to neutralise any remaining emissions through carbon offsetting in our net zero target years



Note: Emissions shown for FY20 to FY24 reflect the GHG emissions as reported in our FY24 Annual Report for continuing operations. Emissions for FY25 onwards are based on projections, using a number of assumptions about the implementation of our transition plan.

Our climate ambition and transition pathway continued

Vodafone's transition pathway for Scope 3 emissions

Performance to date (2020 to 2024)

Although Scope 3 emissions have increased, we have begun to lay foundations for Scope 3 emission reductions, including:

- Integrating climate performance criteria into our procurement process and supplier evaluations

- Driving consumer awareness of environmental impacts of smartphones through the Eco Rating labelling scheme in the majority of our markets
- Supporting a more circular economy for network equipment and devices

Current Transition Plan period (2025 to 2027)

In this climate transition planning period, we aim to build capacity to drive Scope 3 emission reductions in:

- Our upstream supply chain
- Our downstream value chain
- Our investments

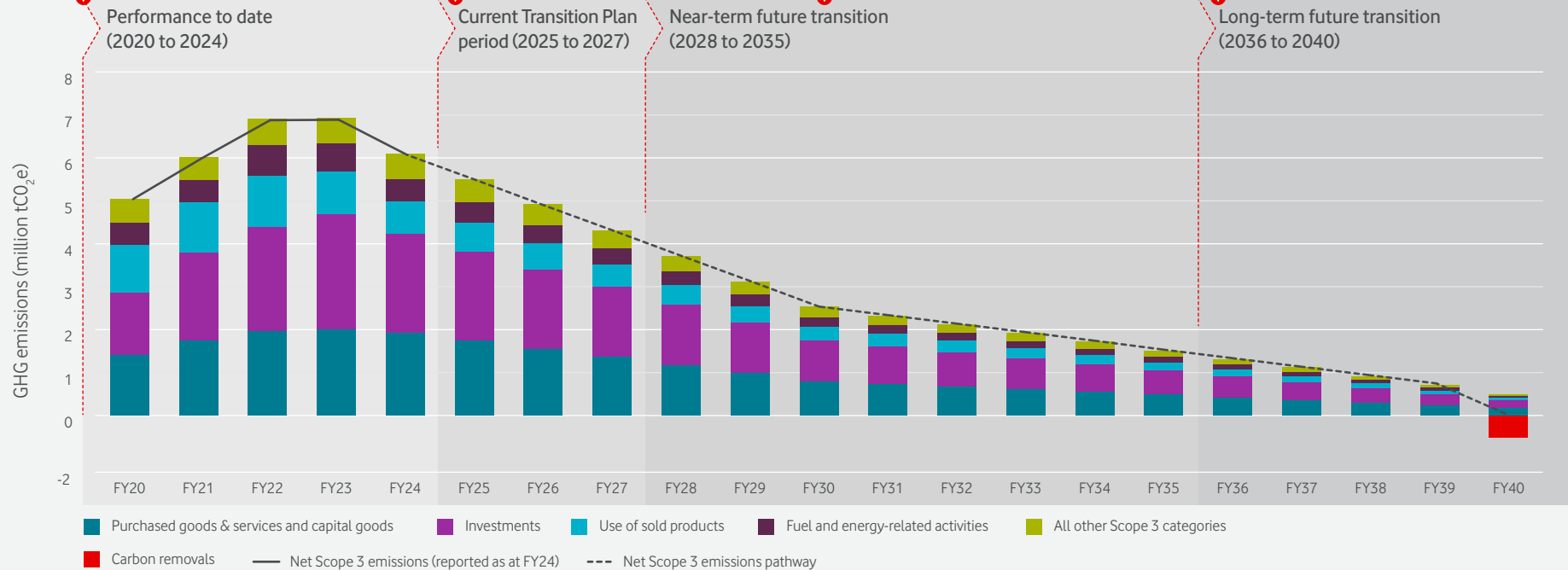
Near-term future transition (2028 to 2035)

- We have set a target to halve our Scope 3 emissions by 2030.
- Action taken in the current transition plan will lay essential foundations for the future scale-up of emission reductions towards our 2030 target.

Long-term future transition (2036 to 2040)

- Our future transition plans will accelerate reductions in our Scope 3 emissions towards absolute zero, and neutralise any remaining emissions through carbon offsetting in our net zero target year.

Note: Emissions shown for FY20 to FY24 reflect the GHG emissions as reported in our FY24 Annual Report for continuing operations. Emissions for FY25 onwards reflect a linear trajectory towards our targets (and do not necessarily reflect the emission reductions forecast to be delivered by planned actions).



Our climate ambition and transition pathway continued

Our business model and value chain

Our current business model is not only compatible with a low-carbon transition, but positions Vodafone well to take advantage of opportunities arising from the transition – because the digital connectivity services and technology products that we provide will be key enablers for the transition itself.

We anticipate that governments and regulators will put in place policies to accelerate the climate transition at international, national and regional levels. We recognise that taking early and ambitious action across our business to reduce carbon emissions will help to limit our exposure to climate-related transition risk in the long run.

The transition will influence the future evolution of some elements of our business model. For example, we are seeking to build a more energy efficient network, which will decarbonise our digital connectivity services – and in turn enable emission reductions across and beyond our value chain.

	Base year (2020)	Performance to date (2020 to 2024)	Current transition plan period (2025 to 2027)	Near-term future transition (2028 to 2035)		Long-term future transition (2035 to 2040)
	Base year (financial year ending 31 March 2020)	Actual (financial year ending 31 March 2024)	Transition pathway emissions (financial year ending 31 March 2027)	Transition pathway emissions (financial year ending 31 March 2030)	Transition pathway emissions (financial year ending 31 March 2035)	Transition pathway emissions (financial year ending 31 March 2040)
	Million tCO ₂ e	% change vs 2020	% change vs 2020	% change vs 2020	% change vs 2020	% change vs 2020
Total Scope 1 & 2 emissions (market-based) ^{1,2}	1.70	-59%	-86%	At least -90%	At least -90%	At least -90%
Total Scope 3 emissions ^{1,2}	5.05	+20%	-15%	-50%	-70%	At least -90%

Notes:
1. Total gross emissions (not including any carbon compensation or neutralisation through carbon offsetting)
2. Emissions shown are for continuing operations only, as at 31 March 2024.

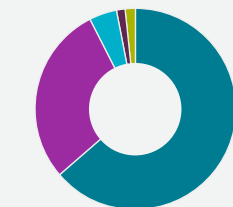
Climate transition initiatives and actions

Our 17 priority climate transition initiatives reflect:

– The biggest contributors to our Scope 1 and 2 emissions

To reduce our emissions...

FY24 Scope 1 & 2 emissions (market-based)

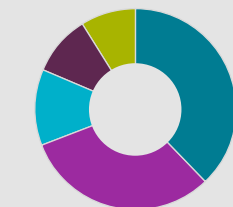


Total Scope 1 & 2 emissions (FY24):
0.69
million tCO₂e

- Purchased electricity, heat and cooling
- Diesel, petrol and HVO fuels
- Transport (fleet)
- Natural gases and other fuels
- Refrigerant gases

– The biggest contributors to our Scope 3 emissions

FY24 Scope 3 emissions



Total Scope 3 emissions (FY24):
6.07
million tCO₂e

- Investments
- Purchased goods & services and capital goods
- Use of sold products
- All other Scope 3 categories
- Fuel and energy-related activities

we will prioritise action across these areas...

- A** Energy efficiency
- B** Alternative fuels
- C** On-site renewables
- D** F-gas strategy
- E** EV fleet in Europe
- F** Renewable electricity purchasing

- G** Carbon data analytics
- H** Key supplier engagement
- I** Investment company engagement
- J** Longer lifetime devices
- K** Lower carbon devices
- L** Device manufacturer engagement
- M** Raising consumer awareness

...to drive progress towards our climate goals

Match 100% grid electricity with renewable sources;

Net zero operations in Europe by 2028, and in Africa by 2035

Halve Scope 3 emissions by 2030;
Net zero across our value chain by 2040

Climate transition initiatives and actions continued

Our 17 priority climate transition initiatives reflect:

Our priority climate-related risks

In response to trends driven by climate change...

Six priority climate-related risks

- Extreme weather*
- Rising average temperatures*
- Energy costs
- Regulatory compliance costs
- Greenwashing
- Expectations of business customers

we will prioritise action across these areas...

- N** Transparency and disclosure
- O** Power purchase agreements (PPAs)
- P** Climate-related policy

...to drive progress towards our climate goals

Enhance the climate resilience of our business

Our priority climate-related opportunity

One priority climate-related opportunity

- Customer enablement

- Q** Sustainability by design

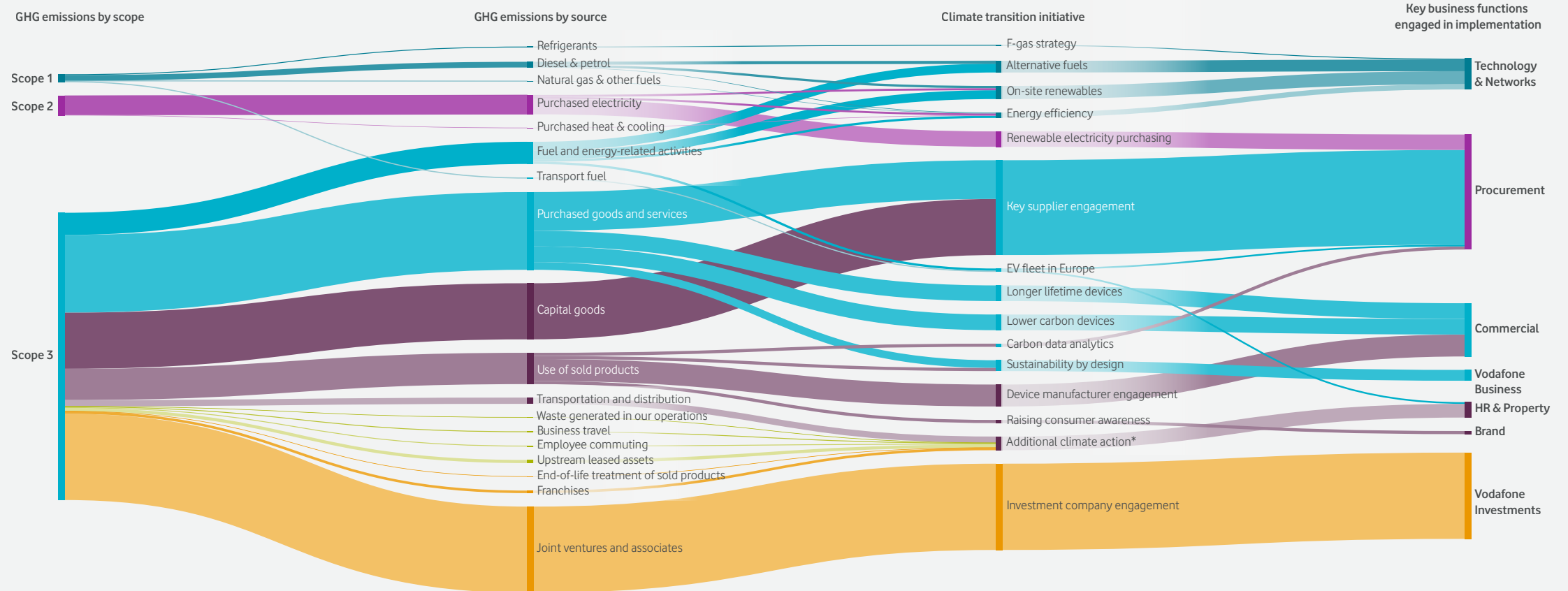
Realise climate-related opportunities for commercial growth

Note:

* Building resilience to physical climate-related risks is well-established as part of our business-as-usual risk mitigation processes (see our FY24 Annual Report for more detail), which we will continue to maintain. As such, a separate priority climate transition initiative has not been defined to drive physical climate resilience activities as part of the current transition plan.

How we will decarbonise our business (reducing Scope 1, 2, 3 emissions)

To develop our transition plan, we analysed our GHG footprint to understand the source of our Scope 1, 2 and 3 emissions. We designed climate transition initiatives to reduce emissions from each source. Finally, we identified the key business functions to engage in delivering each initiative. By mapping these together, we gain a deeper understanding of where our emissions come from, how we will reduce them and who is responsible for driving climate action.

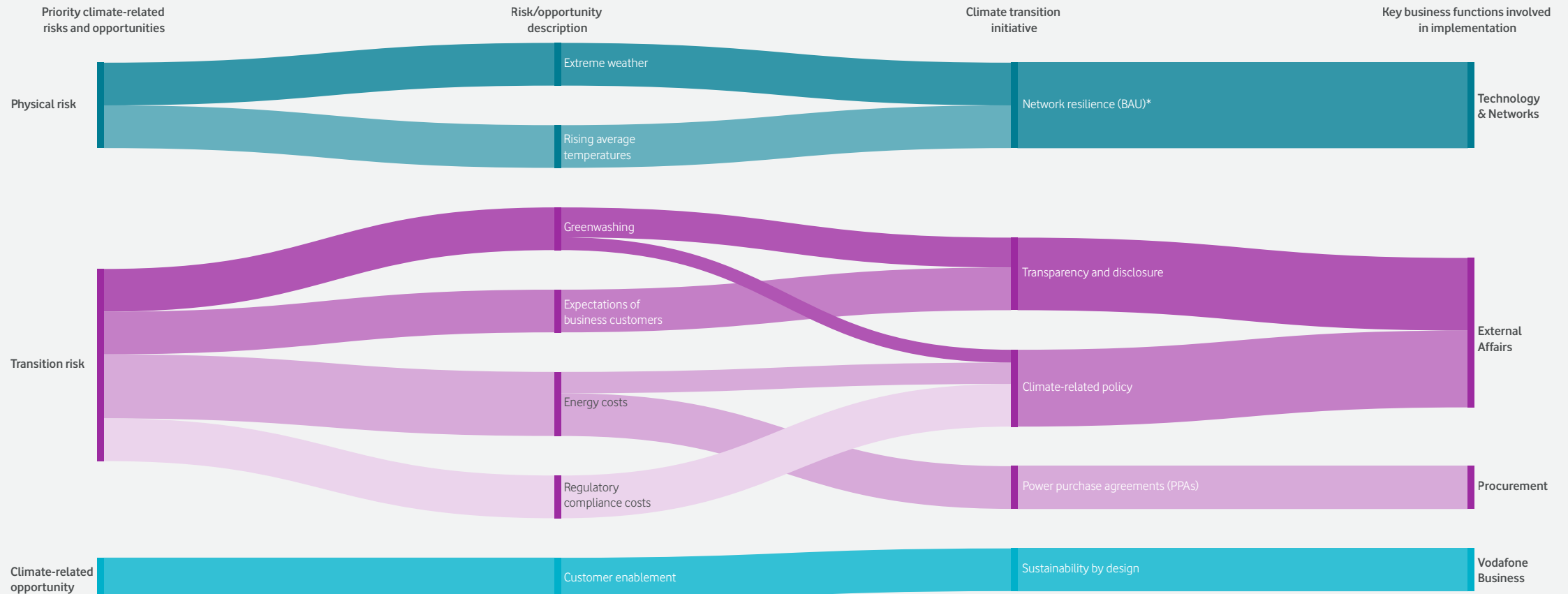


Note:

* **Additional climate action:** Whilst this transition plan defines the priority climate transition initiatives for decarbonising our business, we will endeavour to progress climate action in all areas, including the less significant contributors to our GHG footprint. During this transition planning period, we will seek quick wins and cost-effective actions to reduce emissions from business travel, employee commuting, waste from our operations, partner companies that we are able to influence or engage with in our value chain (such as tower companies and franchisees), and energy used to heat and cool our buildings.

How we will enhance climate resilience (responding to climate-related risks and opportunities)

We regularly conduct scenario analysis to identify our climate-related risks and opportunities. We designed climate transition initiatives to mitigate our highest priority climate-related physical and transition risks and enable us to realise our priority opportunities. We identified the key business functions to engage in delivering each initiative. By mapping these together, we gain a deeper understanding of how to manage our exposure to climate-related risk and who is responsible for driving action to build climate resilience into our business.



Note:

* **Network resilience to physical climate-related risk:** Building resilience into our operations and network infrastructure is a well-established part of our business-as-usual process, irrespective of whether climate change has been explicitly named as a primary risk driver. We will continue to build resilience to the physical risks of climate change and will integrate any additional high-priority climate adaptation actions (beyond our current planning, procurement, network resilience, and business continuity practices) into our transition plan as needed over the coming year.

Decarbonising our own operations (Scope 1 & 2 emissions)

The climate initiatives we have prioritised to decarbonise our own operations will entail changing our business and operational processes to phase out the use of fossil fuels.

A Energy efficiency

Metric: Total energy consumption (GWh)

What we aim to do

Vodafone uses over 6 TWh of energy per annum, the majority of which (over 70%) is used to operate our fixed and mobile access network.

We aim to reduce our Scope 1 and 2 emissions by improving energy efficiency and optimising energy use across our network and estate, which will also help to limit our exposure to rising energy prices and future energy price volatility.

How we aim to do it

- Continue with our implementation of network modernisation plans year-on-year, including the rollout of more energy-efficient 5G technology by 2030, and shutdown of legacy technologies.
- Set increasingly stringent energy efficiency targets for the network equipment that we buy to minimise electricity consumption during its operation as part of our network.
- Optimise energy use through network configuration improvements and deployment of digital tools, AI and smart energy saving features (such as 5G sleep mode).
- Consolidate parts of our fixed network and data centre estate, leveraging virtualisation and cloud technologies, to optimise energy use.
- Define metrics for network energy efficiency, measure the baseline and monitor progress.
- Continue to implement ISO50001 across markets where we operate to establish best-in-class systems for energy management.

B Alternative fuels

Metric: Scope 1 emissions from diesel and petrol (for use in stationary generators) (tonnes CO₂e)

What we aim to do

Diesel and petrol are used in stationary generators to power off-grid base stations (e.g. in remote rural areas), or for back-up power in locations where the grid is unreliable.

We aim to connect our base stations to the electricity grid where economically feasible, so that we can rely less on generators. Where this is not yet possible, we aim to find alternative low- or zero-carbon sources of power.

Options to be explored include bio-based fuels, hydrogen-based fuels, methanol and ammonia. Vodafone can help bring about the scale-up of promising alternative fuels by partnering with and supporting organisations that are innovating and developing in this space.

How we aim to do it

- Continue to connect base stations to the grid where economically feasible.
- Conduct research with expert partners to identify and assess the credibility and feasibility of alternative low or zero-carbon fuels for stationary generators.
- Partner with suppliers in our markets across Africa and Europe to conduct proof-of-concept pilots to trial potential alternatives and identify preferred options.
- Develop the business case to deploy our preferred option(s) with the aim of phasing-out fossil fuel powered stationary generators from 2028.

Decarbonising our own operations (Scope 1 & 2 emissions) continued

C On-site renewables**Metric: On-site electricity from renewable sources (GWh)****What we aim to do**

Increasing the number of mobile base station sites with on-site renewable electricity generation and power storage would help reduce our dependency on fossil fuel powered stationary generators.

Ultimately, we aim to develop scalable renewable generation solutions designed to meet the needs of our distributed network sites and operations. In the near term, this means supporting innovation to develop renewable energy solutions, and we will seek out organisations with whom we can collaborate to do so.

How we aim to do it

- Determine the feasibility of on-site renewable solutions, such as small-scale wind and solar PV, battery hybrid solutions, alternative battery solutions and micro-grid or community power solutions.
- Develop and execute proof-of-concept trials for on-site renewable solutions to ‘test and learn’.
- Develop the business case and design the programme for roll-out of our preferred option(s) beyond 2027.
- Explore available options to secure financial and technical support for renewables innovation, investment and risk mitigation from governments and international organisations who are seeking to accelerate the renewable energy transition.

D F-gas strategy**Metric: Scope 1 emissions from F-gases (i.e. refrigerant gases) (tonnes CO₂e)****What we aim to do**

We use fluorinated gases (known as F-gases) in cooling equipment and fire suppression systems. Fugitive emissions from the accidental release or leakage of F-gases contribute directly towards GHG emissions.

We aim to prevent the accidental release of F-gases, and to use alternatives that have a lower global warming potential (GWP) where possible.

How we aim to do it

- Continue to improve the maintenance and operation of cooling and fire suppression systems to minimise accidental releases and reflect this in our operating standards.
- Investigate the feasibility of alternative refrigerant gases with a lower global warming potential (GWP) than those we currently use in our cooling and fire suppression systems.
- Begin F-gas replacement with lower GWP alternatives as part of the routine end-of-life replacement or refurbishment of cooling and fire suppression equipment.
- Given that lower GWP gases can be toxic or flammable, monitor innovation in the development of new potential low GWP refrigerant gases by chemical companies, and the evolving regulation of F-gases (particularly in Europe).

E EV fleet in Europe**Metric: Scope 1 emissions from transport fuels (tonnes CO₂e)****What we aim to do**

We aim to transition from using diesel and petrol fuel in company vehicles (internal combustion engines) to using electric vehicles (EVs) powered by electricity from renewable sources.

How we aim to do it

- Electrify our fleet of company vehicles in Europe by phasing out internal combustion engine vehicles by the end of 2028.
- Support the installation of EV infrastructure (such as charging points) on Vodafone’s European sites and other locations to encourage EV adoption.
- Raise awareness and provide relevant training to our employees about the benefits of EVs and encourage more of them to switch to electric.
- Advocate for policies and investment in public infrastructure that support wider adoption of electric vehicles, including expansion of public EV charging infrastructure in European markets where we operate.

Decarbonising our own operations (Scope 1 & 2 emissions) continued

F Renewable electricity purchasing

**Metric: % of electricity purchased from renewable sources (global);
% of electricity purchased from renewable sources (Africa)**

What we aim to do

We aim to match more of the electricity we use with renewable energy certificates, with an increasing proportion purchased directly from renewable generators via power purchase agreements (PPAs), in accordance with our RE100 commitment.

Purchasing renewable electricity is particularly challenging in markets where renewable energy market mechanisms are less mature. To support the development of the African renewable energy market, we aim to innovate and scale up new models of renewable energy purchasing in our African markets.

Ultimately, the objective of our renewable electricity procurement programme is to support the transition from fossil fuels to renewables. As the renewable energy market evolves, we will continue to seek new ways of supporting that transition through our procurement practices.

How we aim to do it

- Continue to execute our renewable energy procurement strategy to match the grid electricity we use (globally) with renewable sources, or procure it directly from renewable generators via power purchase agreements (PPAs).
- Collaborate with others to develop and implement new models of renewable electricity procurement in African markets, in a way that supports the expansion of new and additional renewable electricity generation capacity.
- Monitor the development of renewable energy market trends. Identify and participate in relevant innovation projects that can enable Vodafone to accelerate the energy transition through our procurement practices.

Decarbonising our value chain (Scope 3 emissions)

The climate initiatives we have prioritised to decarbonise our value chain entail evolving our approach to procurement and supplier engagement, our portfolio of products and services that we offer to consumers and business customers, and our engagement with our value chain partners (including companies we invest in).

G Carbon data analytics

What we aim to do

Lack of high-quality data on the product carbon footprint of the goods and services we buy and sell currently constrains our ability to measure and manage our Scope 3 emissions. We aim to work together with others in the telecommunications value chain to improve the availability, accessibility and consistency of product carbon footprint data.

We aim to build organisational, process and systems capability to draw insights and analysis from this data, so that it can be used to inform procurement and capital investment decisions – creating a shift towards a lower-carbon supply chain for the goods, capital equipment and services that we buy.

Building our carbon data analytics capabilities is an important foundation for data-driven management decision-making and the future development of our decarbonisation strategy.

How we aim to do it

- Incentivise and encourage more of our suppliers to share carbon footprint data with us (bilaterally, through industry forums, or via data platforms).
- Develop our systems capabilities to analyse carbon data and enable our models to be updated with the latest data available from our suppliers and partners as they decarbonise their products and operations.
- Build organisational capability by deepening our understanding of carbon calculation methodologies, so that we can draw further insights from our carbon data to support decision-making.

H Key supplier engagement

Metric: Scope 3 emissions from purchased goods and services (tonnes CO₂e); Scope 3 emissions from capital goods (tonnes CO₂e)

What we aim to do

We aim to reduce carbon emissions in our upstream supply base by engaging with our key suppliers (including manufacturers of equipment used in our network) to align their climate ambitions with ours and accelerate the implementation of their decarbonisation plans.

We also aim to engage our 9,000+ suppliers on the topic of climate change, to communicate our climate goals and encourage them to reduce their own emissions to help us achieve them.

We will continue to consider supplier climate ambitions, plans and performance during the procurement and supplier selection process.

How we aim to do it

- Work together with our industry peers to collectively engage key suppliers of equipment or services used in the telecommunications sector and align with them on climate ambitions and opportunities for emissions reduction.
- Further develop our program of supplier engagement to keep our suppliers updated on Vodafone's climate action plans and set expectations for supplier climate action and disclosure, including through contracts.
- Further develop the tools, processes and knowledge needed for our procurement teams to consider climate in their supplier selection or buying decisions.
- Explore the potential for using carbon data analytics or an internal carbon price to support procurement decision-making.

Decarbonising our value chain (Scope 3 emissions) continued

I Investment company engagement**Metric: Scope 3 emissions from investments (tonnes CO₂e)****What we aim to do**

Our Scope 3 emissions account for the operational emissions of companies that we invest in (proportional to our equity stake).

We aim to support the companies we invest in to develop, implement and, if possible, accelerate the decarbonisation of their networks and operations.

How we aim to do it

- Map the carbon reduction commitments, targets and climate transition pathways of our joint ventures and investments on to Vodafone's own climate transition pathway to understand alignment and identify potential gaps.
- Develop and initiate an engagement programme with our joint ventures and investments to inform and collaborate with them and align on expectations.
- Leverage and share knowledge and resources between our companies to accelerate each other's climate journeys. Through engagement, we can seek to influence and persuade investment companies, given we do not have any decision-making control.
- Further formalise the integration of ESG considerations into our mergers, acquisitions and divestment process, to support deeper understanding of the environmental and social impacts of our portfolio.

J Longer lifetime devices**What we aim to do**

By helping our customers to keep their devices for longer, we can reduce the lifecycle GHG emissions from products that we sell.

We aim to enable our customers to keep their devices in use for longer by offering services that extend the lifecycle of devices, such as repair, insurance and trade-in.

How we aim to do it

- Develop and implement a programme to extend the lifetime of products in our portfolio, including both fixed devices (such as broadband routers and TV set-top boxes) and mobile devices (such as smartphones).
- Explore device lifecycle service propositions such as repair services, insurance products, product leasing and 'as-a-service' models, and assess their commercial feasibility. Pilot and scale up those that are successful.
- Encourage customers to return used mobile phones and devices to Vodafone for trade-in, donation or recycling as part of building a more circular economy.
- Advocate, together with others in our industry sector, for improvements in national e-waste recycling systems to increase rates of recycling and product-take-back by retailers.

K Lower-carbon devices**What we aim to do**

We want to help more consumers make lower-carbon choices by switching to products with a lower climate impact when they choose a mobile or fixed line device.

We aim to provide clear, accessible and credible information about the environmental impacts of the devices we sell, so that our customers can make informed choices about the devices they buy. We aim to encourage more customers to consider choosing lower carbon options.

We know that refurbished devices (including mobile phone handsets and home devices such as broadband routers and TV set-top boxes) have a lower lifetime carbon footprint compared to new devices that are disposed at the end of life¹.

We aim to make lower-carbon, more circular choices more widely available and attractive for consumers.

How we aim to do it

- Continue to offer and scale-up commercial propositions for refurbished mobile devices (such as smartphones) and home devices (such as broadband routers and TV set-top boxes).
- Build upon eco-labelling schemes, such as Eco Rating, to bring clear, credible information about environmental impacts to consumers, at the point of sale.
- Where we can specify the design of the consumer devices we sell (including devices such as broadband routers and TV set-top boxes), seek to integrate sustainability into the design process to optimise energy efficiency and minimise the environmental impact of the product.
- Improve our understanding of the carbon footprint of the products and services we sell to consumers and business customers, to help us optimise sustainability by design.

Note:

1. Based on a 2022 lifecycle assessment study (Erwann Fangeat, ADEME, et al, Assessment of the environmental impact of a set of refurbished products – Final Report, page 64), a refurbished phone used for two years creates 24.6kg CO₂e less carbon emissions per year when compared to a new phone used for three years. Over the two-year period of use of the refurbished phone, this avoids around 50kg CO₂e of carbon emissions. The study found that a refurbished phone has an 87% lower contribution to climate change (or 'GWP') compared to a new phone. The study also found that buying and using a refurbished phone instead of a new phone requires the extraction of 76.9kg less raw materials.

Decarbonising our value chain (Scope 3 emissions) continued

L Device manufacturer engagement

Metric: Scope 3 emissions from use of sold products (tonnes CO₂e); Scope 3 emissions from purchased devices (tonnes CO₂e)

What we aim to do

The mobile devices we sell are supplied to us by original equipment manufacturers (OEMs), who determine the design of their products.

We aim to coordinate with other device retailers across the telecommunications sector to engage with device OEMs, align with their climate ambitions and, if needed, accelerate the implementation of their plans to reduce the embodied and operational carbon emissions of mobile devices.

How we aim to do it

- Industry engagement with device OEMs via industry forums (convened by associations such as the Joint Alliance for CSR ('JAC'), Global System for Mobile Communications Association ('GSMA') and consortia such as Eco Rating).
- Collaborate with others on research to identify the key levers for reducing device carbon footprints. Raise awareness of how these levers can be used to lower the carbon footprint of mobile devices.

M Raising consumer awareness**What we aim to do**

We can reduce our Scope 3 emissions from the use of products that we sell by encouraging customers to choose lower-carbon and more energy efficient devices, and to use them in ways that reduce emissions during the use phase of these devices.

We aim to make consumers aware that they can reduce their environmental impact by making more sustainable choices about how they use digital connectivity technology and devices.

How we aim to do it

- Develop communication campaigns about the environmental impacts of devices and technology and activate these (together with partners where appropriate) across our markets.
- Use the power of our brand and marketing to raise customer awareness and encourage customers to consider lower carbon and more circular choices through our product marketing, whilst maintaining the credibility of any environmental claims.

Responding to climate-related risks and opportunities

We will focus on four priority initiatives to address our highest priority climate-related risks and opportunities, and to build climate resilience into our business.

N Transparency and disclosure

Risks: Greenwashing; Expectations of business customers

What we aim to do

We aim to regularly communicate our progress in delivering this transition plan to our external stakeholders. Transparent disclosure helps us to hold ourselves to account and mitigates the 'greenwashing' risk of our stakeholders being misled.

How we aim to do it

- Report our progress in delivering this transition plan on an annual basis, as part of our suite of annual ESG reporting, including disclosing any significant changes to the transition plan (and their rationale) to support transparency and accountability.
- Continue to maintain and strengthen the integrity, accuracy and completeness of climate-related performance data and metrics to measure our progress and support management decision-making.
- Update our stakeholders when we achieve key milestones, through our corporate communications channels.
- Maintain strong governance over the use of environmental claims in our brand, marketing and corporate communications to mitigate the risk of misleading external stakeholders (including investors, corporate audiences, customers and consumers).

O Power Purchase Agreements (PPAs)

Risks: Energy costs

What we aim to do

As a user of energy, our business is exposed to rising energy prices and future energy price volatility.

We aim to manage our exposure to energy price volatility by increasing the proportion of electricity that we purchase through long-term power purchase agreements (PPAs) in Europe.

PPAs can also help support the future expansion of renewable generation, and hence are an important part of our overall Planet strategy.

How we aim to do it

- Identify, originate and establish commercially viable PPA contracts with renewable electricity generators. We will aim to support renewable generation projects where our PPA agreement enables or supports the future expansion of additional renewable electricity generation capacity.

Note: This transition plan does not include a specific initiative for network resilience to physical climate-related risk. Building resilience into our operations and network infrastructure is a well-established part of our business-as-usual process, irrespective of whether climate change has been explicitly named as a primary risk driver. We will continue to build resilience to the physical risks of climate change and will integrate any additional high-priority climate adaptation actions (beyond our current planning, procurement, network resilience, and business continuity practices) into our transition plan as needed over the coming year.

Responding to climate-related risks and opportunities continued

P Climate-related policy**Risks: Greenwashing; Energy costs; Regulatory compliance costs****What we aim to do**

We aim to contribute towards system-level change that will result in the acceleration of the renewable energy transition and the economy-wide transition to net zero.

We aim to encourage and support policies that improve the commercial and/or technical feasibility of Vodafone's climate transition.

We aim to maintain awareness and understanding of forthcoming regulations that could result in our operations, products or services becoming non-compliant, or where the changes to achieve compliance would result in increased cost – and to prepare for forthcoming regulatory change in a timely and cost-effective manner.

How we aim to do it

- Monitor, assess and respond to changes in policy that could impact our ability to successfully deliver our transition plan.
- Engage with the policy-making process and/or policymakers to meet policy objectives that support our transition.
- Identify climate transition activities or projects that could be made feasible with sustainable finance from public funds and develop strategies to seek public funding where appropriate.
- Join business coalitions that are advocating for policy change that will support, enable or complement our transition initiatives, such as policies that accelerate the renewable energy transition or the rollout of public EV charging infrastructure in markets where electrification of our vehicle fleet is challenging.

Q Sustainability by design**Opportunity: Customer enablement****Metric: Scope 3 emissions from use of sold products (tonnes CO₂e); Carbon enablement (tonnes CO₂e)****What we aim to do**

Digital technology has significant potential to contribute towards the economy-wide low-carbon transition. We aim to strengthen our portfolio of digital connectivity and technology solutions that enable the decarbonisation of a wide range of industry sectors – such as smart logistics and fleet management, smart metering, remote patient health care and smart cities.

Understanding the carbon footprint of products and services that we sell to business customers can help us to make decisions at design stage that will lower their lifecycle emissions. We aim to integrate sustainability and carbon data and insights into our product strategy, design processes and systems, to enable us to improve the environmental impact of our products by design.

How we aim to do it

- Develop environmental criteria and requirements to be integrated into product design and development process. These could include durability, repairability, modularity, use of recycled materials, energy efficiency and optimisation features, material recovery at end of life and recyclability.
- Build capacity and capability to optimise product design including environmental criteria. Improve our understanding of the carbon footprint of the products and services we sell to business customers, to help us optimise sustainability by design and meet their rising expectations for lower-carbon products.
- Provide the digital technology and connectivity services needed to help our business customers transition to a more sustainable future.
- Communicate information to our business customers about the climate impact of the products and services we sell.

Climate-related opportunities

Digital technology has significant potential to contribute towards the economy-wide low-carbon transition and provides opportunities for commercial growth.



Transport

Smart technology can reduce transport emissions by improving driver behaviour, optimising routes for delivery and shipping operations, and supporting the electrification of transport.



Energy

The digitalisation of the energy system, from smart meters to real-time demand-side response mechanisms, will enable the transition to a more renewable electricity fuel mix.



Manufacturing and industry

Industrial processes could be optimised by reducing energy use, improving supply chain operations and increasing resource efficiency.



Buildings

Energy and resource use can be reduced by implementing smart sensors to monitor and optimise demand and detect leakages or waste.



Cities

Digital technologies could transform the way we use, manage and move around urban spaces, minimise waste and increase resource efficiency.



Health

Digital connectivity could enable remote healthcare, including patient monitoring, diagnostics, and even medical procedures – thus reducing emissions from transport whilst improving access to healthcare.

Carbon offsetting

Our priority is absolute emission reduction. In line with the Science Based Targets initiative (SBTi) Corporate Net Zero Standard, we will only claim to have reached net zero emissions if this is achieved through absolute emission reduction of at least 90% of our base year (2020) emissions. We intend to use carbon offsetting to neutralise our remaining emissions.

We anticipate that some parts of our GHG footprint will be challenging to eliminate completely. For the minority of emissions that we cannot eliminate (representing less than 10% of our base year emissions), we will purchase high-quality, high-integrity carbon offset credits that help to finance projects, beyond our value chain, that remove carbon dioxide from the atmosphere.

We require any carbon credits that we buy to meet the minimum criteria that we have internally defined, which reflect the ICVCM's Core Carbon Principles (2023). Purchases of carbon credits will be subject to a governance process that oversees decisions about the type and origin of the offsets we purchase. Going forward, we commit to disclosing more information about the carbon credits and projects that we invest in to meet our organisational net zero commitments.

During this transition planning period, we will develop more detailed plans for future carbon offsetting. We recognise that the increasing price of carbon credits could present a risk to the delivery of our transition to net zero – and a reason to prioritise absolute emissions reduction. Although we remain open to exploring options in the fast-evolving voluntary carbon market, we will monitor the development of best-practice frameworks and guidance¹ to determine a strategy that has credibility and integrity.

Notes:

1. Including guidance from the Voluntary Carbon Markets Initiative (VCMI), the Integrity Council for the Voluntary Carbon Market (ICVCM), the Science Based Targets initiative (SBTi) in relation to beyond value chain mitigation (BVCM) and African Carbon Markets Initiative (ACMI).

2. These reflect the ICVCM's Core Carbon Principles and additional considerations defined by our internally-defined minimum criteria.

Factors we consider for high-quality, high-integrity carbon offsetting²

		Carbon offsets should...
Governance	Effective governance	Be from a program with effective governance in place to support transparency, accountability, quality and integrity.
	Tracking	Be tracked and clearly identifiable in a register.
	Transparency	Be from a program that provides comprehensive and publicly available information about how the emission reductions or removals were (or will be) achieved.
	Robust verification	Be certified by a credible standard, that aligns with the Core Carbon Principles.
Emissions impact	Additionality	Deliver additional benefit beyond what would have occurred without the revenue generated from the sale of the carbon offset credit.
	Permanence	Be permanent removals of carbon dioxide from the atmosphere, or with measures in place to minimise the risk of reversal.
	Robust quantification	Be quantified accurately using a robust methodology that takes into account leakage (whereby emissions are shifted elsewhere).
	No double counting	Ensure that the associated emissions removals are only claimed or used once, to contribute towards offsetting Vodafone's emissions.
Sustainable development	Sustainable development benefits	Deliver social or environmental co-benefits, beyond carbon emissions and do no significant harm.
	Contribution to net zero transition	Avoid locking in emissions from technologies or practices that are incompatible with the net zero transition.
Time and place of origin	Vintage	Have occurred within a reasonable time period of the emissions being offset.
	Location	As a preference, ideally deliver benefits within Vodafone's markets, to support the communities where we or our partners operate.

Engagement strategy

Working with others towards an economy-wide transition

Reducing our value chain emissions necessitates working with others across our value chain. This includes working with our suppliers and partners upstream (where approximately 49% of our Scope 3 emissions originate) and with our customers and consumers downstream (where approximately 14% originate)¹.

Furthermore, we believe that addressing the systemic issue of climate change requires collective action and collaboration beyond our own value chain. We are committed to adding our voice together with other businesses from our sector and beyond, to amplify our messages, create momentum and exert pressure to accelerate action on topics where it is urgently needed.

Cross-industry collaboration and partnerships

Strategic partnerships and collaboration with external organisations will combine capabilities and bring perspectives that will help us innovate faster, and deliver quicker, by working together.

We were a strategic partner of the UNFCCC COP27 international climate conference, where we played a role in bringing the voice of business to the discussions and engaging civil society in taking climate action through digital technology.

We regularly engage and partner with public sector organisations and governments, for example to establish new ways for corporates to purchase renewable electricity in Egypt and South Africa.

We are part of a number of cross-industry forums that bring together practitioners from the telecommunications and wider ICT sector to drive collective progress on climate action.

As part of our transition plan, we will continue to seek out partnerships and collaborations to help us achieve our climate goals and encourage the creation of regulatory, economic and market conditions that optimise the chances of a successful climate transition – for our business, our sector and the wider economy.

Business coalitions and initiatives through which we have made climate-related commitments

Coalition	Our commitments
 CLIMATE GROUP RE100	By 2025, match 100% of the grid electricity we use globally with electricity added to the grid from renewable sources
 SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	Vodafone has near- and long-term climate targets, validated by SBTi, including our 2040 net zero target
 THE NET ZERO STANDARD POWERING THE FUTURE	
 WFA Planet Pledge	We commit to harnessing the power of our marketing communications to drive more sustainable consumer behaviours
 WE SUPPORT UN GLOBAL COMPACT	We commit to the Ten Principles of the UN Global Compact

Proud to partner with WWF

We are proud of our global partnership with WWF, one of the world's leading conservation organisations, focused on helping everyone make more sustainable choices and using technology to help overcome conservation and sustainability challenges.



Click to read more about our partnership with WWF:
vodafone.com/news/planet

Organisations for collaboration on climate

GSMA
Industry
Member



Note:

1. Based on FY24 data. The remaining 37% are financed emissions through our investments.

Measuring our progress

The ultimate measure of our success in delivering this transition plan is the reduction of our GHG emissions towards our climate targets. We will continue to measure and externally report our Scope 1, 2 and 3 emissions (including all 15 categories of Scope 3) annually, in accordance with the GHG Protocol.

We have begun to identify metrics to help us monitor the effectiveness of each climate transition initiative within this plan, although the metric for some of our initiatives is yet to be determined. As part of our next steps to implement this plan, we will continue to identify appropriate measures of success, which we will monitor and report through our governance structures at least quarterly.

We recognise the critical importance of robust data in supporting our climate transition journey, and we will continue to seek improvements in the quality and integrity of our environmental, social and governance ('ESG') data.

Therefore, in parallel with the implementation of our transition plan, we continue to improve and strengthen our approach to ESG data measurement, reporting and disclosure.

Measuring our progress via CDP

We remain committed to transparent disclosure of our climate performance via the CDP Climate Change questionnaire.



Governance

Our Climate Transition Plan forms an important part of our Purpose strategy – within Protecting the Planet. Progress against this climate transition plan (and any risks to its delivery) is regularly monitored through the established governance structures that oversee Vodafone's Planet agenda.



Vodafone Group PLC Board of Directors is ultimately responsible for the achievement of our Planet strategy (including this transition plan). The Board assign this responsibility to the ESG Committee (a sub-committee of the Board). This Climate Transition Plan is subject to the approval of the ESG Committee.

The Executive Committee, led by the Group Chief Executive Officer, oversees the implementation of our Purpose strategy. The Executive Committee delegates this responsibility to the ESG and Reputation Steering Committee ('ESGR'), which includes the appointed Executive sponsor for Planet (the Chief External and Corporate Affairs Officer). Progress in the delivery of the Planet strategy – including the status of climate transition initiatives – is reported quarterly to the ESGR.

The Chief External and Corporate Affairs Officer delegates day-to-day responsibility for managing the implementation of our climate transition plan to the Group Head of Sustainable Business.

The Group Head of Sustainable Business and team are responsible for maintaining a consolidated view of progress and any risks or issues arising from the execution of the plan. In order to fulfil this responsibility, they coordinate with a set of cross-functional stakeholders, including the accountable owners of the climate transition initiatives.

Each climate transition initiative is assigned to an accountable owner within the business function responsible for delivering actions. The accountable owner manages the delivery of the initiative, including securing the necessary resources as part of our business and financial planning process. From FY25, the delivery of climate transition initiatives will be integrated into the performance objectives of accountable owners to help incentivise their successful delivery.

Read more about the key business functions accountable for delivering our climate transition initiatives

Implementation of this Climate Transition Plan is codified within our internal Global Planet Policy. Implementation of the activities described in this transition plan is further reinforced through other Group policies. In addition to policies, the Group Sustainable Business team coordinate and engage across business functions and local market teams to formalise and align on accountabilities and responsibilities.

Global Policies that support our climate transition

Planet Policy

ESG Targets and Reporting Policy

Energy Management Policy

Code of Ethical Purchasing

GHG emission reduction (Scope 1 and 2 emissions) is one of the determining factors for Vodafone Group's global long-term incentive plan (GLTI) for Executive Committee members and Board Directors. The use of ESG metrics including GHG emission reduction reflects the importance placed on our performance and progress against our long-term ambitions in this area.

Our transition plan is made publicly available for all of Vodafone's stakeholders, including our shareholders and investors. Our shareholders can submit feedback or questions on our strategic plans, including this Climate Transition Plan, by contacting our investor relations team at IR@vodafone.co.uk.

Risk management

A key role of our climate governance bodies is to oversee the management of risks, assumptions, issues and dependencies related to our climate transition. This includes mitigating the risks to the delivery of our plan, and risks created by the transition itself.

Risks to the delivery of our transition

The implementation of our transition plan is dependent upon a number of internal and external factors, which create risks to its successful delivery. We monitor and manage these risks and, where we are dependent upon third-parties (including governments, policy-makers, investors and partners), we remain committed to working together to create the conditions needed to support our climate transition.

Note: To support effective risk management, risks to the delivery of our transition are categorised by the time horizon in which they could be expected to occur (consistent with our climate-related risk reporting timeframes), as follows: Short term (0-3 years) Medium term (3-5 years) Long term (5-26 years)

 [Click to read more about our time horizons for climate-related risk reporting in our latest Annual Report](#)

	Key external factors and dependencies	Risks to our transition	Mitigation actions
Financing	Connectivity and digitalisation can be a potent force multiplier for every part of the economy and society – including the climate transition. Improving the investment climate for 5G and digital infrastructure (including through sustainable financing) is a fundamental enabler for securing the resources needed to accelerate our climate transition – and the economy-wide green digital transition.	Inadequate investment and financing to support the 'twin' digital and green transition of the telecommunications sector. Time horizon: Medium term	Continue to work with policy-makers and financing institutions to highlight the importance of the telecommunications sector in building a healthy and competitive digital society.  Read more about our climate-related policy initiative
Renewable energy transition	Our transition relies upon increasing the reliable supply of grid electricity generated from renewable sources, and making renewable electricity accessible for corporates at commercially viable prices through market mechanisms. Policies, regulation and incentives are needed to accelerate this transition at an overall energy system level. This is particularly important in markets with unreliable electricity grid systems – for example in some of our African markets, where electricity blackouts are common.	Unreliable electricity supply prolongs the use of stationary generators to power our network. Time horizon: Short term	Work together with governments, utility providers, energy generators and others to support the energy transition.  Read more about our climate-related policy initiative

Risk management continued

	Key external factors and dependencies	Risks to our transition	Mitigation actions
Expanding our network and connectivity	Our objective to reduce emissions may encounter conflicts or trade-offs with other strategic objectives. For example, our obligation to rapidly expand our network in areas with limited or no access to renewable energy may necessitate the use of fossil-fuel powered stationary generators. Similarly, our objective to improve smartphone access in Africa could conflict with our objective to extend the lifetime of devices already in circulation.	Network expansion and increasing access to meaningful connectivity (resulting in higher demand for mobile devices, and growth in data traffic on our network) could increase our emissions and make our climate goals more challenging to achieve. Time horizon: Short term	Decoupling our emissions from the growth in data traffic, for example through renewable energy technologies, is an important mitigant for this risk.  Read more about our initiative on alternative fuels Developing circular and low-carbon business models to improve digital inclusion is needed to support strategic objectives for empowering people and protecting our planet.
Technological innovation	Some of our initiatives rely upon the development and commercial-scale deployment of emerging technology solutions, particularly in distributed renewable energy generation technologies.	Lack of alternative fuels prolongs the use of fossil fuels in our network. Time horizon: Long term	Advocating for policy incentives and finance to support and accelerate the development of alternative fuel technologies to support the economy-wide transition.  Read more about our climate-related policy initiative
Technological disruption	Advances in technology have the potential to disrupt the way that digital connectivity networks operate. For example, future developments in satellite technology could fundamentally change the way we communicate via digital networks. Such technological disruption has the potential to alter our transition pathway.	Disruption to our business operating model results in changes to our transition pathway. Time horizon: Long term	Engaging people across our business and embedding consideration of our climate transition into business decision-making to support the effective identification of potential disruptors and evaluating their impact on our transition.  Read more about cultures, skills and engagement
Electrification of transport	Electrification of our vehicle fleet in our European markets is dependent upon policies, regulation and subsidies to incentivise greater adoption of EVs, and improved provision of public EV charging infrastructure.	Slow EV adoption prolongs the use of fossil fuels in our vehicle fleet. Time horizon: Long term	Advocating for policy incentives and finance to support and accelerate the economy-wide adoption of EVs.  Read more about our climate-related policy initiative

Risk management continued

	Key external factors and dependencies	Risks to our transition	Mitigation actions
Third-party collaboration	Many of our initiatives (particularly in relation to Scope 3 emissions) are dependent on effective collaboration with, or influence over, third parties such as our suppliers, vendors and companies that we invest in.	Lack of ambition or action by third-parties inhibits Scope 3 emission reduction. Time horizon: Long term	Engage our value chain partners to align with our net zero pathways (and timelines).  Read more about our initiative on supplier engagement  Read more about our initiative on investment company engagement
Consumer behaviour change	Some of our initiatives depend upon changing consumer behaviour, for example to increase adoption of more circular products and services.	Low adoption of lower-carbon products and services undermines the commercial viability of more sustainable business models. Time horizon: Long term	Increase public awareness of climate change and support calls to action within civil society to influence how consumers choose to use digital technology.  Read more about our initiative on raising consumer awareness
Carbon data science and analytics	We rely upon robust carbon data and insights to enable us to make well-informed data-driven management decisions. Data availability continues to be challenging in relation to our upstream supply chain and the embodied emissions of the goods and services we buy.	Poor data availability inhibits our ability to prioritise actions that deliver the greatest emission reductions. Time horizon: Long term	Collaborate with others in our industry to improve the availability, accessibility, accuracy and integrity of carbon performance data, and improve the methodologies and tools that enable us to draw insights from that data.  Read more about our initiative on carbon data analytics
Mergers, acquisitions and divestments	Significant changes to the Group organisational structure, including mergers, acquisitions, joint ventures, investments and divestments, are reflected in our GHG accounts and inventory (in line with our reporting standards). These changes could affect our transition pathway. Changes to our organisation could also impact on our ability to deliver the transition initiatives from an operational perspective.	Changes to Group organisational structure result in changes to our transition pathway. Time horizon: Short term	Evaluate and consider the impact of upcoming mergers, acquisitions and divestments on our GHG accounts. Recalibrate our transition pathway to account for such transactions, in line with GHG Protocol standards. Transparently disclose any resultant changes to our transition pathway.  Read more about our initiative on transparency and disclosure

Risk management continued

Risks created by our transition

We seek to deliver a just climate transition, that does no significant harm to the communities and people that we serve, or to the environment. Our climate transition will require some changes to the way we do business, which we recognise could impact others in the social and environmental ecosystem within which we operate, and on which we are interdependent.

We are committed to identifying and managing any risks resulting from our climate transition activities. We will engage with relevant stakeholders to listen to their concerns and learn how we can deliver our transition whilst safeguarding their needs.

	Changes driven by our climate transition	Risks to be monitored and managed
Renewable energy transition	Decreasing demand for carbon-intensive assets such as diesel-fuelled stationary generators and internal combustion engine vehicles.	Potentially negative social and economic impacts on workers involved in the production, operation or maintenance of carbon-intensive assets, within our own operations and our upstream supply chain change – such as redundancy of roles. Time horizon: Long term
	Increasing demand for renewable energy technologies, and the critical raw materials required to produce them.	Potentially negative social and environmental impacts of mining for critical raw materials such as copper, nickel, lithium and cobalt, which are essential for the production of renewable technologies. Mining can have negative impacts on biodiversity, land use change (including deforestation) and environmental pollution. In some regions, it carries a risk to the protection of human rights and labour rights. Securing the supply of critical raw materials to support the global renewable energy transition also has implications for geopolitics and trade. Time horizon: Medium term
Indirect land use change	Increasing demand for renewable, bio-based fuels such as HVO or bio-methanol, and the feedstocks required to produce them.	Potential negative impacts on biodiversity and land use change as global demand for biofuels increases. This global demand could create pressure for direct land use change (to grow plants for use as a biofuel feedstock) or indirect land use change (to grow plants to substitute crop waste that has been diverted from its current uses towards use as a biofuel feedstock). Time horizon: Long term
Third-party collaboration	Increasing expectations of suppliers to collaborate on decarbonisation activities and to share or disclose climate-related data.	Potential to disadvantage small and medium enterprise (SME) suppliers who may not have the resources or expertise to actively participate in climate disclosure. Mitigation includes supporting our suppliers through our supply chain engagement activities. Time horizon: Short term

Financial and business planning

Climate action is a well-established part of Vodafone's Purpose strategy, and many of the initiatives described within this plan are already underway and incorporated into our existing business plans and financial position. However, we recognise that implementing the initiatives outlined in this plan will require further allocation of resources and investment – and that this needs to be integrated into our financial planning.

Robust planning enables us to prepare our business to be fit for a sustainable future. We have begun integrating climate transition initiatives into our existing business and financial planning process, through which we set our annual budgets and long-range business plans. The allocation of resources during this process considers the commercial and strategic importance of each proposed activity, based on analysis of its forecast impact on our financial position, performance and cash flows over the short, medium and long term. As a programme of activities that creates long-term commercial value (through the mitigation of climate-related risks and realisation of opportunities), we give particular attention to the strategic importance of our climate transition during this process. Any material impact on our financial statements will be identified and disclosed if appropriate, in line with our existing approach to financial reporting and associated standards.

We will continue to work with our investors and governments to explore funding opportunities for finance that can support the implementation of our transition plan, and to utilise sustainable financing mechanisms.

Culture, skills and engagement

Creating a culture where, together, our people strive to deliver our Purpose – to connect for a better future – is a key enabler for our transition plan.

Purpose-led Vodafone

At Vodafone, we are building a digital society where technology improves people's lives for the better – by empowering people and protecting our planet.

It's how we connect for a better future

The Spirit of Vodafone

The 'Spirit of Vodafone' encapsulates our culture, including who we are as a company, our values, and our vision for a brighter future.

- Earn customer loyalty
- Create the future
- Experiment and learn fast
- Get it done, together

We recognise the crucial role our people play in driving sustainable business transformation. As part of our transition plan, we aim to strengthen employee awareness of and engagement with climate-related issues, in order to embed climate considerations into everyone's role. We will do this by providing the inspiration (through employee engagement initiatives) and information (through learning and development) that our people need to consider the climate impact of their business decisions and feel empowered to take climate action.

We provide our employees with access to training on climate change such as webinars and online learning resources. We intend to expand our learning and development programme to improve basic climate literacy at all levels of our organisation. In addition to this foundation knowledge, our programme will also include specialist training for specific teams that are directly involved in delivering our climate transition initiatives. We will seek to build organisational capacity in relation to topics that are core to our climate transition strategy – such as circular economy, the green digital transition and sustainable procurement. We will also strengthen our capabilities and skills, for example in digital and automation tools that could drive innovation in energy efficiency or new technology solutions.

Our learning and development programme will also include capacity-building at executive leadership and Board levels to support our leaders to stay updated with the fast-moving climate agenda. By offering these training opportunities, we want to enable people at all levels of our company to become sustainability champions and change agents within their teams and communities.

Cautionary note on forward-looking statements

This document contains ‘forward-looking statements’ within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives. In particular, such forward-looking statements include, but are not limited to, statements with respect to: the Group’s portfolio transformation plan; expectations for the Group’s future performance generally; the timing for the provision of hybrid 5G Mobile Private Network infrastructure to SNAM; the Group’s strategic partnership with Microsoft; climate change, including emissions targets and other ESG goals, commitments, targets and ambitions, climate-related scenarios or pathways and methodologies we use to assess our progress in relation to these; the digital transformation of the Group’s business customers; expectations regarding the operating environment and market conditions and trends, including customer usage, competitive position and macroeconomic pressures, price trends and opportunities in specific geographic markets; intentions and expectations regarding the development, launch and expansion of products, services and technologies, either introduced by Vodafone or by Vodafone in conjunction with third parties or by third parties independently; expectations regarding the integration or performance of current and future investments, associates, joint ventures, non-controlled interests and newly acquired businesses; the impact of regulatory and legal proceedings involving the Group and of scheduled or potential regulatory changes; certain of the Group’s plans and objectives, including the Group’s strategy.

Forward-looking statements are sometimes but not always identified by their use of a date in the future or such words as ‘will’, ‘aim’, ‘expects’, ‘expectations’, ‘progress’, ‘estimates’, ‘anticipates’, ‘intends’, ‘intention’, ‘endeavour’, ‘strive’, ‘commit’, ‘look forward’, ‘believe’, ‘ambition’, ‘commitment’, ‘target’, ‘seek’, ‘goals’, ‘plan’, ‘execute’, ‘potential’, ‘work towards’, ‘drive towards’, ‘progress towards’, ‘future’, ‘become’, ‘predictions’, ‘projections’, ‘trajectory’, ‘pathway’, ‘journey’, ‘deliver’, ‘evolve’, ‘develop’, ‘forward’, ‘begin to’, ‘continue to’, ‘remain’, ‘long-term’, ‘objective’, or the negative of these terms and other similar expressions of future actions or results, and their negatives. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to the following: the key external factors and dependencies described in the Risk Management section of this document, general economic and political conditions in the jurisdictions in which the Group operates and changes to the associated legal, regulatory and tax environments; increased competition; levels of investment in network capacity and the Group’s ability to deploy new technologies, products and services, including artificial intelligence; the Group’s ability to optimise its portfolio in line with its business transformation plan; evolving cyber threats to the Group’s services and confidential data; the Group’s ability to embed responses to climate-related risks into business strategy and operations; rapid changes to existing products and services and the inability of new products and services to perform in accordance with expectations; the ability of the Group to integrate new technologies, products and services with existing networks, technologies, products and services; the Group’s ability to generate and grow revenue; slower than expected impact of new or existing products, services or technologies on the Group’s future revenue, cost structure and capital expenditure outlays; slower than expected customer growth, reduced customer retention, reductions or changes in customer spending and increased pricing pressure; the Group’s ability to extend and expand its spectrum resources, to support ongoing growth in customer demand for

mobile data services; the Group’s ability to secure the timely delivery of high-quality products from suppliers; loss of suppliers, disruption of supply chains, shortages and greater than anticipated prices of new mobile handsets; changes in the costs to the Group of, or the rates the Group may charge for, terminations and roaming minutes; the impact of a failure or significant interruption to the Group’s telecommunications, data centres, networks, IT systems or data protection systems; the Group’s ability to realise expected benefits from acquisitions, partnerships, joint ventures, associates, franchises, brand licences, platform sharing or other arrangements with third parties; acquisitions and divestments of Group businesses and assets and the pursuit of new, unexpected strategic opportunities; the Group’s ability to integrate acquired business or assets; the extent of any future write-downs or impairment charges on the Group’s assets, or restructuring charges incurred as a result of an acquisition or disposition; developments in the Group’s financial condition, earnings and distributable funds and other factors that the Board takes into account in determining the level of dividends; the Group’s ability to satisfy working capital requirements; changes in foreign exchange rates; changes in the regulatory framework in which the Group operates; the impact of legal or other proceedings against the Group or other companies in the communications industry; and changes in statutory tax rates and profit mix; climate change projection risk including, for example, the evolution of climate change and its impacts, changes in the scientific assessment of climate change impacts, transition pathways and future risk exposure and limitations of climate scenario forecasts; amendments to or new ESG reporting standards, models or methodologies; changes in ESG data availability and quality which could result in revisions to reported data going forward; and climate scenarios and the models that analyse them have limitations that are sensitive to key assumptions and parameters, which are themselves subject to some uncertainty.

A review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found in the Risk Management section, pages 26 to 28 of this document. All subsequent written or oral forward-looking statements attributable to Vodafone or any member of the Vodafone Group or any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Subject to compliance with applicable law and regulations, Vodafone does not intend to update these forward-looking statements and does not undertake any obligation to do so.

The models and data reflected in the charts, graphs and diagrams contained within this transition plan may become outdated over time and may continue to evolve as methodologies and data develop. Vodafone expressly disclaims any obligation to revise or update any such models, data sources, charts, graphs, diagrams or contextual information. All such information is provided for information purposes only. Such information has not been independently verified. It does not constitute advice and is not to be relied upon for any purpose. No assurance can be given by or on behalf of Vodafone as to the reasonableness of any projections, estimates, forecasts, targets, commitments or ambitions contained within this document, or the likelihood of their achievement.

Cautionary note on ESG-related information

In preparing the ESG-related information contained in this document, we have made a number of key judgements, estimations and assumptions. The processes, methodologies and issues involved in preparing this information are complex. The ESG data, models and methodologies used are often relatively new, are rapidly evolving and are not necessarily of the same standard as those available in the context of financial and other information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. It is not possible to rely on historical data as a strong indicator of future trajectories in the case of climate change and its evolution. Outputs of models, processed data and methodologies may be affected by underlying data quality, which can be hard to assess, and we expect industry guidance, standards, market practice and regulations in this field to continue to evolve. There are also challenges faced in relation to the ability to access certain data on a timely basis and the lack of consistency and comparability between data that is available. This means the ESG-related forward-looking statements, information and targets discussed in this document carry an additional degree of inherent risk and uncertainty.

In light of uncertainty as to the nature of future policy and market response to climate change and other ESG-related issues, including between regions, and the effectiveness of any such response, and as market practice and data quality and availability develops, Vodafone may have to update the models and/or methodologies it uses, or alter its approach to ESG analysis and may be required to amend, update and recalculate its ESG disclosures and assessments in the future, its ESG ambitions, goals, commitments and/or targets or its evaluation of its progress towards its ESG ambitions, goals, commitments and/or targets. Revision to ESG data may mean it is not reconcilable or comparable year on year