



Keeping New Zealand Connected

Kia whai hononga
tonu a Aotearoa

Sustainable Business Report 2020

He pūrongo toitūtanga ā-pakihi

Sustainable Business Report 2020

Ngā Ihirangi

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He Kupu Whakataki

Introduction

I am delighted to share with you our first Sustainability Report published under our new ownership of New Zealand-based Infratil and global firm Brookfield. Together, our new owners are 100% committed to adding to our proud history and helping Vodafone New Zealand achieve even greater things for our customers and for Aotearoa New Zealand.

Our new owners understand the importance of creating sustainable, long-term value creation in order to reinvest in the future and to help create a thriving and prosperous Aotearoa New Zealand. We are excited by the opportunity of being a company which is local but which also has access to the best services offered by Vodafone Group, together with the backing of two world class investors. We are uniquely placed to offer our customers and communities the best of both worlds.

In a period of significant global uncertainty and change, our sustainability focus for this year is on the importance of our local communities and in particular playing our part in supporting those in Aotearoa New Zealand who are most in need. Our work through the Vodafone New Zealand Foundation will continue to focus on our vision to see all young people in Aotearoa New Zealand having opportunities to live the lives they value.

I hope you enjoy reading about our achievements for the year and I look forward to sharing more with you on our sustainability journey.

Juliet Jones

Legal, Regulatory and Sustainability Director,
Vodafone NZ



Te Toitūtanga ki Vodafone

Sustainability at Vodafone

At Vodafone, we're committed to creating a better future for Aotearoa New Zealand through remarkable technology that simplifies lives and businesses. Our sustainability report has this vision at its heart, and we are proud to share stories that offer insights into our key focus areas.

We are dedicated to creating a better future by caring for our environment and connecting our customers, people, networks and communities.

We are immensely grateful for our customers, our people and our community partners for providing the content of this report - by sharing their stories.

Our sustainability report prioritises and promotes the United Nations Global Goals for sustainable development. We believe that by working with others, we can achieve better collective outcomes and deliver a viable and sustainable future for our business, our customers and our communities.

Our Sustainability Goals

Vodafone's sustainability strategy is aligned with the UN Sustainable Development Goals. These are 17 interrelated goals, under which sit targets and indicators for the planet to achieve by 2030. For business, they provide a comprehensive, easily understood framework which we can align to and partner with other organisations to achieve. We know that we cannot achieve all 17, and have chosen four priority goals to focus on, which best reflect the areas we impact most, and where we can create change for Aotearoa.

8 DECENT WORK AND ECONOMIC GROWTH



Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

What it means to us

To provide a workplace where all employees are valued and productive, while contributing to sustainable and inclusive economic growth for New Zealand.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Industry, Innovation & Infrastructure

Build resilient infrastructure, promote sustainable industrialisation and foster innovation

What it means to us

To provide consistent, resilient, sustainable and leading services to New Zealanders, and be at the forefront of innovative technologies in the telecommunications sector.

11 SUSTAINABLE CITIES AND COMMUNITIES



Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable

What it means to us

To support the development of a sustainable New Zealand through increasing connections between people, and providing the technology to enhance the social and environmental wellbeing of our cities and communities.

17 PARTNERSHIPS FOR THE GOALS



Partnership for the goals

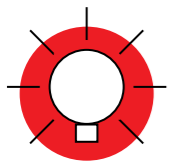
Strengthen the means of implementation and revitalize the global partnership for sustainable development

What it means to us

To work with strategic partners on complementary outcomes for the benefit of New Zealand

Connecting Aotearoa for a better future

Delivering value



Our Expertise

Harnessing Vodafone Group and our experience of 20 years of connecting New Zealanders



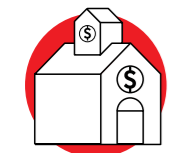
Our Networks

Connecting via fibre, wireless, digital and retail channels and partners



Our Relationships

With customers, agencies, communities and suppliers, nationally and internationally



Our Finances

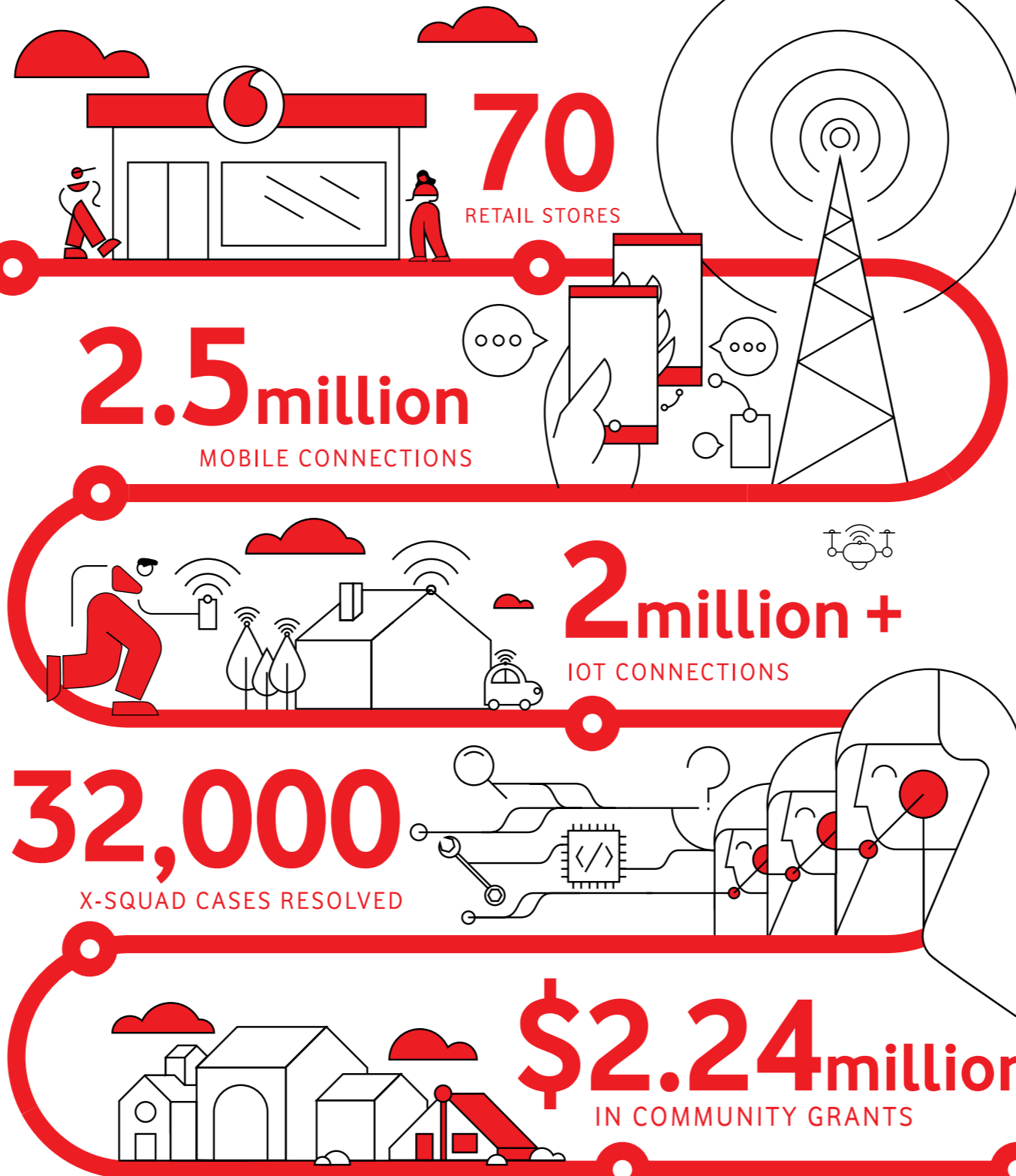
Our balance sheet, revenues and ability to borrow



Our Environment

The natural resources we use such as land, water and raw materials

Our business



Value we create



Our Customers

Exceeding customer expectations, while giving customers choice and control over their connectivity needs



Our People

Developing a proud, committed and capable workforce



Our Networks

Providing safe, reliable, resilient, affordable and future-ready telecommunication networks



Our Communities

Supporting strong communities and partnerships through the Vodafone New Zealand Foundation



Our Environment

Enabling a low carbon economy through technology



Our Future

Accelerating NZ's digital transition through innovation, digital and engineering know-how

Connecting our Customers

Our customer service teams have been helping to keep our customers connected through lockdown.

In 2020, our customers spoke and we listened. They asked us for a big improvement in our customer experience, so we set up the X-Squad, a specialist team of technical customer service experts who have been handpicked for their people skills and their ability to solve complex problems with radical simplicity. Once customers are transferred to the X-Squad, they receive dedicated case management all the way through to a fix and the X-Squad actively monitor for systemic problems, feeding insights into the business so we can action root cause fixes.

Our X-Squad managers have closed cases across our business, resolving everything from TV connectivity issues and billing concerns, to enabling compassionate reconnections, all with empathy, understanding and an unflappable sense of calm. **Since X-Squad was created in October, they've closed more than 32,000 cases, helping everyday Kiwis get better outcomes from their Vodafone products and services.**

When Covid-19 forced us into lockdown in March, a number of Vodafone customers were impacted, especially those who had planned to move home during this time. One of our elderly customers in Oamaru was due to move but was delayed because of lockdown. She had already completed all the necessary relocation forms, and her services had been transferred to her new address, leaving her without a phone or internet connection. The local policeman found out, and reached out to us to ask for help at 8pm that night. The X-Squad kicked into gear and by 10.30pm our customer was reconnected. An amazing feat to achieve in an unknown circumstance, showcasing the true Vodafone spirit through our X-Squad.



RELEVANT SDG

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



32,000 +
cases resolved

\$10 million
invested



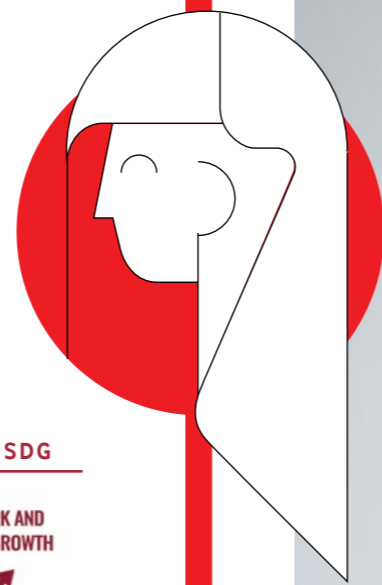
Connecting our People

At Vodafone we recognise that the diversity of our customers must be reflected in the diversity of our people, and we believe that our inherent open-mindedness fuels our ability to create and innovate.

Christina Magan started working at Vodafone 10 years ago, in one of our retail stores. She is now a National Acquisition Sales Manager and the Head of Mana Wāhine, a volunteer network that wants to make a difference for women at Vodafone and beyond. The name Mana Wāhine was chosen to incorporate the importance and standing of women in Te Ao Māori, values we wish to live by within Vodafone.

“Vodafone has a focus on recruiting, developing and retaining amazing wāhine, and I am proud to work for a company that is committed to making a difference and to continuously improving. The Mana Wāhine network is here to support Vodafone’s gender equity ambitions. We want women to understand their worth and men to know the importance of being an ally. From panel discussions to educational events we focus on encouraging open and candid conversations sharing people’s experiences, knowledge and tools to support better outcomes.

“I’m proud of all we’ve achieved so far and our continued focus on pay equity and gender balance across the business. Externally, we want to expand the discussion to include other corporates and build awareness around intersectional feminism. **Our overall aim is for women to feel supported and understood, for men to feel empowered to lean in to the conversation and dig deep into the power and strength of feminism.** The day we no longer have to talk about these issues is the day our work is done. Until then, we will continue on with our mission. We have the opportunity to step up and create further positive change within our company, for our people, our communities and our customers.”



RELEVANT SDG

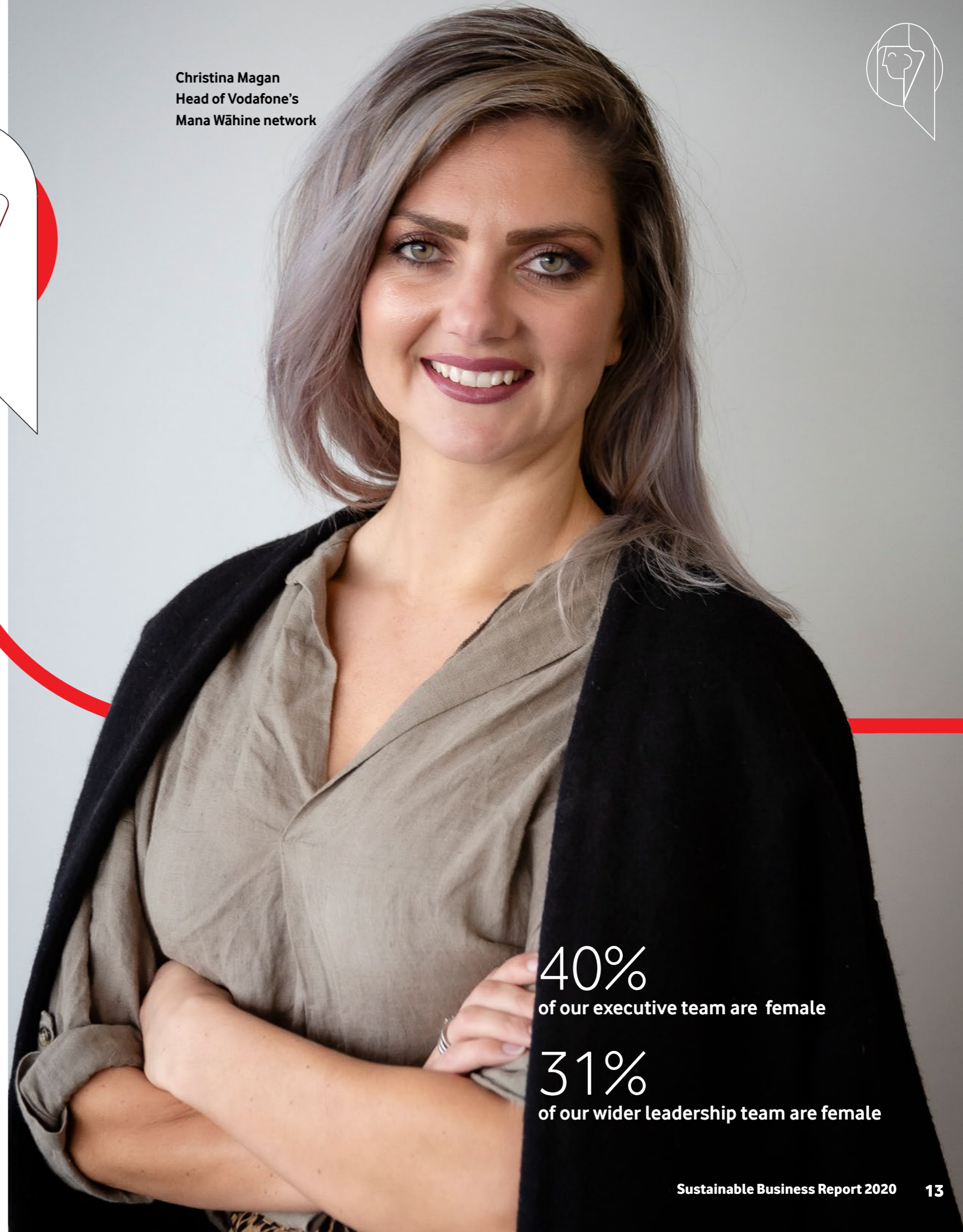
8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



Christina Magan
Head of Vodafone’s
Mana Wāhine network



40%
of our executive team are female

31%
of our wider leadership team are female



Ngā Whatunga

Connecting our Networks

Utilising extended range radio technology and a smartphone app, Vodafone is helping Punakaiki to revitalise birdlife on the West Coast.

Punakaiki is one of the most beautiful places in Aotearoa, featuring wild West Coast beaches, incredible geological formations - and a disturbing lack of birdlife due to an increasing predator population. To eradicate these predators and help create a native bird sanctuary, Predator Free Punakaiki turned to Vodafone's Narrow Band Internet of Things (NB-IoT) network which uses extended range, low powered radio technology and a well-regarded trapping system from Europe, MinkPolice.

This innovative IoT pest control system places a SIM card in each trap, using Vodafone's NB-IoT network technology to monitor trap activity and send updates to a smartphone app. Predator Free Punakaiki is seeing improvements across the board since the system was installed. Instead of spending weeks manually checking traps, volunteers receive a smartphone alert to let them know when a trap has been activated, increasing volunteer satisfaction and improving efficiency. This increased efficiency means more predators can be captured and volunteers can spend more time deploying traps in remote areas, safe in the knowledge that connectivity will be reliable.

"Checking traps used to be laborious and time-consuming, now it's not. The MinkPolice technology saves heaps of time and provides our volunteers with accurate and valuable data.

"To reach our goal of becoming predator free by 2050, we have to embrace technology and connectivity. We are fortunate to have Vodafone working alongside us to help make this vision a reality. With their help, we'll move towards 5G applications in the future, which will open up even more opportunities."

RELEVANT SDG

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



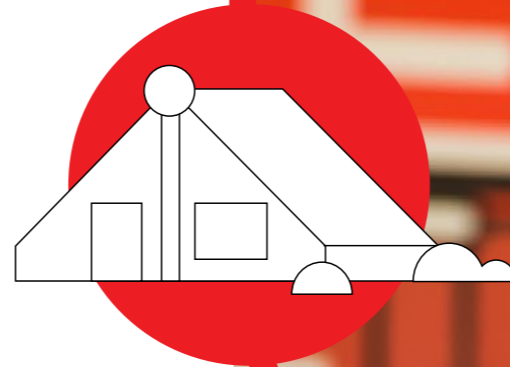
2.5 million +
mobile connections

2 million +
IoT connections



Elliot Taylor
ZEAL

Connecting our Communities



Through partnership with the Vodafone New Zealand Foundation, community organisation Zeal have been able to deliver life changing support to rangatahi experiencing mental health challenges and distress online.

Zeal's Online Crisis Intervention service takes meaningful help to young people where they are. Developed in response to New Zealand's escalating mental health crisis, particularly among our young people, Zeal developed technology to identify Instagram users who are posting about their mental distress. These posts are identified, triaged and sent to a group of highly trained volunteers who reach out to those who are considered at risk, offering them support, solace and connection to services that can provide them with long-term support.

Over the last 12 months, Zeal's trained volunteers have been in contact with almost 5,000 Instagram users, across 52 countries, with 93.6% of users reporting that they were "feeling better" after the interactions.

Zeal is just one of the community organisations supported by the Vodafone New Zealand Foundation. In the past 12 months, our foundation has invested more than \$2.3 million in charitable projects across Aotearoa and supported Vodafone staff to engage their generosity through volunteering and fundraising events.

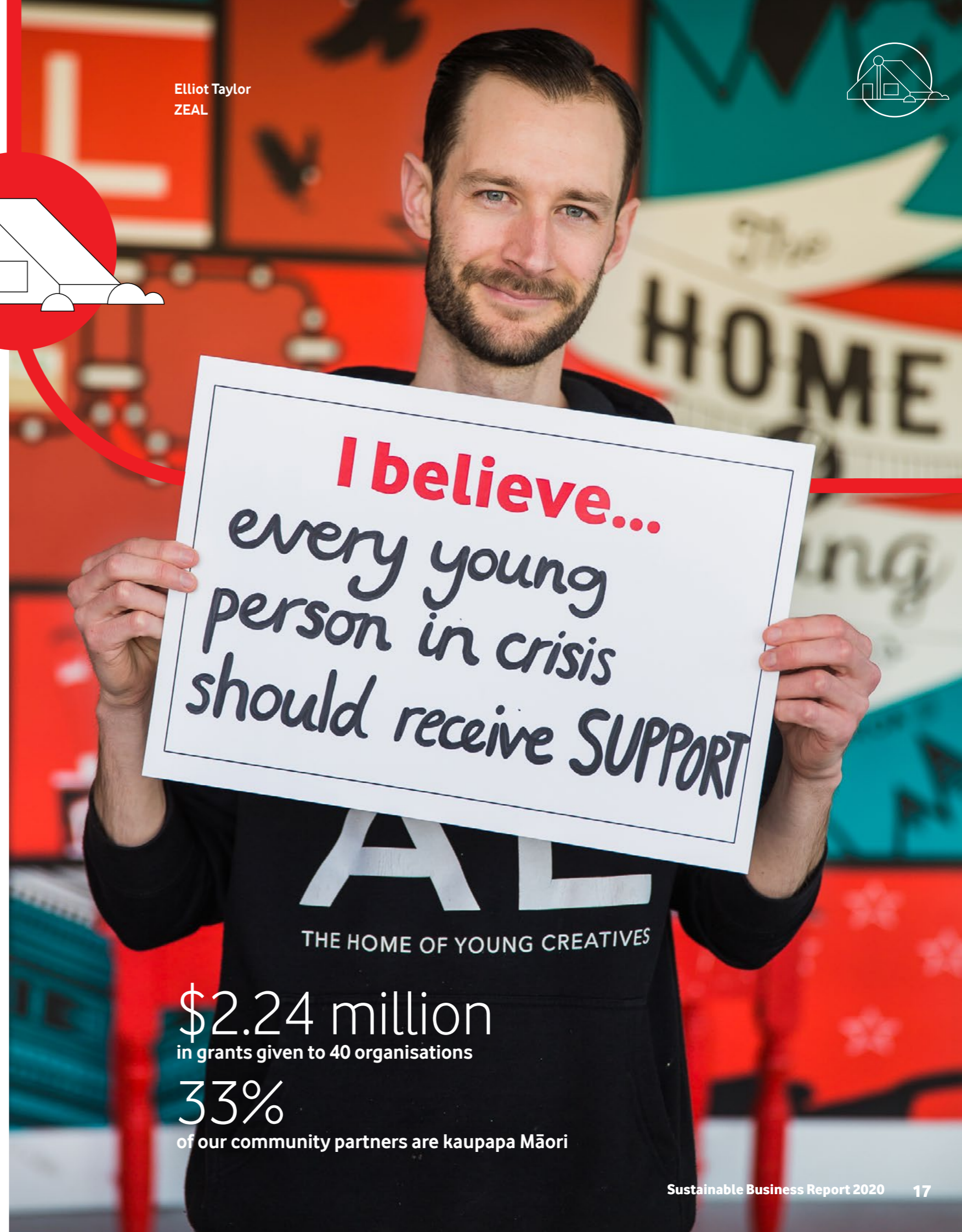
The Vodafone New Zealand Foundation has an ambitious goal of halving the number of excluded and disadvantaged young people in Aotearoa by 2027. We believe that by leveraging the power of Vodafone we can work with rangatahi to create truly transformative change.

RELEVANT SDG

11 SUSTAINABLE CITIES AND COMMUNITIES

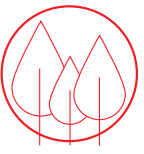


17 PARTNERSHIPS FOR THE GOALS

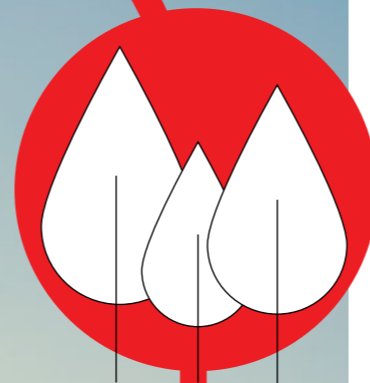


\$2.24 million
in grants given to 40 organisations

33%
of our community partners are kaupapa Māori



Ngā Taiao



Connecting our Environment

We believe that communications technology plays a significant role in enabling a low carbon economy. Vodafone is committed to powering innovation that can reduce our collective carbon footprint and bring wider community, social and economic benefits.

Our aim is to reduce the environmental impact of our products and services and help our customers make more sustainable choices.

Over 60% of our emissions are from electricity, which is why we are focused on reducing our electricity usage by 10% over the next three years. Sharina Nisha, Head of Platforms, explains:

“We are seeing a continual increase in data usage, as New Zealanders use more digital methods to communicate with each other and consume content such as online streaming. As this happens, we are working on a range of initiatives to upgrade our network technology, to deliver an overall reduction in electricity and energy use in our network operations. While 5G will result in large increases in data use, because of the efficiencies built into the newer technologies, and as we migrate away from older 2G and 3G networks, we will ultimately reduce our energy consumption in our core network.”

This year we have achieved a 1.5% reduction in overall corporate emissions and we are determined to demonstrate improvements into the future.

RELEVANT SDG

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

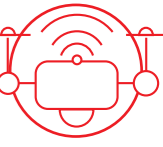


11 SUSTAINABLE CITIES AND COMMUNITIES



12,832
CO2-e tonnes in 2019

1.5%
reduction in overall corporate emissions



Ngā Āpōpō

When compared to 4G , 5G speeds can be up to
5-10 times faster

Latency on 5G reduced to under
20 milliseconds



Connecting our Futures

The power of 5G is enabling New Zealand Police to create safer futures for our communities.

In December 2019 we launched New Zealand's first 5G network, technology that has the potential to radically change the future of business - and policing - in Aotearoa New Zealand. The network enables bigger capacity, greater speed, enhanced intelligence and increased immediacy over our 4G network. With 5G, business possibilities are virtually endless. For the New Zealand Police this means faster response times, more effective use of resources, and a lower impact on our communities.

The Police are testing 5G drones, developed by Vodafone, in partnership with Smudge, over the 5G network to use real-time video which, when deployed, will help them to get a better view and make the streets safer for everyone. Officers could then send a drone out, and view a scene in ultra-high definition from their smartphones, and use infrared or thermal imaging for a better view to help them find what they are looking for 5G connectivity means that the drone can be flown with micro-precision, and the 4K live-feed shared with officers both on the ground and at the control centre. The ultimate goal will be to enable officers to see where their colleagues are in real-time, enabling a faster response time, helping them co-ordinate to survey a scene or control a crowd, all with minimum noise and disruption to the public.

The drones won't have limited battery-life either, as they could tether to a patrol car for power, then used to give instant 4G or 5G coverage in remote areas to help search and rescue operations. They would likely also enable 3D imaging of a crash scene, helping to reduce road closure times during an investigation.

The drone system, powered by 5G, will be like having a police helicopter available on demand, but at a fraction of the cost and is helping the Police to make Aotearoa New Zealand a safer place for everyone. The future is exciting.

RELEVANT SDG

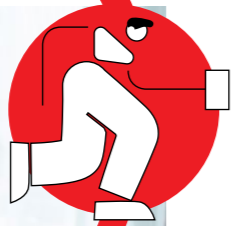
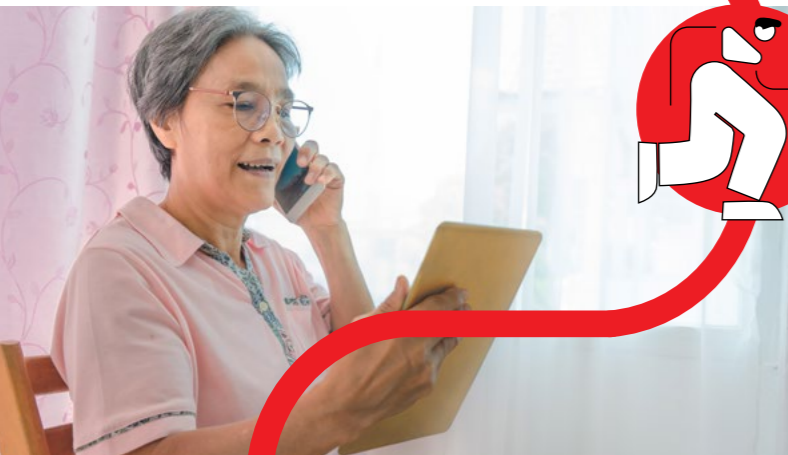
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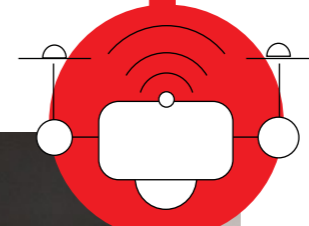
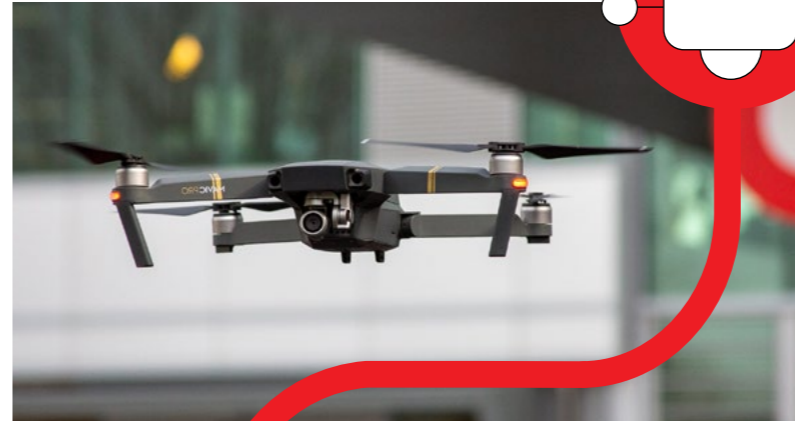
Keeping NZ connected



Connecting our customers

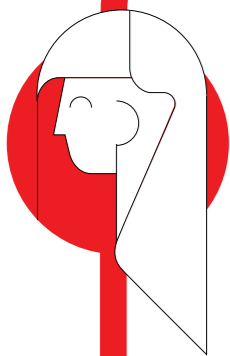
32,000 +
cases resolved

\$10 million
invested



Connecting our futures

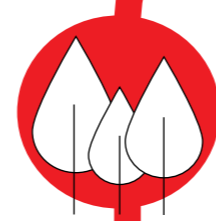
When compared to 4G, 5G speeds can be up to
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Latency on 5G reduced to under
20 milliseconds



Connecting our people

40%
of our executive team are female

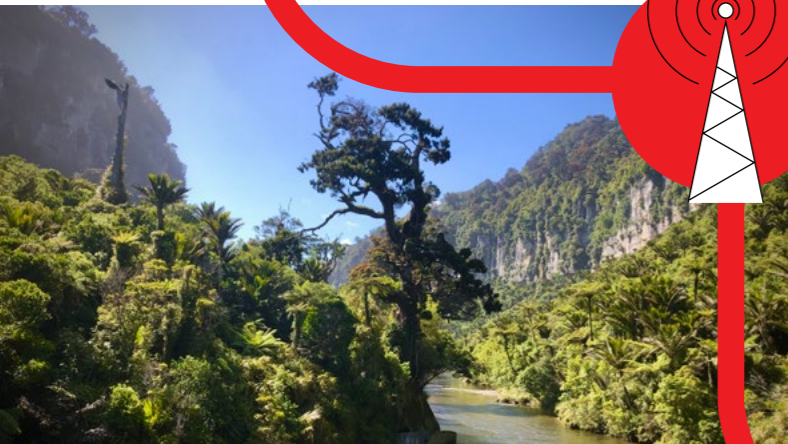
31%
of our wider leadership team are female



Connecting with our environment

12,832
CO2-e tonnes in 2019

1.5%
reduction in overall corporate emissions



Connecting our networks

2.5 million +
mobile connections

2 million +
IoT connections



Connecting our communities

\$2.3 million +
in grants given to 40 organisations

33%
our community partners are kaupapa Māori



Te aro ki tua

The focus for the future

At Vodafone New Zealand we have a vision of an Aotearoa New Zealand where everyone thrives with access to the world's best digital services.

Our focus moving into the new financial year has this vision at its heart, and will see us develop sustainability goals and targets specific to Aotearoa New Zealand's culture, community and business context.

Our key priority areas include embedding the principles of Te Tiriti o Waitangi across the Vodafone business. Over the next year we will be focused on uplifting our organisational culture and capability to build better understanding and practise when using te reo and engaging in te ao Māori. We will be using the skills and capability of the business to support the goals of the Vodafone Foundation, delivering positive outcomes to the rangitahi of Aotearoa. And we will use the power of Vodafone technology to contribute to the sustainability and resilience of our customers and their communities.

As we write this report, the global and local landscape is in flux. The Covid 19 pandemic is forcing all of us to embrace uncertainty and flexibility. It's difficult to predict what the future will look like, but we do know that digital connectivity will be more important than ever. **Vodafone New Zealand remains committed to delivering a viable and sustainable future for our business, customers and communities.**

vodafone

Kia whai hononga tonu a Aotearoa

Keeping New Zealand
Connected

He pūrongo toitūtanga ā-pakihi

 vodafone