

## Funding Update as at 31 March 2021

The Vodafone Group Pension Scheme (the Scheme) consists of two Sections: Vodafone Section and the Cable and Wireless Worldwide (CWW) Section.

Every three years, the Scheme Actuary carries out a full actuarial valuation of the Scheme's assets and liabilities. We like to think of this as a 'health check' of the Scheme's finances. Between each triannual valuation, the Scheme Actuary produces an 'actuarial report' which is an approximate update of the Scheme's funding position based on the assumptions used at the last actuarial valuation.

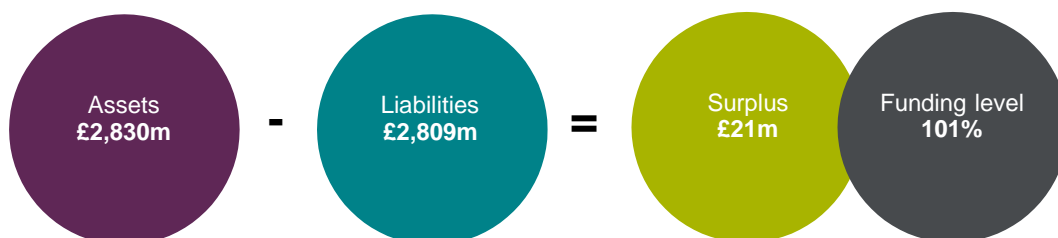
The most recent actuarial valuation of the Scheme (as at 31 March 2019) was completed in 2020. The Scheme Actuary has also produced actuarial reports as at 31 March 2020 and 31 March 2021.

In these calculations, the Scheme Actuary has assumed that the Scheme will continue to be run in the same way as it is currently, known as an 'ongoing basis'.

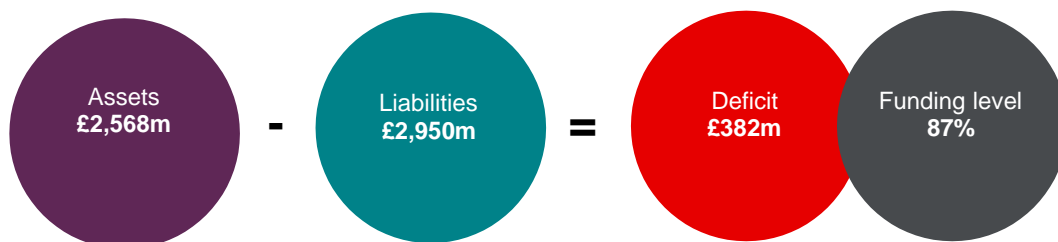
Below, we've summarised the funding position from the latest actuarial report as at 31 March 2021 and have included the 31 March 2020 actuarial report to show how the position has changed.

### Vodafone section

31 March 2021 (actuarial report)



31 March 2020 (actuarial report)



The impact of Covid-19 caused disruption to economic activity and fluctuations in global markets, resulting in a reduction in the funding level as at 31 March 2020 compared to the 31 March 2019 position (which showed a funding level of 94%). As at 31 March 2021, an improvement in global market conditions and positive returns on assets over and above what was expected, coupled with the funding payment made by the Company (details outlined in 'The Company's ongoing support' section below) resulted in the funding level materially improving to 101% with a small surplus.

The Scheme Actuary also carried out a valuation on the basis that the Vodafone Section wound up on 31 March 2019. The funding level on this basis (known as the discontinuance funding level) was 65%, a deficit of £1,377m. The Trustee is required by law to include this information. It does not mean that there are plans to wind up the Vodafone Section.

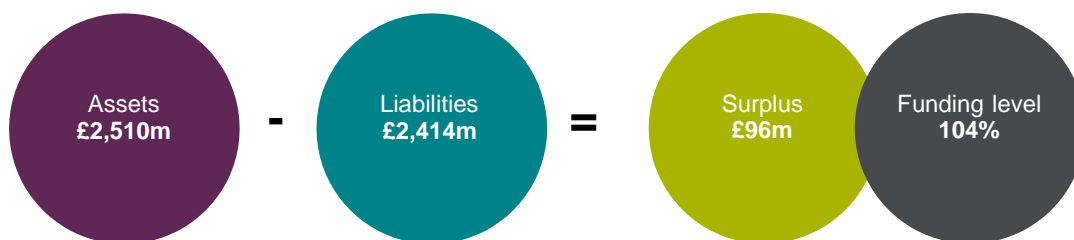
#### Jargon buster

**Liabilities** – an estimate of the amount the Scheme needs to pay in benefits to members, both now and in the future.

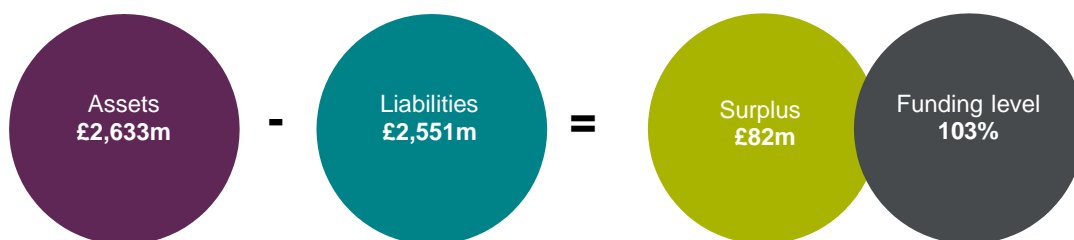
**Assets** – the value of the Scheme's investments and monies held to pay benefits to members.

# CWW Section

31 March 2021 (actuarial report)



31 March 2020 (actuarial report)



The CWW Section is less susceptible to changes in markets compared to the Vodafone Section and therefore the impact of Covid-19 on global markets had less of an impact on the funding level as at 31 March 2020 which reduced by one percent from the 31 March 2019 position. As a result, the recovery of markets from Covid-19 also had a lesser impact on the CWW Section, and as at 31 March 2021, the funding level had returned to the levels seen at the actuarial valuation date which showed a funding level of 104%.

The Scheme Actuary also carried out a valuation on the basis that the CWW Section wound up on 31 March 2019. The funding level on this basis (known as the discontinuance funding level) was 79%, a deficit of £678m. The Trustee is required by law to include this information. It does not mean that there are plans to wind up the CWW Section.

## The Company's ongoing support

As part of the actuarial valuation as at 31 March 2019, the Trustee and the Company agreed a recovery plan and a schedule of contributions, which detailed the payment the Company made to the Vodafone Section to improve the funding level and address the shortfall. As the CWW Section was in surplus at the valuation date, the Company was not required to agree a recovery plan or pay any contributions.

The Company made a payment of £80.06m million into the Vodafone Section in September 2020 which was used to purchase an insurance policy supporting part of the pensioner liabilities.

The Company remains committed to supporting the Scheme.

## Future valuations

The Scheme's next full actuarial valuation for both Sections will be as at 31 March 2022 with results expected by 30 June 2023.

The Pensions Regulator has not needed to use its powers to change the Scheme, give direction on working out its funding target, or impose contribution rates on the Scheme.

We are also required to inform you whether a payment has been made to the employer, as permitted under the Pensions Act 1995, since we last sent you a summary funding statement. We can confirm that no such payment has been made.

Some things you should know if the Scheme were to wind up:

It is not intended or expected that the Scheme will wind up in the foreseeable future. However, if the Scheme were to discontinue, the Company would have to pay enough money into the Scheme to secure all members' benefits through an insurance company. If the Company didn't have enough money to secure benefits in full, and the Scheme was eligible, the Pension Protection Fund would take over the Scheme and pay compensation to members, up to a limit that would be determined by the PPF should this happen. Information about the compensation provided by the Pension Protection Fund can be found on its website: [www.pensionprotectionfund.org.uk](http://www.pensionprotectionfund.org.uk)

## Useful information

### **Beware of scammers!**

Scammers are targeting pension savings of all sizes – make sure you know how to spot the signs. Find out more information by visiting the [scams information page](#) on the Vodafone pensions website.

### **Going digital**

Don't forget that you have access to information about your VGPS pension via your [online ePA account](#). Once you log in, you can view details of your pension and make changes to your personal details. We are gradually introducing additional functionality to enable you to fully manage your VGPS pension online. [Log in now](#). If you have problems logging in, contact [vodafonepensions@willistowerswatson.com](mailto:vodafonepensions@willistowerswatson.com).

### **Your beneficiaries**

It is important to keep your VGPS pension nomination of beneficiaries up to date. It will make it simpler and quicker for the VGPS Trustees to make the payment of any discretionary benefits due to your beneficiaries in the event of your death. You can change your nomination of beneficiaries by logging in to your [online ePA account](#).