Vodacom Mozambique

Environmental, Social and Governance Snapshot

For the year ended 31 March 2024

Further together

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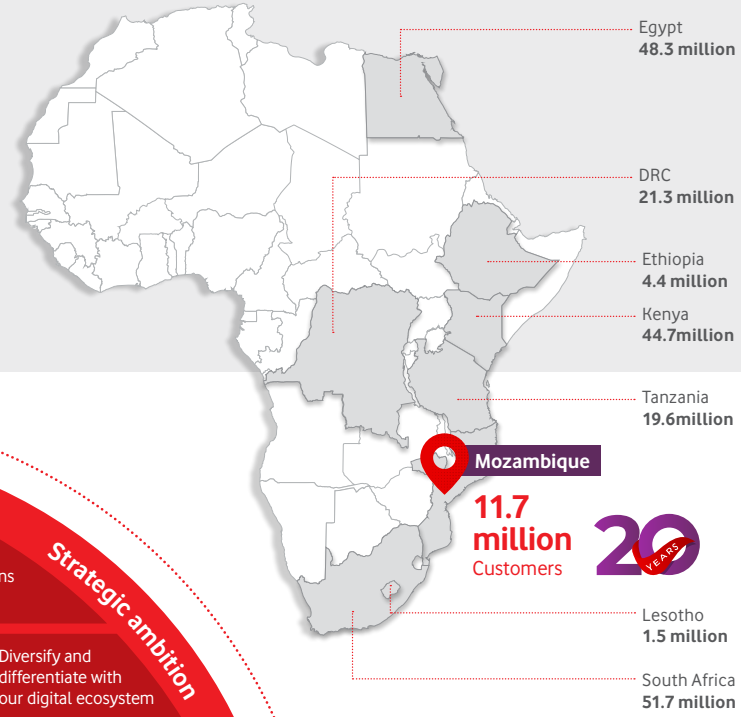
Vodacom is a leading and purpose-driven African connectivity, digital and fintech operator. The Group serves 203.1 million[1] customers across consumer and enterprise segments in Africa with 11.7 million in Mozambique.



Our approach to ESG

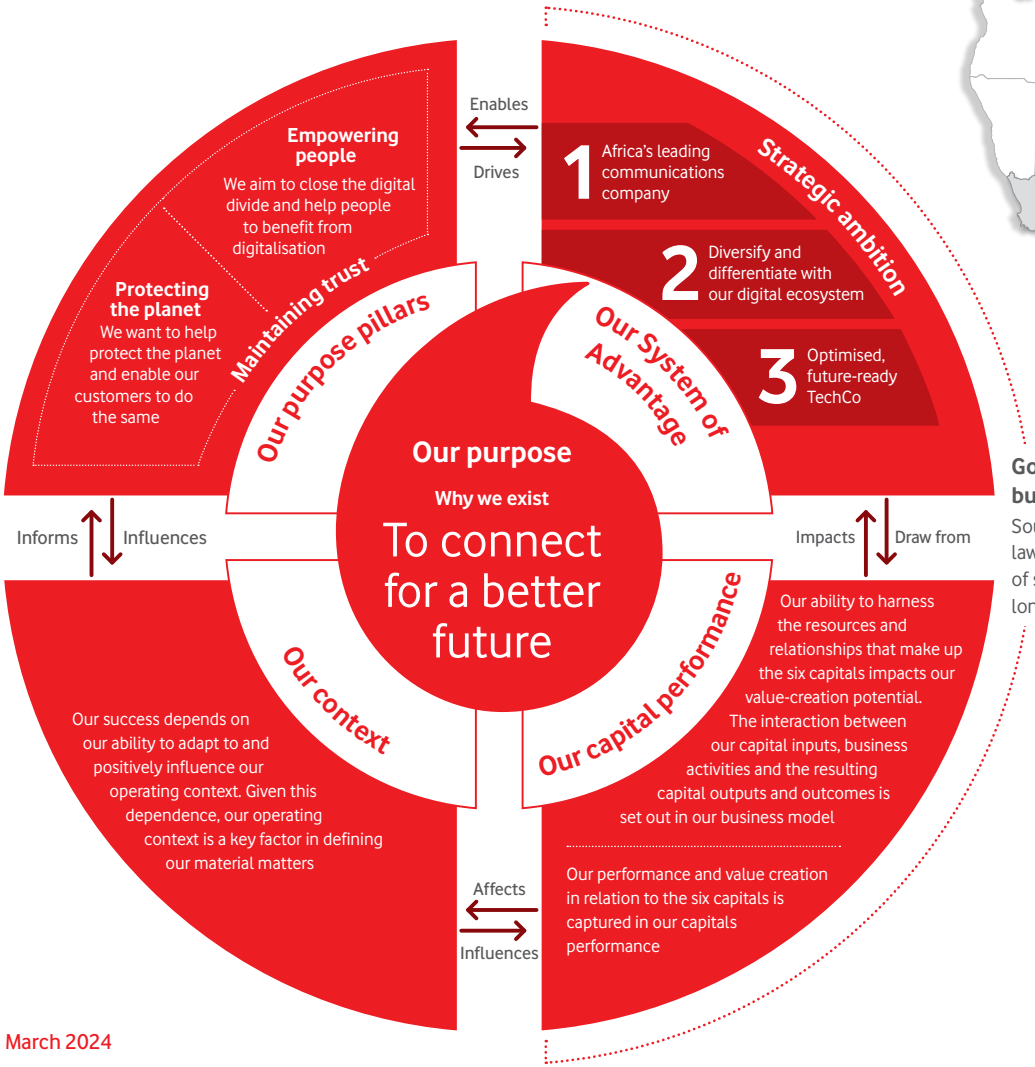
Vodacom's purpose – connecting for a better future – means using our products and services to enable individuals and enterprises to thrive. Our powerful, multi-product strategy – the System of Advantage – enables us to deliver our targets across two purpose pillars.

By delivering against our purpose, we aim to produce profitable solutions to challenges faced by society and the planet, and to identify and avoid those that have negative impacts. We strive to minimise the negative environmental impacts arising from our operations and seek ways to support our customers in managing their environmental impacts.

Our Social Contract, guided by the principles of trust, fairness, and leadership, serves to activate and accelerate our purpose initiatives.

Operating responsibly is essential to long-term sustainability and cultivating trust with our stakeholders. This means acting honestly, with integrity and maintaining robust ethics, governance and risk management processes.

Read more about our **ESG framework** on **Page 04**



Governance oversight and responsible business practices

Sound governance and acting ethically, lawfully and with integrity form a critical part of sustainable value creation and our long-term success.

ESG Read more about our detailed **ESG approach and performance** in the Vodacom Group ESG report.

IR Read more about our **strategy, context and capitals performance** in the Vodacom Group integrated report.

GOV Read more about our **governance principles and practices** in the Vodacom Group corporate governance report.

1 Including Safaricom.

A message from the CEO

Simon Karikari

As I reflect on the past year, I am filled with pride for Vodacom Mozambique's resilience and significant achievements despite the global and local challenges we faced. Our commitment to operational excellence and sustainable practices, along with the dedication of our team and the strong support from our shareholders, has allowed us to overcome adversity and come out stronger.

"We will continue to invest in our people, customers, and partners to drive innovation and growth, and to build trust through simple, honest propositions and an unparalleled customer experience."

There are many reasons to celebrate. The milestones we have reached are the outcome of a collective effort that never ceases to humble and honour me. To lead a company with such talent and devotion – as celebrated in our first ever Spirit Awards gala – is a privilege that I do not take for granted. The Number One Top Employer certification that we received is living proof of how much we care, our enabling and protecting employee value proposition, and all the efforts we make to always put our people first.

As we celebrated the 20th anniversary of Vodacom Mozambique, the 10th anniversary of M-Pesa, and the newly incorporated Vodacom Mozambique Foundation, this has been a moment to reflect on our ambitions, how we want to continue contributing to the country's sustainable development and lead the way to a greener and healthier future. Being a purpose-led company, we remain steadfast in our journey to contribute to a digital society that is inclusive and sustainable, and leaves no one behind.

From a massive deployment of 4G enabled rural sites, powered by solar; to the launch of Pouko Pouko, a device financing scheme that allows our customers to pay for their phones, airtime and data bundles in small instalments; to the consistent increase in the number of M-Pesa merchants; and to the 148 public schools that now have free connectivity – we continue to strive to find solutions that meet the evolving needs of our society.

Our investments and new partnerships highlight our focus on inclusive solutions, such as M-Pesa digital insurance products, banking partnerships to support our suppliers, and scholarships for Code Like a Girl alumni, all aimed at creating and fostering digital and financial inclusion.

We maintained our dedication to responsible and sustainable business practices. Achieving the ISO 50001 certification in energy management, after two years of dedicated effort, underscores our commitment to environmental sustainability and improving our operational and financial performance. Being among the few companies in Mozambique, and certainly the only one in our sector, to achieve this certification, places us in a position of leadership and responsibility.

Looking forward, I am confident in our ability to face upcoming opportunities and challenges with strength and passion. With continued strong growth forecast for the Mozambican economy, driven by the extractive and agricultural sectors, we have laid a solid foundation for future success. We remain committed to being a force for good, serving this country and its people, and fostering progress and prosperity.

We will continue to invest in our people, customers and partners to drive innovation and growth, and to build trust through simple, honest propositions and an unparalleled customer experience. We are dedicated to creating shared value for all our stakeholders and making a positive impact in Africa and beyond.

Thank you for your trust in Vodacom Mozambique. I wish you an enjoyable read.

Committed to Mozambique

Vodacom Mozambique began operations in December 2003.

Our main objective was, and continues to be, to offer a high-quality, reliable mobile network. Today, we reach 11.7 million customers and employ over 1 900 people. Our purpose is to support local growth and development through technological solutions.

We are committed to providing solutions that contribute to Mozambique's priority national development ambitions, including financial inclusion, rural communications, employment, education and health.

Population[1]
33.9 million
2030 40.9 million

Nominal GDP per capita[2]
665 US$
2030 1 382 US$

Mozambique's digital profile

55.0% mobile connection penetration[3]

38.6% of the population are financial institution account holders[3]

4.9% of the population made an online purchase using mobile phone or internet[3]

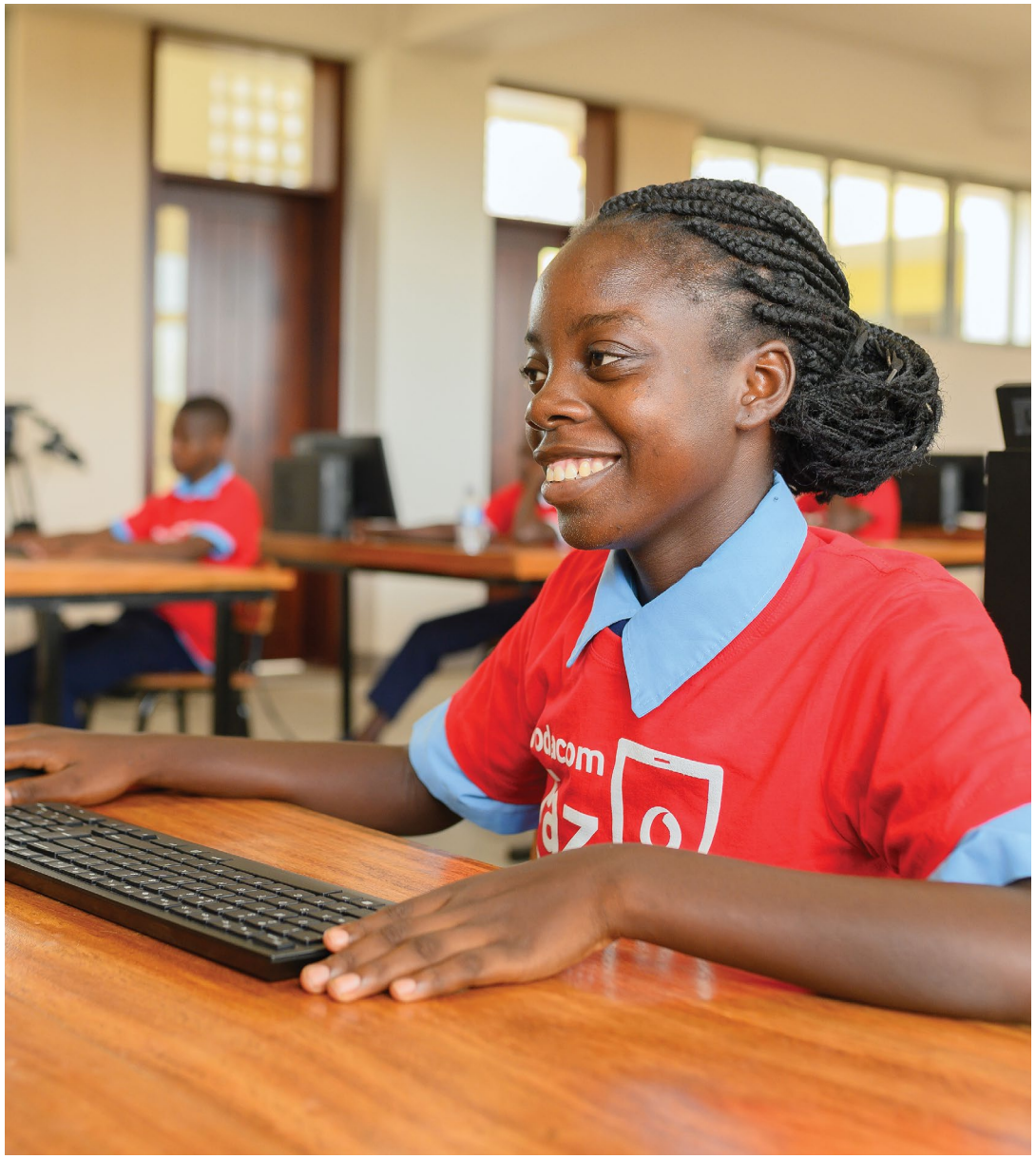
29.4% of the population have a mobile money account linked directly to a phone number[3]

23.7% smartphone penetration[4]

23.2% individual internet penetration[3]

18.3% penetration (age 18+)[3]

18.3% gender gap in mobile ownership[5]



1 UN, BMI.
2 INE, BMI.
3 DataReportal, 2023.
4 GSMA, 2024.
5 Economist Intelligence Unit, 2021.

Our ESG framework

Vodacom exists to connect for a better future. We recognise that to deliver on this purpose, ESG must be integrated into what we do.

ESG is not a distinct strategy or set of activities separate from our daily management of the business; it is embedded into Vodacom's purpose-led strategy, business model and activities through priority ESG initiatives.

Our purpose-led strategy serves as our ESG framework, driving the Group to manage ESG risks and deliver positive impact through ESG-related opportunities, considering our operating context, stakeholder expectations and developing ESG regulations and standards.

This strategy – which at its core remains connecting for a better future by enabling a trusted digital society that is inclusive and sustainable – has evolved to focus on empowering people and protecting the planet. This is underpinned by our commitment to maintaining trust in everything we do.

We have defined ESG goals linked to local and global ambitions, such as local government development plans and UN Sustainable Development Goals. Through our progress on these goals, we demonstrate tangible value to stakeholders and fulfil evolving ESG regulations and standards in the business environment. This deep integration ensures our relevance and impact, cultivates trust with stakeholders and helps us deliver on our purpose.

Transparency and measurement

Transparency is essential to our ESG approach and we seek to provide comprehensive disclosure and measure our ESG progress using multiple mechanisms such as reputation tracking and stakeholder feedback.

Connecting for a better future

We enable an inclusive, sustainable and trusted digital society where individuals and businesses can thrive

Empowering people

We aim to close the digital divide and help people benefit from digitalisation.

Closing the digital divide
Extending our network and making connectivity more accessible to all.

Empowering our customers
Providing products and services to help address societal challenges, increase productivity and enable SMEs to thrive.

Supporting communities
Supporting the digitalisation of education and leveraging technology to address gender-based violence (GBV) and assist people with disabilities.

Protecting the planet

We want to help protect the planet and enable our customers to do the same.

Responding to climate change
Committing to a low-carbon future and playing our part in addressing the climate crisis.

Delivering net zero operations (scope 1 and 2 GHG emissions)
Increasing our efficiencies to reduce energy consumption and sourcing alternative energy to reduce our GHG emissions.

Managing scope 3 GHG emissions
Engaging our supply chain to reduce indirect GHG emissions.

Driving circularity
Following a circular approach to reuse, resell and recycle resources to reduce waste in our product and service ecosystem.

Supporting biodiversity
Understanding and managing our biodiversity impact while collaborating with partners to minimise loss through technology solutions.

Maintaining trust

Doing business ethically

Ensuring that our business operates ethically, lawfully and with integrity wherever we operate.

Promoting ethical conduct
Holding our employees, business partners, and supplier to a high standard of integrity.

Complying with policy
Complying with the relevant laws, evolving regulations and policies across our operations including our zero-tolerance policy on bribery and corruption.

Developing our employees

Developing a diverse and inclusive workforce that reflects the customers and societies we serve.

Fostering workplace equality
Removing barriers to workplace equality and accelerating transformation.

Developing employee skills
Developing diverse, future-capable talent and skills to support our transformation into a new-generation connectivity and digital services provider.

Living the Spirit of Vodacom
Creating a workplace culture where people feel empowered to thrive and positively impact their careers.

Protecting privacy and data

Maintaining customer's trust in our ability to protect their data.

Managing data privacy
Respecting the privacy rights and preferences of our customers and help improve society through the responsible use of data.

Managing cyber security
Prioritising cyber and information security across everything we do.

Protecting people

Protecting the fundamental rights of our customers, employees and communities where we operate.

Managing health and safety
Creating a safe working environment for everyone working for and on behalf of Vodacom and the communities we operate in.

Respecting human rights
Respecting, protecting and remedying human rights, while supporting socioeconomic development.

Promoting responsible and inclusive procurement

Managing relationships with our direct suppliers and evaluating their commitments to consider social, environmental and ethical impacts when sourcing good and services.

Managing our supply chain
Ensuring safe and fair working conditions, and responsibly managing environmental and social issues across our supply chains.

Supporting local economic development
Supporting local enterprises for economic empowerment and the creation of employment and socioeconomic development opportunities.

FY2024 snapshot

Empowering people

127
New rural connectivity sites (FY2023: 173)

2.3 million
ConnectU unique visitors

253 186
Boa Internet visitors (FY2023: 473 251)

1 802
entrepreneurs trained by Orange Corners

745 000
secondary school students and teachers reached through education programmes

71 148
Instant Network Schools (INS) pupil beneficiaries and 1 465 teachers since inception

2 451 943
Vodacom Foundation beneficiaries (FY2023: 3 215 846)

72 000
Affordable devices financed through Pouko Pouko device financing scheme

1 700
Code Like a Girl trainees since inception of which 1 013 were trained in FY2024

Free Wi-Fi internet access initiative launched with the regulatory authority, the National Communications Institute of Mozambique, and the Maputo City Council

300 000
Mum & Baby subscribers since launch

6.2 million
beneficiaries of Goodbye Malaria since inception

996
employee volunteer hours (FY2023: 1 600)

Protecting the planet

Humanitarian assistance extended to over
20 000
people in the wake of Cyclone Freddy

ISO 50001
certified for energy management

901 580kWh
saved through energy efficiency initiatives (FY2023: 460 980 kWh)

Lithium batteries installed at
237
sites (FY2023: 186 sites)

1 630
smart meters installed

106
new solar powered sites (FY2023: 160)

217 968
households with MySol systems (FY2023: 140 000)

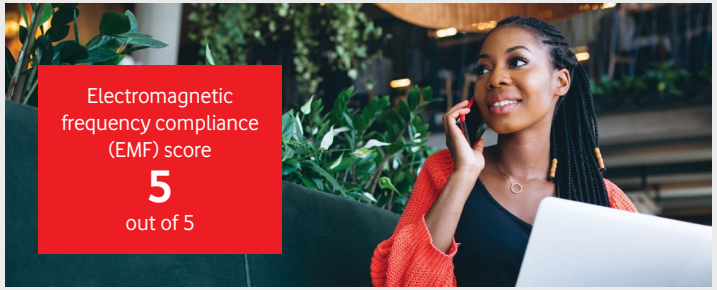
Maintaining trust

100%
of employees completed assigned health and safety, and privacy training

99%
of employees completed assigned code of conduct, anti-bribery and corruption and security training

Certified as Mozambique's
number one Top Employer
by the Top Employer Institute

MZN491 million
Local supply chain finance issued in partnership with Absa and First National Bank



Empowering people

We seek to ensure no one is left behind. We believe in the power of connectivity and digital services to strengthen economic resilience.

Mobile technology provides billions of people with their primary means of communication, access to the internet and many life-enhancing educational, healthcare and financial services.

Connectivity is the cornerstone of the digital economy and a catalyst for transformation across multiple sectors. Improvements in mobile connectivity correlate to greater progress towards meeting the SDGs[1]. Since 2015, the mobile industry has increased its impact on the 17 SDGs[1].

We create digital societies by continuously developing our fixed and mobile network, relevant platforms and services, and supporting innovative, impactful projects and programmes.

Certain sectors, such as education, agriculture and healthcare, are critical for societies and economies to function. We support critical sectors by providing connectivity and platforms to drive impact at scale.

We acknowledge the significant digital divide in Africa and believe that for a digital society to flourish, it must be inclusive. We develop innovative solutions to support an equal and inclusive society, supported by the Foundation, most notably in education, skills development, and gender and disability empowerment programmes.

Our people focus areas include:

1 Closing the digital divide	2 Empowering our customers	3 Supporting communities
3 892 465 female customers (FY2023: 3 853 666)	**44 949** merchants accepting M-Pesa payments (FY2023: 25 218)	**19** INS centres and **71 148** pupil beneficiaries

1 Closing the digital divide

Internet access is transformational and empowers people to contribute to society and connect meaningfully. Connectivity is the foundation of inclusion, empowerment and opportunity. We connect people, enterprises and communities through our mobile and fixed networks.

Increased 4G connectivity drives economic participation. Enhanced connectivity has macro and microeconomic benefits, including reducing poverty and increasing welfare for underserved populations[2]. Expanding mobile broadband penetration across Africa by 10% could boost gross domestic product per capita by 2.5%[3].

1.1 Pursuing ubiquitous coverage

Connecting everyone to digital services, particularly in Africa, is a significant challenge. Expanding rural networks can often be more challenging and offer a lower return on investment due to lower population densities. New approaches, partnerships and a blend of technologies will help us overcome some of these barriers and deliver universal coverage.

We made significant progress in expanding and upgrading our network infrastructure, delivering fast, reliable and secure connectivity. We deployed 127 new **rural sites** in FY2024.

The **2Africa subsea cable**, the world's most extensive system, is connected to Vodacom Mozambique. The 2Africa project will underpin the further growth of 4G, 5G and fixed broadband access and improve network resilience and connectivity to underserved and rural areas.

We partnered with World Mobile to trial the use of **aerostats** – tethered balloons equipped with telecommunications equipment. These were identified as a promising solution to improve internet access in underserved communities.

	2G	3G	4G
Network penetration	78.4%	86.5%	86.6%

We launched 12 commercial **5G services** and plan to extend them more widely in the coming years, connecting up to 75% of the population by 2025.

1 GSMA, 2023. 2 World Bank, 2023. 3 ITU, 2019.

1.2 Increasing smartphone ownership

Device ownership is key to unlocking the potential of advanced connectivity. However, affordability remains a stumbling block to internet access and use in Africa. Most people still not using mobile internet live in areas covered by mobile broadband. Sub-Saharan Africa remains the region with the largest coverage usage gaps[1]. We offer affordable entry-level smartphones and tailored financial solutions to broaden device ownership.

227 623
4G devices sold
(FY2023: 222 854)

66%
of our smartphone penetration base comprises of 4G devices

35 846
smart feature phones sold
(FY2023: 33 160)

MZN300 million
in subsidies extended for low-cost devices (FY2023: MZN219 million)

We partnered with Onfon to offer the **Pouko Pouko** device finance scheme, which enabled 72 000 customers in Mozambique to own a smartphone.

1.3 Addressing digital gaps

Access to mobile connectivity is persistently unequal, with women, people with disabilities, and those within low-income, rural and underserved communities less likely to own mobile phones and access financial and other services.

Reducing the cost of data

We have initiatives to reduce the cost of data, make our pricing affordable, and increase bundle validity to support users, including youth and low-income households.

1 GSMA, 2023.

Through **Just4You** we provide customers personalised offers for voice, SMS and data based on what they use the most in order to save them money.

Just4You usage

50% (FY2023: 36%)

We launched the **Unlimited** campaign and focused on segmentation by regions to minimise the impact of communications costs.

Airtime Advance allows customers to get airtime or data, which is paid off when the customer next recharges. MZN2.9 billion (FY2023: MZN3.6 billion) in Airtime Advance was extended to an average of over 2.5 million customers monthly (FY2023: 2.8 million).

Providing free access to online platforms

We provide free access to beneficial online platforms and resources to drive digital access and inclusion.

ConnectU provides access to essential free services and resources. 2.3 million unique visitors used the service monthly.

We continued to partner with the United Nations Children's Fund (UNICEF) to offer subscribers zero-rated access to youth-focused educational and advice sites, including **Boa Internet**, which provides youth-focused emergency, life-saving and general health and citizenship information. In FY2024 Boa Internet has had 253 186 visitors (FY2023: 473 251) and 791 600 page views (FY2023: 1.6 million).

Case study

Free Wi-Fi in Maputo

We recently launched the Free Wi-Fi Internet Access initiative in partnership with the Communications Regulatory Authority and the Maputo City Council. The initiative provides free 5G connectivity to Maputo International Airport, Praça dos Engraxadores, Zona Verde Secondary School, the Vodacom store in the former Ronil, Praça da Juventude in Magoanine and the Fish Market. Expanding Wi-Fi in public areas promotes digital inclusion and facilitates access to information and online resources for communities, especially young people.

We partner with SMS Biz, UNICEF's longstanding SMS information sharing and engagement platform for youth to offer the platform as a free service.

SMS Biz has 835 863 subscribers

(FY2023: 775 413)

60% male

40% female

9% are aged 15 to 19

40% are aged 20 to 24

Most sought-after counselling topics on SMS Biz

31% Sexuality

17% Family planning

17% HIV and sexually transmitted infections

Tudo provides subscribers with 20% additional benefits when transacting with M-Pesa, and bonuses based on voice minutes used the day before.

Tudo customers increased to
1.3 million
in FY2024 from 748 000 in FY2023

Tudo purchases increased to
6.7 million
from 2.7 million in FY2023

Bringing digital to and empowering more women

Mobile technology enables access to essential services. However, the gender gap for internet usage is substantial, with over 300 million fewer women than men accessing the internet on a mobile phone[1]. We use mobile technologies to enhance women's quality of life through programmes that enable financial inclusion, improve health and well-being, education, skills and entrepreneurship.

1 GSMA, 2020.

We have
3 892 465
female customers active for 90 days, representing

37%
of our customer base (FY2023: 3 853 666 and 37.1%).

Code Like a Girl is a social enterprise that provides girls and women with the confidence, tools, knowledge and support to enter and flourish in the coding industry. Code Like a Girl inspires more girls to explore careers that require coding skills to help them enter science, technology, engineering and mathematics fields and industries.

	FY2024	Total since launch
Girls trained	**1 013**	**1 700**

The **Shine programme** provided 31 Code Like a Girl participants with a digital platform for online courses featuring self-development and community leadership content. The alumni will also participate in a five-month community leadership programme in partnership with **Girl Move**. This programme, now in its second year, reached over 4 000 girls, with a further 5 844 impacted through a network of "sisterhood circles", and recently received a United Nations Educational, Scientific and Cultural Organization award for its unique methodology.

2 Empowering our customers

2.1 Delivering platforms for financial inclusion

Mobile money is an important enabler of financial inclusion in sub-Saharan Africa. 33% of adults in the region hold a mobile money account. In 11 of these economies, more adults hold only a mobile money account than an account with a bank or other financial institution. Despite this progress, around 66% of adults in sub-Saharan Africa remain unbanked[1]. Without the ability to transfer money, people struggle to save, access loans, start a business, pay their bills or receive payment. We work with various licensed banking and financial services providers to enable people in remote areas to access payments, loans and savings on their mobile devices.

M-Pesa is Africa's biggest financial services provider based on transactions processed. M-Pesa delivers financial inclusion by providing financial services to people and businesses with a mobile phone and limited access to a bank account.

1 GSMA, 2023.

M-Pesa footprint

44 949
merchants (FY2023: 25 218)

55 789
agents (FY2023: 53 750)

5 769 442
customers (FY2023: 5 807 705)

US$15 million
in **total transactions** facilitated
(FY2023: US$17 million)

M-Pesa payment solutions

- The **e-voucher** service allows vouchers to be easily issued through M-Pesa. The service has been tested with employees and non-governmental organisations to support the distribution of agricultural products. The rollout of the service is awaiting approval by the Bank of Mozambique.
- Our **business-to-consumer** offering enables bulk payments, and is widely used by multinational non-governmental organisations and government entities (including World Vision, Save the Children, the Mozambique Red Cross, and the World Health Organisation), predominantly for humanitarian aid and pension payments.

M-Pesa savings solutions

- **Xitique** is an individual saving solution. 6.6 million contributions were made and MZN1.7 billion was saved in FY2024 (FY2023: 8.7 million contributions and MZN2.1 billion saved). Having learned that 128 391 women were using Xitique, we ramped up training and financial upskilling programmes for women. This engagement boosted product knowledge among Maputo women, and led to further growth in the number of female users.

M-Pesa insurance solutions

- We offer an affordable funeral insurance plan in partnership with Sanlam Vida Moçambique, the country's first digital microinsurance product.

M-Pesa lending

- Our **nano loans** product allows customers access to instant credit with the option to pay within 30 days. Over 11.8 million nano loans were processed (FY2023:12.5 million), with disbursements amounting to MZN10.1 billion (FY2023: MZN11.2 billion).
- Through **Txuna M-Pesa** we implemented an instalment facility to support customers who were struggling to repay their loans, allowing them to repay only 10% each time they deposit or receive money into their M-Pesa account.

The International Finance Corporation signed a cooperation agreement with Vodacom to bolster M-Pesa in Mozambique, in a move to boost financial inclusion in the country. Through the partnership we will launch and pilot new projects to expand **mobile money services in rural areas** with a specific focus on increasing financial inclusion for smallholder farmers.

To celebrate its 10th anniversary, M-Pesa, in partnership with the FSDMoç and FINTECH.MZ, organised a **fintech conference** themed "Navigating the Path to Financial Inclusion together". The event brought together experts in financial services, regulators, government entities, formal banking, and national and international academics, and attracted approximately 200 attendees.

2.2 Supporting SMEs to thrive in a digital world

Small and medium enterprises (SMEs) are critical in supporting economic growth and employment.

We provide business support and innovative technology to foster their development. We support entrepreneurs, start-ups, small enterprises and our SME suppliers by delivering connectivity, tailored platforms, solutions, products and services, training and financial support. We connect SMEs through guidance on available solutions, advice and best practice information, improving their digital readiness.

V-Hub is an online resource portal that connects SMEs to expert advice, information on operating in a digitalised world, web development, digital marketing, remote working and cyber security, and a diverse software-as-a-service and digital solutions portfolio. 595 unique users have landed on V-Hub since its launch, generating a total of 1 017 views.

Orange Corners Maputo is an initiative of the Kingdom of the Netherlands that provides young entrepreneurs with training, networks and facilities to grow innovative businesses.

83% of enterprises active a year later

70% of entrepreneurs create new jobs

1 802 entrepreneurs trained through the incubation programme

53% of the entrepreneurs reported income growth

2.2 Digitalising larger organisations and key sectors

Digital technologies enhance organisations by creating efficiencies, reducing costs, improving services and generating data that strengthens decision-making. The digitalisation of organisations is a key enabler of growth for businesses and increased service delivery and efficiency in the public sector. We work with organisations to provide carefully selected digital products and services to improve efficiency and productivity.

Digitalising healthcare

Digital health tools can improve patient outcomes and deliver better health care to the underserved. By expanding their use of these tools, African health systems could realise up to 15% efficiency gains by 2030 and reinvest the savings to improve access and outcomes[1]. We work with key strategic partners in the health sector to support health and social care providers to benefit from the opportunities that digital tools and better access to data offer.

1 Mckinsey, 2023.

Mum & Baby is a mobile health service that provides information on maternal, neonatal and child health and well-being. The service has 65 570 (FY2023: 203 215) subscribers. The decrease is attributed to many of the mothers that had signed up coming to the end of their maternity journey. A new marketing campaign will be put in place shortly to increase visibility and uptake.

We continue to support the fight against malaria in Mozambique by co-funding the Global Fund's Goodbye Malaria programme and supporting anti-malaria spraying and communications campaigns. 597 066 (FY2023: 663 044) households were reached in the FY2024 campaign, impacting 1.9 million (FY2023: 2.3 million) lives. Goodbye Malaria has impacted the lives of 6.2 million people since inception.

3 Supporting communities

We aim to positively impact communities in the areas in which we operate, focusing on youth, the underserved and marginalised people. We leverage the transformative power of connectivity to expand access to high-quality education, support jobseekers to enter the future-focused world of work, and assist people with disabilities or experiencing abuse.

3.1 Enabling education

Nearly nine in 10 children in sub-Saharan Africa cannot read and understand a simple text by age 10[1]. Over 230 million jobs will require digital skills in Africa by 2030, meaning many African children will likely be excluded from these opportunities[2].

INS

INS was set up in 2013 by the Vodafone Foundation and the United Nations High Commissioner for Refugees, the UN Refugee Agency, to give young refugees, host communities and their teachers access to digital learning content and the internet, improving the quality of education in some of the most marginalised communities in Africa.

INS centres	19
Pupil beneficiaries	71 148
Teacher beneficiaries	1 465

We have trained additional local volunteers as we expect **four** new schools to be deployed soon.

1 The World Bank, 2022.
2 World Economic Forum, 2020.

Providing devices and connectivity to learners, schools and teachers

Digital education holds the potential to level the playing field, especially given the growing rate of connectivity in Africa. Students and teachers can access learning resources and classroom collaboration software through our learning platforms, while our school management platforms and digital and connectivity solutions drive efficiency in educational institutions.

Faz Crescer

- More than 301 069 learners and teachers connected since 2018
- Data allowance has grown from 150GB to 600GB/month
- Constructed computer labs in 31 schools, bringing total to 86
- Carried out in-person training in 23 Faz Crescer schools

Free connectivity

- Free Wi-Fi connectivity piloted in 50 schools

Watch Faz Crescer

3.2 Employee volunteerism

We enable our employees to contribute through payroll giving, fundraising and volunteering, including activities where employees can use their professional skills and expertise.

Activities occur throughout the year, including disaster relief efforts, education provision for refugees and mentorship and training of girls.

Employees that undertook volunteer activities	80

996
volunteer hours were logged by employees through our employee volunteering programmes.

Protecting the planet

We provide connectivity and digital solutions that help to enable the climate transition and aim to empower others to reduce emissions, improve the efficiency of resource usage and protect nature. We are working to minimise the environmental footprint of our operations, our value chain and our products and services and improving the circularity of the technology we use and sell. This year, we continued to embed our planet strategy across our business.

Our protecting the planet strategy centres around reducing GHG emissions, enablement, circularity and biodiversity. We reviewed our near and long-term planet goals against our business plans, opportunities and external constraints, which led to the refresh of some of our goals at the end of this financial year.

To further integrate planet into our business and fast-track future actions, we strengthened our governance, data and systems, risk management and stakeholder engagement.

Our planet focus areas include:

1. Responding to climate change
2. Delivering net zero operations (scope 1 and 2 GHG emissions)
3. Managing scope 3 GHG emissions
4. Driving circularity
5. Supporting biodiversity

Lithium batteries installed at 237 sites (FY2023: 186)

901 580kWh saved through energy efficiency initiatives (FY2023: 460 980kWh)

1 630 smart meters installed

ISO 50001 certified

106 new solar-powered sites (FY2023: 160)

217 968 households with MySol systems (FY2023: 140 000)

1 Responding to climate change

The impacts of climate change pose a significant risk to our operations, associated value chains and the countries in which we operate. We address the global climate crisis through our efforts to mitigate and address our climate-related impact and risks.

This requires global, regional and local cooperation, individual actions, and collective responsibility to adapt to the changing climate and to mitigate GHG emissions to limit accelerated climate change. We are committed to a low-carbon future and sustainable environmental practices. We continue to seek ways to build business resilience when faced with adverse weather. We engage and collaborate with other stakeholder on environmental awareness and climate action.

At the core of our climate action we are:

- Embedding climate change into our governance processes;
- Assessing the actual and potential impacts of climate-related risks and opportunities on our business strategy to better understand and build resilience in the transition; and
- Leveraging the Group's enterprise-wide risk management framework, which includes identifying, assessing and responding to climate-related risks.

Cyclone Freddy struck Mozambique in early 2023. We immediately invoked our crisis management plan to stockpile supplies and secure people and equipment. Working with local authorities, the National Institute for Disaster Management and civil society organisations, we provided 50 tonnes of **humanitarian assistance** reaching over 20 000 people. We enabled a zero transaction fee fundraising mechanism through M-Pesa to collect cash donations, and our zero-rated select products and services enabled communities to communicate and transact.

2 Delivering net zero operations (scope 1 and 2 GHG emissions)

The ICT sector is responsible for an estimated 1.8% to 2.8% of global GHG emissions[1]. As we move towards a more digital society, with increasing volumes of internet use and mobile data traffic, we are committed to reducing our GHG emissions in absolute terms, in line with what science requires to avoid catastrophic climate change. We are making progress towards net zero for our operations. We are committed to working with others across the public and private sectors to reduce telecommunications sector emissions in Africa.

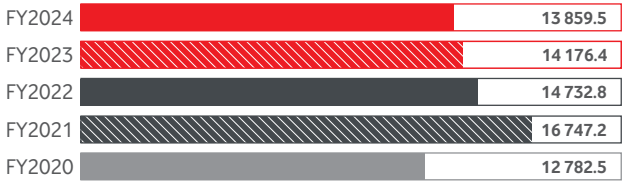
Our activities to reduce scope 1 and 2 GHG emissions focus on driving energy efficiency across our mobile and fixed-line networks and replacing fossil fuel-based energy sources with renewable energy sources. Our GHG emissions inventory was developed using the GHG Protocol Corporate Accounting and Reporting Standard.

Our goal

We aim to achieve net zero emissions from our operations (scope 1 and 2) by 2035, in line with a science-based pathway to limit global warming to 1.5°C of warming by 2100.

In FY2024, our total scope 1 and 2 market-based emissions decreased by 2% to 13 859.5tCO_2e. This slight decrease is mainly due to reduction in fleet fuel consumption because of efficient use through department sharing as well as improved controls on only using company vehicles for work purposes. Our diesel and electricity consumption also decreased as a result of our energy efficiency and renewable energy initiatives.

Scope 1 and 2 market-based GHG emissions (tCO_2e)



We have installed lithium batteries at 237 sites (FY2023: 186) of which on 60 sites are diesel hybrid. We are also exploring the implementation of lithium batteries for our on-grid sites to reduce diesel consumption in our generators in the event of power shedding.

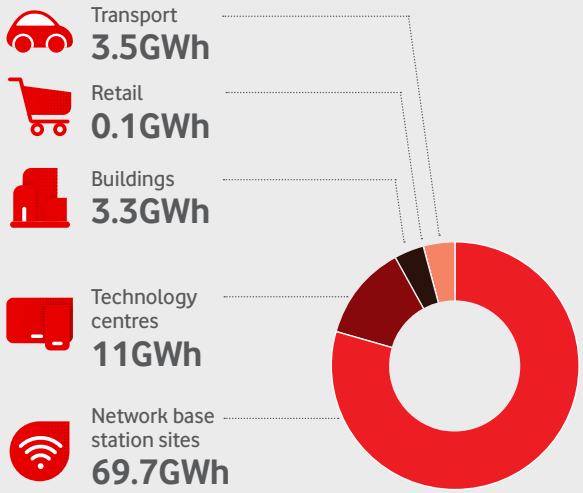
Our **diesel monitoring proof of concept** is in progress, and we have selected vendors to implement the next phase.

Driving energy efficiencies

Our **energy efficiency** measures aim to reduce our dependence on fossil fuels, reduce our GHG emissions, support global efforts on climate change mitigation, and reduce operating costs. The primary energy source powering our network of base stations, data centres, offices, warehouses and retail stores is grid-supplied electricity, supplemented with diesel generators.

Our energy consumption is from our access network of base stations (80%), technology centres (13%), office and warehouse buildings (4%) and retail stores, where we primarily focus our energy efficiency activities.

FY2024 energy consumption by use



Guided by our energy policy, we invest in energy management and energy-efficiency projects, which aid our data capture, decision-making and efficiencies.

1 Freitag, C. et al., 2021.

We obtained **ISO 50001 certification**, which specifies energy management system requirements.

We implemented a **power usage effectiveness programme** at our two primary data centres, installed cold aisle containment, upgraded fluorescent lighting to LED and installed lighting control.

We have installed 1630 **smart meters** to date. We are working with IoT.NXT to have the meters integrated through their platform and to share our experience and insights with other local companies.

We activated 19 radio energy saving features in FY2024 resulting in a cumulative 26 features already activated in our network, which has supported to reduce our electricity consumption. We also completed our **cold aisle containment** implementation at two main data centres, saving 417 440kWh in electricity consumption.

Switching to renewables

Achieving our net zero goals requires switching to renewable sources of grid-supplied electricity and investing to replace diesel generators with technology that can operate on alternative, renewable fuel sources. This process relies on technological advancement and the availability of renewable fuels to further support our goal.

We constructed
106
new **solar-powered sites** (FY23: 160 sites), generating 2GWh of renewable electricity.

3 Managing scope 3 GHG emissions

Scope 3 includes indirect GHG emissions that we can influence but not control. The primary sources of our scope 3 GHG emissions are purchased goods and services, capital goods and fuel and energy-related activities. Reliable and standardised data from across an entire value chain is fundamental to reducing scope 3 GHG emissions. In FY2024, Vodacom Group collaborated with Vodafone Group to invest in enhanced ESG data capabilities to improve the quality of our data, including scope 3 GHG emissions.

Working with partners to reduce scope 3 GHG emissions

We engage with suppliers in the procurement process on potential energy efficiency improvements.

To reduce the impact of our upstream **supply chain emissions**, we engage with suppliers in the procurement process on energy efficiency improvements in hardware and software solutions.

To enhance energy efficiency and energy cost reductions we established an **energy procurement procedure** based on the ISO 50001 standard.

We engaged with suppliers to inform them about our **energy management journey,** including our emissions reduction targets. These engagements have inspired some suppliers to work towards ISO 50001 certification.

Enabling our customers to reduce their GHG emissions

We develop digital technologies and services that enable our customers (enterprises and governments) to reduce their environmental footprint.

217 968 households received solar home systems through our partnership with **Engie Energy Access** (with over 1 million people impacted). The volume of Engie's transactions, which take place through M-Pesa, have grown steadily, from 138 transactions in 2019 to 13.3 million in 2024.

4 Driving circularity

E-waste is our second most material environmental issue, and encouraging circularity is a key enabler of our planet strategy. Circularity considers the entire life cycle of a resource and aims to eliminate waste – thereby reducing environmental impact. As the use of technology expands and develops, we are playing our part to address the growing global e-waste problem. We aim to use resources for as long as possible to maximise the return on capital employed and recover and reuse materials responsibly. We seek to manage our impact responsibly and support our customers' efforts.

Our e-waste circularity initiatives consider two types of e-waste:

- **Network equipment**, including radio equipment used to run our fixed and mobile access networks; and
- **Electronic devices**, including smartphones we sell to customers.

Our goal

100% reuse, resell or recycle of our network waste by 2025.

Circularity of network waste

Our resource efficiency and waste disposal management programmes minimise the environmental impacts of network and e-waste. When reuse options (either through resale or redeployment) are exhausted, we recycle obsolete equipment responsibly using approved recycling agencies.

41.0 tonnes
of network equipment were **recycled** (FY2023: 68.6 tonnes) and

48.9 tonnes
of hazardous network waste were sent for recycling (FY2023: 130.3 tonnes)

Reducing virgin plastic use

We continue replacing single-use plastics with lower-impact alternatives across all our retail stores, offices and logistics operations in collaboration with our logistics providers. Where plastic is necessary, we choose recycled plastic.

Managing general waste

Our general waste management programmes involve reviewing our consumption choices, making more sustainable decisions and working with suppliers to reduce environmental waste.

Using water responsibly

While we are not a water-intensive business, we aim to reduce our consumption where possible and support a sustainable earth. Our digital solutions and Internet of Things capabilities assist governments and businesses in reducing their water consumption.

5 Supporting biodiversity

The world is currently undergoing a dangerous decline in nature with one million species threatened with extinction, impacting the lives of billions of people and economies. In December 2022, 188 governments adopted the Kunming-Montreal Biodiversity Framework, consisting of four overarching goals to reverse the loss of nature by 2050.

Although our effect on biodiversity is low, we aim to better understand its extent and minimise our infrastructure's environmental and visual impact. Digital technology can also be applied to enable interventions and actions to protect, manage and restore nature.

Understanding and managing our impact on biodiversity

We have a widespread infrastructure footprint. We conduct environmental impact assessments and cooperate with the relevant authorities to minimise negative impacts. Some of our sites are in or near biodiverse-sensitive areas. We increasingly seek to understand our impact, the risks of biodiversity loss and opportunities to partner with stakeholders to prevent further harm.

Local community engagement is key to our site-build and maintenance operations. Before any build takes place, we approach community leaders to guide us through requirements including traditional ceremonies. We employ community members for non-skilled work to build relationships and accountability for the infrastructure.

Supporting biodiversity protection through new technologies

Technology can minimise the impact of human activity. We partner with various partners and conservation agencies to protect biodiversity on land and at sea. This support combines programme funding and connectivity and innovative technological solutions in conservation efforts.

Maintaining trust

Acting lawfully, ethically, and with integrity is critical to our long-term success, and forms the cornerstone of how we do business. Transparency, honesty and accountability guide all our business interactions. We continue to foster a diverse and inclusive global workforce that reflects the customers and societies we serve. For our customers, we protect their data, ensure that services are delivered securely and responsibly, and provide guidance on how to navigate new technology ethically.

We promote a strong health and safety culture, we aim to respect human rights across our operations, and to proactively manage risks in our supply chain. Upholding the highest industry standards, we behave responsibly and transparently, comply with legal and regulatory standards, and ensure employees, business partners and suppliers conduct themselves appropriately.

Our integrity focus areas include:

1. Doing business ethically
2. Developing our employees
3. Protecting privacy and data
4. Protecting people
5. Promoting responsible and inclusive procurement

99%
of employees completed assigned code of conduct, anti-bribery and corruption and security training

2 181
sites EMF certified

21
Discover Graduates of which 19 were women

1 Doing business ethically

Maintaining trust underpins our purpose. We hold our employees, business partners and suppliers to a high standard of integrity. An independent ethics office leads our ethics programme. Training and awareness support the programme's related internal and external policies to ensure compliance with best practice, laws and regulations.

360-degree awareness sessions were conducted in each department to discuss ethics, compliance and privacy. We organised a reflection session on ethics, privacy and compliance to establish a platform for sharing best practice.

Anti-bribery and corruption training is provided to contractors. We reviewed and updated our anti-bribery and corruption policy, and localised and updated our economic sanctions and trade controls policy.

Speak Up

Click **here** to report an incident

Speak Up hotline:
980 500 7465

2 Developing our employees

We believe that the well-being of our employees contributes directly to our ability to fulfil our purpose of connecting for a better future. By enhancing our employee value proposition through empathetic and inclusive policies and practices, we are creating a workplace culture where people feel empowered to thrive and positively impact their careers and the realisation of this purpose.

2.1 Fostering workplace equality

Vodacom strives for an inclusive, diverse and gender-balanced culture that celebrates differences, maintains an ethnically diverse environment and ensures accessibility for employees with disabilities.

With a continued focus on diversity and inclusion, we exceeded our 43% target for female representation within senior leadership and advanced our overall proportion of female employees to 36% (FY2023: 32%).

Gender diversity of permanent employees		FY2024	FY2023
	Women on the Executive Committee	45.5%	45.5%
	Women in management and senior leadership roles (F-band +)	43.3%	42.2%

Our **Women's Network Forum** champions gender equality within Vodacom, and forms a platform where women can mobilise, connect, network and be empowered.

Through our job shadowing inclusion network, **VodAbility,** we continue to promote the inclusion of people with special needs. 10 people with disabilities were recruited through the programme. Our partnership with the Forum of Disabled Persons Organizations aims to extend our training efforts and make workplaces more accessible.

2.2 Developing employee skills

We focus on developing diverse talent for the future and building future skills. Our transformation into a new-generation connectivity and digital services provider requires new skills and capabilities, such as software engineering, automation and data analysis.

Our **Discover Graduate** programme offers a well-rounded experience that exposes participants to various company functions.

We launched **Grow my Impact**, an update to our performance management process, with a clear focus on our strategic priorities of customer, simplicity and growth.

2.3 Living the Spirit of Vodacom

The Spirit of Vodacom outlines the beliefs we stand for and the key behaviours that help us realise our strategy and purpose. The Spirit of Vodacom underpins the successful and sustainable delivery of our objectives and empowering our people to grow and innovate to meet our customers' needs.

The **Hackathon** is Vodacom's premium innovation challenge. It encourages employees to ideate, learn and demonstrate their innovations to a senior leadership "dragons" panel. The programme aims to empower employees to solve specific business problems such as revenue growth, cost savings, efficiency and customer service improvements. The Hackathon embeds an innovation culture, builds transversal and technical skills, and enables participants to access and explore existing and emerging IT resources.

Participating teams	18
Participating employees	80
Female representation	24
Male representation	56
Stream views	663

We took another step in improving our **reward proposition** by enhancing our provision of medical aid to staff and our celebration of success and recognition through the Spirit Awards.

3 Protecting privacy and data

We focus on managing rapid technological advances, regulations associated with using data, and potential disruptions, opportunities and risks. Millions of people communicate and share information over our networks, enabling them to connect, innovate and prosper. Our privacy and security programmes create a strong culture and practice of protecting the privacy, security and confidentiality of customers' data.

We use **data leak and loss prevention methodologies** to reduce the risk of information loss. We use a defined mandatory framework called the cyber security baseline which is based on international standards and includes defined success criteria and metrics, which are reported and tracked.

We conduct an **annual review** of all suppliers, monitor control effectiveness and improve the cyber security of our suppliers and third parties. We ensure any security incidents are tracked and managed across our suppliers.

4 Protecting people

Wherever we operate, we have an opportunity to contribute to advancing the fundamental rights of our customers, employees and communities. We are conscious of the risks associated with our operations and work hard to mitigate negative impacts, ensuring we keep people safe.

Any injury is one too many and any loss of life related to our operations is unacceptable. Regrettably, we experienced one fatality within our supplier base following an attack by bees. This fatality has been investigated we continue to apply learnings, sustain our controls and enhance ways of working to prevent any reoccurrences.

The inter-departmental **Futsal Tournament,** which has run annually since 2015, took place with 14 male teams and four female teams entering. The event continues to reinforce unity and teamwork, build trust, and encourage healthy lifestyles and a positive work environment.

We have a **crisis management** plan and team in place, with stress tests conducted at least annually.

5 Promoting responsible and inclusive procurement

To ensure safe and fair working conditions, and to responsibly manage environmental and social issues across our supply chains, we encourage suppliers and business partners to adopt sustainable business practices.

We aim to work with suppliers who closely align with our purpose and who share our values. We expect our suppliers to meet our mandatory ethical, labour and environmental standards, to be accountable for managing risk in their operations, and to hold their suppliers accountable to equally high standards.

When new suppliers tender for work, they need to demonstrate **policies and procedures** that support safe working conditions and diversity in the workplace and which address GHG emissions reduction, and renewable energy.

Our **SME Supplier Portal** is a digital platform that supports the registration and onboarding of potential suppliers, enhancing speed and transparency in the processes. We invited 143 suppliers to tender with 32 contracts being awarded, of which 25 were to SMEs.

We partnered with Absa to provide SMEs and local suppliers in Mozambique with access to **affordable finance**.

	FY2024	FY2023	FY2022
Number of first tier suppliers where a purchase order was raised	**324**	353	288
of which: local suppliers	**234**	245	197