

**Report of
the Social
and Ethics
Committee
2018**

The future is exciting,
Ready?



How to get the most out of the report of the social and ethics committee:



This icon tells you where you can find related information in our report.



This icon tells you where you can find more information on www.vodacom.com



This icon tells you where you can find more information on our parent Vodafone Group Plc's website at www.vodafone.com



Other [links](#) to further information

Other sources of information available online:



Integrated report



Consolidated annual financial statements

These are all available at

www.vodacom.com

- ▶ Integrated report
- ▶ Consolidated annual financial statement
- ▶ Public finances report
- ▶ Operational reports

Report of the Social and Ethics Committee 2018

"The future is exciting. Ready?"

As our tagline suggests, Vodacom sees a digital future filled with opportunity.

As a leading African communications company – with mobile networks covering six countries and connecting 284 million people, and providing business-managed services to enterprises in 32 countries – we are making valuable strides in our Vision 2020 of becoming a leading digital company that empowers a connected society. This Vision is underpinned by our core purpose of connecting everybody to live a better today and build a better tomorrow.

This report provides an overview of the activities that Vodacom has undertaken to contribute to socio-economic transformation in the markets in which we operate. It reviews the progress we have made in empowering a connected society, reflecting on our performance in implementing the UN Sustainable Development Goals, and it assesses our activities in ensuring our operations are responsible, ethical and accountable.

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Vodacom Vision 2020

To be a leading digital company that empowers a connected society

▶ We transform through technology while delivering world-class digital services

▶ We remove barriers to access as we evolve to the gigabit society, while transforming education, healthcare, financial services and agriculture



Segmented Propositions
We develop a deep insight of our customers' needs, wants and behaviours, and provide propositions to lead in chosen segments.



Best Customer Experience
We provide the most engaging customer experience, blending the best technology and human interactions in a personal, instant and easy way.



Best Technology
We are the leading telco through the best network and IT excellence, with digital at the core.



Digital Organisation and Culture
We build an organisation of the future where digital is first for all employees, underpinned by innovation, agility and new skills.



Our Brand and Reputation
We are a purpose-driven brand cementing our reputation for accelerating socioeconomic transformation by empowering the digital lives of our customers.

Empowering a connected society

Connecting everybody to live a better today and build a better tomorrow

1



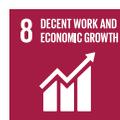
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A leading digital company

Ensuring our operations are responsible, ethical and accountable

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Driving accountability across our organisation

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Sustainability governance and management

Vodacom's Report of the Social and Ethics Committee forms part of a suite of reports developed as part of Vodacom's integrated reporting process. It provides information on our performance and management approach relating to the most material economic, social and environmental impact of our activities. The scope of this report includes Vodacom Group and our operating subsidiaries, unless otherwise stated. Performance data relates to the period 1 April 2017 to 31 March 2018. Data referring only to our South African operation (our largest subsidiary) is indicated with*.

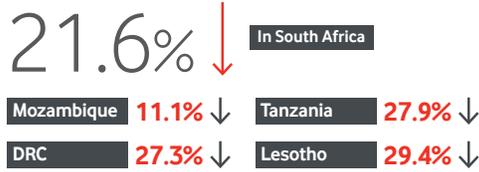
The reporting process for our reports has been guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the IIRC's International <IR> Framework, the GRI's Sustainability Reporting Standards, the King Code on Corporate Governance 2016 (King IV), the JSE Listings Requirements, the expectations of FTSE Russell, and the requirements of the remit assigned to the Social and Ethics Committees in terms of the South African Companies Act of 2008, as amended.



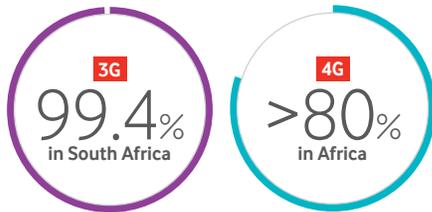
Our sustainability performance: At a glance

Empowering a connected society by increasing connectivity

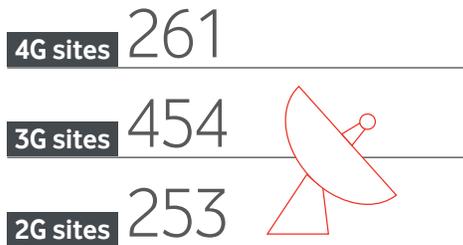
Reducing the cost of data



Extended our network population coverage



In our International operations we added:



32.3 million customers provided with access to our M-Pesa financial service (including Safaricom)

7.7 million customers on our Siyakha platform using Facebook Flex

1 million beneficiaries on the Mum and Baby platform (Siyakha)

Delivering value in our societies

R121 million CSI spend

R20.8 billion cash contribution to public finances



Level 3 Black Economic Empowerment

R9.8 billion spend to >51% women-owned suppliers in South Africa

Our employees

Invested R5.6 billion in wages and benefits

1 : 1.3 Ratio of average basic salary of men to women

Invested R287 million on skills development



Encouraging diversity in South Africa:



The environment

628 381 Mt CO_{2e} in direct greenhouse gas emissions (down 8%)

349 tonnes of recycled e-waste



Message from the CEO

Sustainability is an integral part of our business strategy. In our efforts to meaningfully transform the lives of the societies in which we operate, we committed to use our technology to contribute towards 7 of 17 United Nations Sustainable Development Goals published in 2015, and to transform our business into a fully digital company.

We see a seamless connection between creating value for our company and improving the lives and wellbeing of people living in all the countries we operate in. We recognise that as we create a sustainable future for our business we have an ethical responsibility towards giving back to society, protecting the environment, safeguarding our customers' information, uplifting and creating opportunities for women and black owned small medium enterprises (SMMEs) through our value chain and investing in our people, who are the bedrock of our company.

Embedded in our tagline "The future is exciting. Ready?" is our hope and vision for a digital society which is inclusive of everyone.

Our mobile money solution – M-Pesa, with over 32.2 million customers has connected people who were previously unbanked and has facilitated financial transactions worth R1.3 trillion across our network.

Through our corporate social investment programmes in education, health and wellbeing, water, gender equality and community initiatives, we invested R121 million across the group and have partnered with different organisations to make a difference to the lives of the beneficiaries who are in need.

We believe that when you empower a woman, you empower the entire society, so we have spent R9.8 billion towards women owned suppliers and continue to appoint women in strategic positions within our company.

In South Africa, we spent R30.8 billion towards BEE status suppliers in order to provide access to previously disadvantaged groups and also created the



Shameel Aziz Joosub

Vodacom trade direct platform to provide tender opportunities to our suppliers.

Our way of working and technology infrastructure decisions are changing in order to reduce our carbon footprint. We have deployed more environmentally friendly infrastructure, such as our green corporate buildings in Lesotho and Tanzania, our solar base devices and other initiatives geared towards reducing our carbon footprint. As we continuously engage with our stakeholders, we continue to diversify our offerings aimed at reducing the cost of data, making it more affordable to all. We have reduced out-of-bundle rates by up to 50%, lowered the barrier to entry on data for various sites such as Facebook Flex and our zero rated Vodacom Siyakha platform, offering access to career, education and healthcare websites at no cost. We also responded to the fees must fall campaign, launched by university students, and zero-rated access to academic content for 19 universities.

I would like to express my gratitude to the staff, communities and shareholders who are contributing to those goals to which Vodacom has chosen to make a meaningful, sustained, and positive impact. We will remain a leading telecommunications company on the African continent in line with our foundational values of Speed, Simplicity and Trust and continue to place our responsibility towards the society at the heart of how we do business.

Shameel

Shameel Aziz Joosub

Chief Executive Officer

Our strategy for a sustainable business

Vision 2020: Empowering a connected society

Vodacom's Vision 2020 is to be 'a leading digital company that empowers a connected society'. We aim to disrupt through technology, delivering world-class digital solutions and removing barriers to access, as we evolve to the gigabit society, delivering significant social value through transforming education, healthcare, financial services and agriculture.

We recognise that a truly connected society requires development that is inclusive and equitable. It requires identifying and implementing solutions to youth unemployment, the empowerment of women, and the establishment of cities and communities that are inclusive, safe, and resource efficient. It also requires finding innovative solutions on climate change, food security, poverty and inequality.

Each of these challenges presents both risk and opportunity for our business and society. Our vision highlights the multiple opportunities inherent in the nature of our business as an information and communications technology (ICT) company and a growing player in the development and implementation of digital products and services. Vision 2020 is about creating an organisation and culture that enables us to accelerate socio-economic transformation through our core business activities. In moving towards this vision, we are deepening our understanding of our customers and their needs, and strengthening our focus on fostering innovation, Agility, new skills and partnerships needed to power the digital organisation of the future that is adapted to Africa's needs.

While addressing social needs through connectivity as a key external driver of our sustainable business strategy, it is equally important that we act and conduct our operations with the integrity and ethics needed to build trusted, long-term relationships with our stakeholders and the public at large. In giving effect to our strategy, it is important that we are transparent about both the positive and negative impact of digitalisation. In moving our business towards Vision 2020, connectivity demands that no one be left behind. This will require unprecedented levels of partnership, learning and alignment with agreed developmental priorities.



Our sustainability strategy: Aligning with global goals and priorities

As part of our commitment to accelerating socio-economic transformation, Vodacom has identified and prioritised seven of the seventeen United Nations Sustainable Development Goals (SDGs), where we believe we can have the most meaningful impacts by providing enabling technologies and innovative digital products and services to our customers and stakeholders. Through the transformative power of our networks, products, services and social investment programmes, we partner with business peers, government, communities, civil society organisations and others to achieve our commitments over time. The evolution of our involvement in sustainable development will be guided by the changing landscape in which we operate as well as the issues and concerns raised by our stakeholders. We are committed to playing a meaningful role towards the following SDGs:





Sustainability governance and management

“Governance is indispensable for growth and prosperity. Every organisation that adopts good corporate governance contributes to sustainable value creation in South Africa, Africa and ultimately globally”, King IV.

Conducting business responsibly is essential to our licence to operate and delivers commercial advantages to our business, helping to turn potential risks into opportunities. By acting with honesty and integrity we can secure the trust of our customers, which is integral to the long-term success of our business.

We sustain our ability to create value for all our stakeholders through maintaining robust ethics, governance and risk management processes and structures. These are reviewed in more detail in our Integrated report.

The Board takes overall responsibility for Vodacom’s success. Its role is to exercise leadership and sound judgement in directing Vodacom to achieve sustainable growth and act in the best interests of the Company.

Through the Group Social and Ethics Committee (the Committee), the Board monitors the organisation’s social, ethics and sustainability performance. The Committee oversees and monitors Vodacom’s activities in relation to:

- ▶ Social and economic development, including the principles of the United Nations Global Compact, Black Economic Empowerment (BEE), and the Organisation for Economic Co-operation and Development’s (OECD) recommendations on corruption;
- ▶ Good corporate citizenship, which includes promotion of equality, prevention of unfair discrimination, corporate social responsibility, ethical behaviour and managing environmental impact;
- ▶ Customer relations;
- ▶ Labour and employment, including skills development; and
- ▶ Safety, health and environmental issues.

We recognise that being an admired company is not just about our performance and achievements, it’s also about acting in a responsible, ethical and lawful way, Vodacom has adopted business principles which serve as a foundation for how we do business everywhere we operate and are at the heart of our business.



BOARD

Board Committees

Nomination Committee

Remuneration Committee

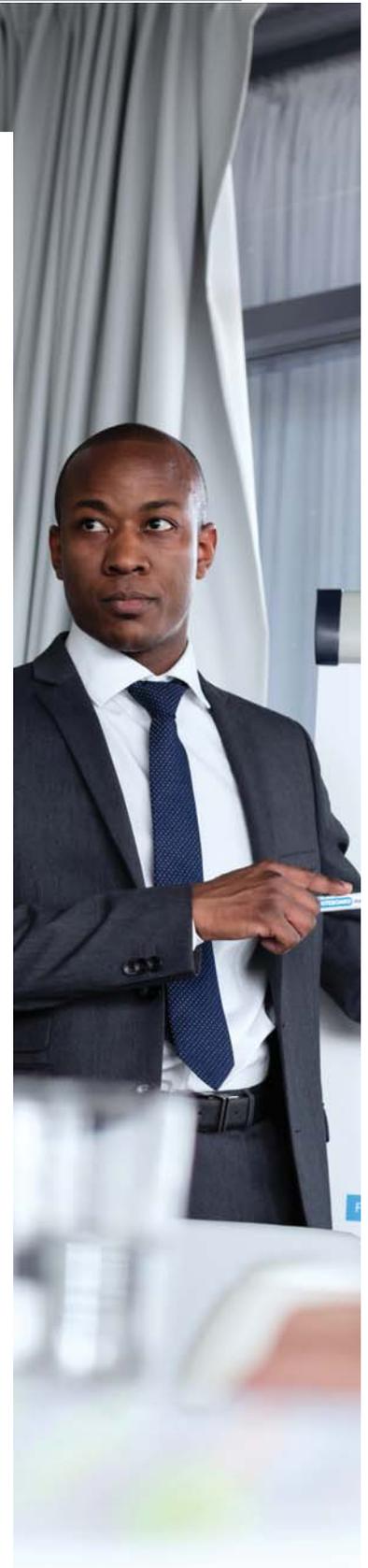
Social and Ethics Committee

Audit, Risk and Compliance Committee

Executive Committee



Read about our business principles at www.vodacom.com



Empowering a connected society

1

Connecting everybody to live a better today and build a better tomorrow

The most effective manner in which we contribute to socio-economic transformation is through our core business activities – enhancing connectivity by providing increased access to reliable and affordable data and voice services.

By democratising data, extending the coverage and quality of our network, facilitating access to smart devices, and driving pricing transformation with segmented customer propositions, we are making a significant contribution to society.

Through our Vision 2020 strategy we are committed to providing access to digital services, and to harnessing recent developments in digital technology, so as to play a transformative role. We are working in partnership with government, technology providers, civil society organisations and communities to realise the full societal potential that digital services can provide.

This year, we invested over R121 million in community projects across all operations.



The value of our contribution has been recognised externally, with Vodacom rated as the **Top Corporate in CSI** by other corporates, and **third by non-profit organisations**, according to **Triologue's 2017 Annual Research**.

Vodacom corporate social investment spend (Rand):

R000	2018	2017	2016
South Africa	100 300	93 000	86 000
DRC	1 944	5 900	4 112
Lesotho	1 291	6 533	5 039
Mozambique	11 754	2 620	4 673
Tanzania	5 373	6 155	6 724
Total CSI spend	120 662	114 208	106 548



SDG3: Good health and wellbeing

We strive to ensure healthy lives and promote wellbeing by creating digital platforms that provide access to healthcare, supply information on hygiene, sanitation and nutrition, and facilitate the early detection of symptoms and the timely delivery of medical treatment. In addition to using digital to facilitate access to healthcare in communities, we work to promote health and wellbeing in the workplace.

Using digital technologies to promote healthy lives

In **Lesotho**, the Vodacom Dignity Campaign project partners participate in the distribution of eco-friendly menstrual pads to identified beneficiaries to improve levels of school attendance. One thousand girls benefitted from this project. We also use a text-to-treatment model to get HIV-positive pregnant women and children onto treatment programmes, with M-Pesa facilitating patient transport payments.

In **South Africa**, we launched the stock visibility solution (SVS) to more than 3 100 primary health care clinics. In partnership with Mezzanine, we have developed a mobile platform that allows healthcare professionals to utilise secure mobile devices to send treatment plans to patients, manage patients' records and availability of dispensary stock, all in real-time. To date, cumulative stock updates have exceeded 10 million transactions.

In **South Africa**, Vodacom's Mum and Baby platform, launched in 2017 as part of our Siyakha platform, has helped almost one million beneficiaries access vital maternal healthcare information for free.

The Vodacom Foundation is also a long-standing supporter of non-profit organisations (NPOs) in the health arena. Our partners include the Smile Foundation, which funds operations to provide free corrective facial reconstructive surgery and treatments to underprivileged children in South Africa.

Vodacom has also supported the Shandukani Maternal Hospital for the past eight years in South Africa, investing over R14 million in the hospital and various projects, including foetal monitoring machines, electronic booking system for scheduling clinical appointments, medical equipment and renovations.

In addition we invested R1.5 million for a picture archiving and communications system (PACS), a medical imaging technology that provides economical storage and convenient access to images from multiple modalities. Electronic images and reports are transmitted digitally via PACS, which eliminates the need to manually file images and reports.

In **Tanzania**, our long-standing commitment to educate young women about sanitation, menstruation and reproductive health has seen us distribute low cost sanitary pads to young girl learners this year. Since its launch in 2014, the empowering women initiative has benefited more than 10 000 young women. We also provide free text messages with maternal health advice for pregnant women and mothers with new-borns.

In partnership with United States Agency for International Development (USAID), we have launched a network of 100 taxi drivers to respond to all toll free emergency calls from pregnant women needing to get to hospital, with drivers paid using M-Pesa.

Digital connectivity



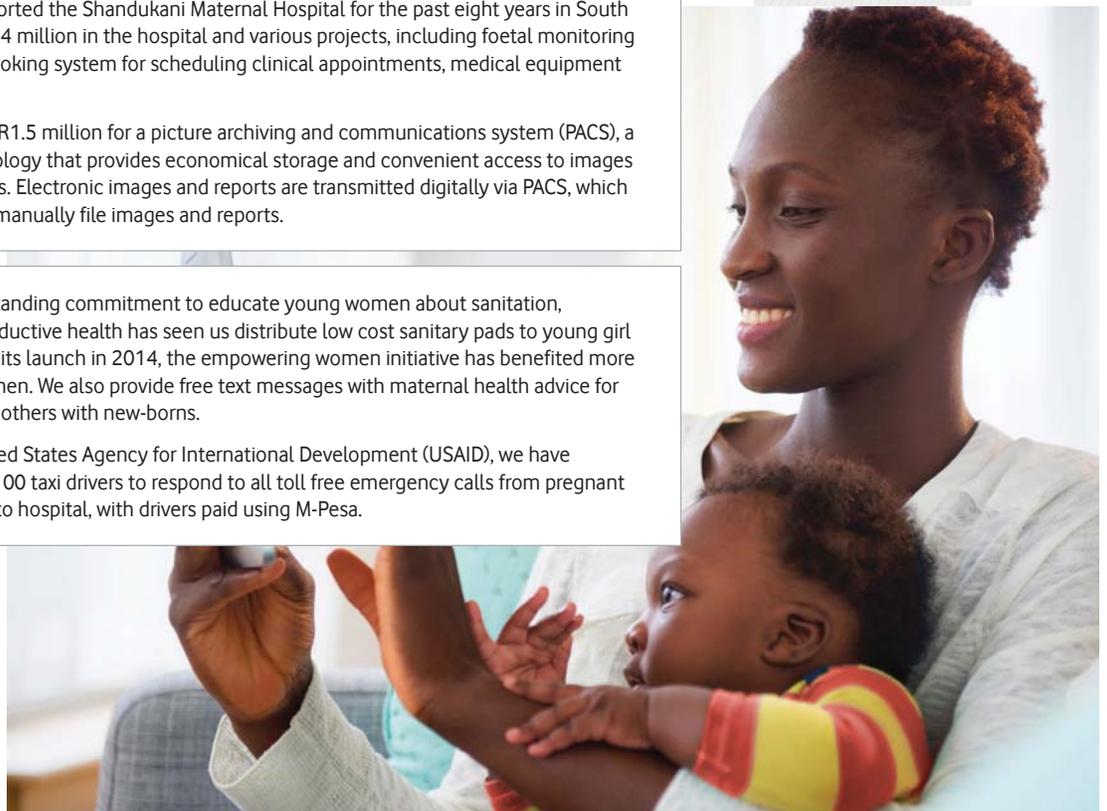
Mobile phones



Social media



Analytics





SDG4: Quality education

We encourage inclusive and equitable quality education and lifelong learning opportunities, by using digital technologies to connect teachers, students and the public to educational resources, facilitating access to ICT equipment in schools, and investing in skills development initiatives and entrepreneurial opportunities.

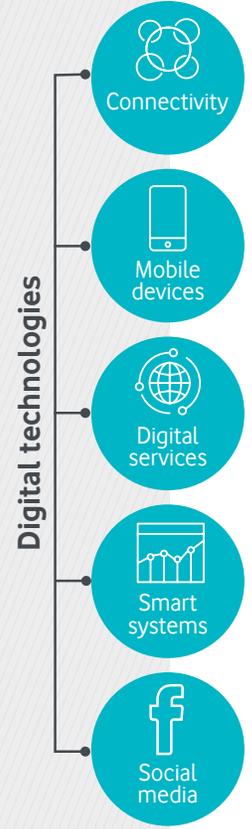
Providing access to education through digital technologies

In the **DRC**, we launched a free educational platform, VodaEduc, first as a pilot to be experienced by students and teachers of the Lycée Motema Mpiko (Girls School). More than 5 000 users access the digital content daily.

In **Mozambique**, we are committed to supporting the education sector through our community libraries programme. This year we equipped six libraries with 130 computers, 6400 books and provided connectivity for all libraries.

In **Lesotho**, iSchool, which delivers educational tablets to five primary schools in four districts of the country, is a key project that we delivered with the endorsement of the Ministry of Education. We have provided tablets with educational content loaded to promote more interactive instruction between teachers and students. By December 2017, iSchool had benefited 1287 and 19 teachers in delivering lessons.

To improve teaching and learning– in partnership with Lesotho Communications Authority, we have provided free internet connectivity to 120 schools, and look to add 80 more by the end of this financial year. Our school connectivity programme enables easy access to crucial tools for educators in lesson preparation as well as enabling access to many valuable digital resources.



Quality Education | continued

In **South Africa**, our flagship mobile education programme (mEducation), developed in partnership with the South African Department of Basic Education, provides ICT equipment and free internet access to 3 000 schools and 92 teacher centres across South Africa, and we have trained over 150 000 teachers on the use of ICT in the classroom.

In April 2017, we were awarded the contract to supply a school management solution to the Eastern Cape Department of Education to help with the administration of over 5 000 predominantly rural schools across the province. Our tailored solution enables the Department to collect reliable and consistent data about each school, helping to ensure that resources are being deployed in areas of greatest need.

Recognising that many learners in South Africa do not have access to textbooks, the Vodacom e-School platform provides a secure and free online learning content portal for Grade R – 12 learners. School curriculum is accessed through cellphones, tablets and laptops. More than 340 000 learners are registered on the platform and have access to quality digital content.

As part of our commitment to reduce the cost to communicate and to contribute to free education, we have entered into partnership with 19 universities to zero-rate online access to curriculum content provided by these universities.

In **Tanzania**, we have two initiatives that support education. Our leading project, Instant School, is a free education platform for primary and secondary school learners' country-wide. The platform contains digitised educational material that can be accessed by learners and teachers from the convenience of their mobile devices and laptops. We have 30 000 learners registered on the platform.

Vodacom Business Nigeria organised robotics and Internet of Things (IoT) training and awareness sessions at their premises for students, aged between 8 and 10, from SS Peter and Paul Nursery and Primary school, in Lagos State. The school is sponsored by the Loving Gaze NPO and forms part of the company's commitment to work with various stakeholders to empower the next generation. Using real-life drones and Edison programmable Robots, the students had the experience of flying a drone and control robots to make them perform certain tasks. The students also learnt about how drones can be used in the delivery of medication and lifesaving supplies to remote locations in emergency situations, which is already happening in some locations around the world.





SDG5: Gender equality

We will actively promote gender equality and work to empower women and girls, by facilitating access to the benefits of mobile technologies across our markets, improving the lives of millions of women by promoting financial inclusion, improving their health and well-being, and supporting them by building skills and entrepreneurship. We will also actively promote the representation of women within Vodacom, aiming to become the best employer for women by 2025.

Empowering women through digital inclusion

Through our ground-breaking M-Pesa product in Kenya, Tanzania, the DRC, Mozambique and Lesotho, we provide affordable access to mobile financial services to 32.3 million customers, many of them women in remote rural areas.

This year, we placed a strong focus on women as a segment through the Mum and Baby platform, launched in May 2017 in South Africa, as part of our Siyakha product offering targeting low-income customers in the emerging prepaid segment.

We offer a range of products and services, and have funded various initiatives through our corporate social investments, specifically aimed at promoting the health and wellbeing of women and girls.

Through our preferential procurement policy, we had 180 suppliers that are more than 30% black women owned, with a recognised spend of R9.8 billion.

Gender empowerment



Gender equality | continued

Promoting gender equality in the workplace

In addition to empowering women in the broader community through digital inclusion, we place a strong emphasis on driving gender equality in the workplace. We currently have 43.6% female representation in the workforce, with 33.2% at senior management level. We have implemented equal remuneration practice for men and women at senior level, with the ratio of average basic salary being 1.3:1.

Female leaders programme: Our flagship programme, launched in 2013, aims to attract high-potential black females with deep commercial and technology experience into strategic roles for our future talent pipeline. Under this programme, 17 women have been placed in various roles in Vodacom.

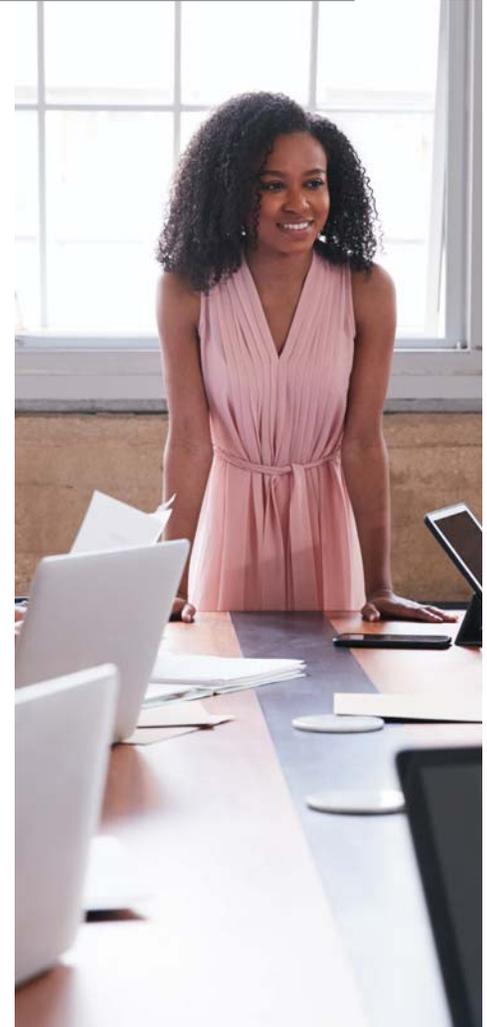
Women in leadership programme: A programme through the North West University aimed at building leadership capability for women in leadership roles. About 110 women have participated in this programme.

Reconnect programme: The objectives of the Reconnect programme is to tap into a pool of talent (women or men) who have difficulties returning into the corporate world after extended career breaks, taken to raise their kids, care for family or to run a business. Eleven candidates were appointed under this programme.

Vodacom women's network forum: The Women's Network Forum was established to inspire and empower Women to maximise their potential in Vodacom; to promote cross-gender understanding and an inclusive culture in which stereotypical thinking has no place. Nadya Bhattay (Chief Officer: Strategy and New Business), is the executive sponsor. Twelve female employees represent women's interests in the forum.

Maternity support programme: Vodacom has two world class maternity leave options available to employees: six months (24 weeks) fully paid maternity leave, or 16 weeks fully paid maternity leave with the option to work 30 hours per week for six months on return from maternity leave.

Discover graduate programme: In addition to these initiatives, we place an emphasis on gender equality in the selection of graduates from universities in South Africa that are placed in permanent roles. This year, of the 76 high-calibre and diverse graduates selected, 61% were female compared to 52% in 2017. Of the total number of graduates hired in technology, 68% are females.



Representation of women in senior management:

	2018	2017
South Africa	33.2%	30%
Mozambique	38.6%	18%
DRC	35.0%	45%
Tanzania	42.9%	25%
Lesotho	25.0%	20%

Empowering gender-based violence survivors

Vodacom has continued to build on the successful establishment of a Gender-based Command Centre by supplying laptops to 44 of the Department of Social Development (DSD) 'safe door shelters' with the aim of empowering gender-based violence (GBV) survivors with ICT skills training. The survivors receive an NQF Level 3 end-user computer certificate. To date, we have trained 360 GBV survivors. The Command Centre, which was established in 2014 in partnership with the DSD, is a 24-hour call centre dedicated to providing support and counselling to GBV victims. The Centre also caters for people with a hearing impairment, with Skype, USSD and SMS conversation capabilities, as well as geocoding system elements. Social workers proficient in sign language have been trained on trauma management.



Image: Vodacom Staff, Orlando Pirates, Kaizer Chief, Blue Bulls supporting the Foundation GBV walk during the 16 Days of Activism



SDG8: Good jobs and economic growth

We will provide opportunities for inclusive and sustainable economic growth, full and productive employment and decent work for all, by supporting new entrepreneurial activity through our procurement activities, and by helping people, especially youth, to develop skills, discover new learning opportunities and enhance their ability to find work in the ICT sector. We will also continue to work actively in promoting inclusive job opportunities by driving transformation in our operations.



Promoting inclusive economic growth across our value chain

Encouraging entrepreneurship by transforming Vodacom's supply base.

We have intensified our efforts to support Small, Medium, and Micro-Enterprises (SMMEs) and the broad-based transformation of our supplier base, with encouraging results. We actively engage with suppliers to transform their ownership to greater than or equal to 51% black ownership.

In October 2017, we launched an online trade portal, creating a platform for SMMEs to express interest to provide goods and services to Vodacom and/or to become channel partners. Over 60 000 members access tender opportunities through the platform.



Read the whole story at:
www.vodacom-tradedirect.co.za

Branded merchandise incubator programme. Vodacom has partnered with the Department of Trade and Industry (dti) in establishing an incubator programme to develop co-operatives (co-ops) that will manufacture branded merchandise. Thus far, four co-ops were established, manufacturing 8 000 t-shirts and employing 28 people.

The Vodacom youth academy focuses on youth skills development by providing basic computer skills, IT essentials, enterprise development and business skills. The academy has benefitted 966 trainees since its inception four years ago.

External Bursary Programme enables young South Africans to obtain bursaries for full-time studies at accredited tertiary institutions for undergraduate degrees in specific fields of study relating to ICT, engineering and business studies. Thirty six high achievers benefitted through the programme in the year.

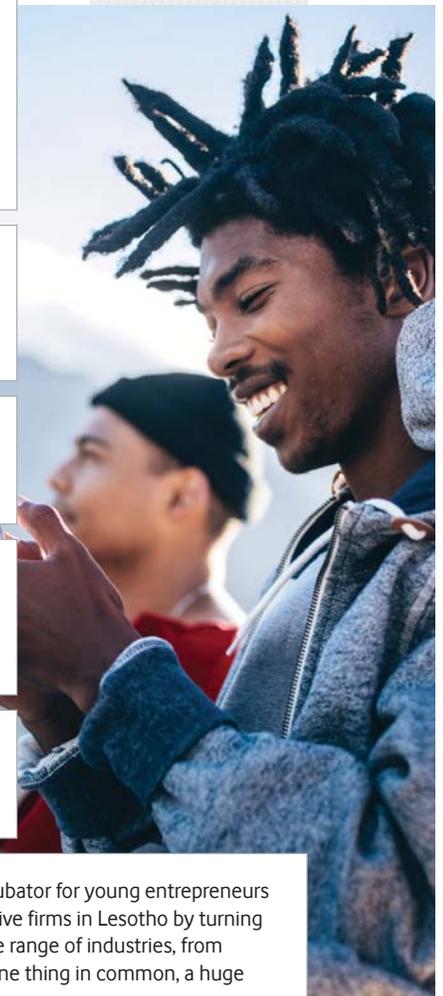
Discover graduate programme: This two year programme, launched in 2010, aims to identify and nurture the future generation of Vodacom leaders by hiring the best young talent coming out of universities across all markets. We recruited 76 graduates in key strategic job franchises.

Empowering youth in Lesotho: The Vodacom Innovation Park is a technology-based business incubator for young entrepreneurs that provides a dynamic and supportive incubation environment to accelerate the growth of innovative firms in Lesotho by turning ideas into viable businesses. Since its launch, the Innovation Park has trained entrepreneurs in a wide range of industries, from agriculture, fashion, e-commerce, mobile app development, and a host of others; all of which have one thing in common, a huge potential to drive Lesotho's socio-economic development forward and to create jobs for the Basotho. Since Vodacom Innovation Park officially opened its doors as one of Vodacom Lesotho Foundation's flagship projects, it has trained and empowered 12 Basotho owned and run businesses.

Vodacom's youth platform, NXTLVL, has partnered with South Africa's leading and most reputable career websites to empower young job-seekers with the ability to upload their CVs, search and apply for jobs online without using their data.



Access the platform:
www.vodacom.co.za



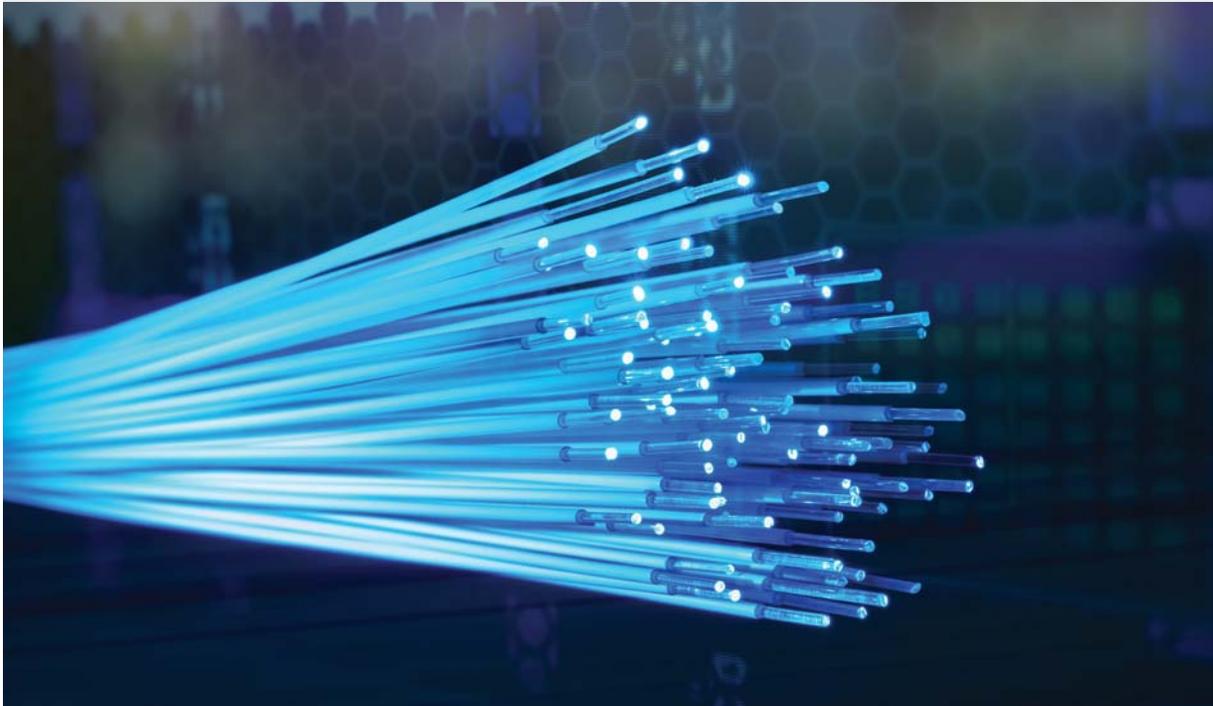
Good jobs and economic growth | continued

Preferential procurement

Indicator	Target ICT sector code	FY2017 vs target	FY2018 vs target
All empowering suppliers (Levels)	80%	111%	120%
Qualifying small enterprises (QSE's)	15%	43%	62%
Exempted micro enterprises (EME's)	15%	16%	24%
Suppliers ≥51% black owned	40%	67%	78%
Suppliers >30% black women-owned	12%	183%	197%
Bonus point: Designated group suppliers ≥51% black owned	2%	281%	407%

Contracting SMMEs to deliver fibre work

Over the last two years we have been progressively allocating our fibre-to-the-home rollout projects to SMMEs directly, having previously engaged one major original equipment manufacturer to deliver fibre connectivity through a sub-contracting arrangement. Since mid-2017, all the work has been undertaken by SMMEs. Similarly, since last year, we have been engaging SMMEs that are more than 51% black owned to undertake our long fibre work on critical routes. This has resulted in a 30% reduction in expenditure, and we have apportioned work to the value of R40 million (in six months) to the newly appointed SMMEs. We have also assigned a consultant to assist the supplier in ensuring their health and safety compliance.



Good jobs and economic growth | continued

Vodacom Group on track to achieving transformational heights

Vodacom is committed to transformation through the implementation of Broad-Based Black Economic Empowerment (BBBEE).

This commitment was recognised this year when Vodacom Group was awarded the Independent Top Empowered Companies Award for the Most Empowered Black-Managed Company, as well as achieving a recognition award from the BBBEE Commission for being the first company in South Africa to report fronting practices identified through its procurement processes.

Vodacom South Africa exceeded its target of Level 4 and attained a Level 3 BBBEE status, while its subsidiary Stortech retained its Level 1 rating. This resulted in the Group having a significant improvement in its overall scorecard points, moving from 101.91 points to 108.03 points.

BBBEE results for Vodacom Group

We achieved significant improvement this year in scores across the majority of the elements, resulting in an overall increase in score of 6.12 points.

Scoring element	Target points	Achieved points 2018	Achieved points 2017	Variance
Ownership	25	16.20	16.17	0.03
Management control	23	15.72	14.79	0.93
Board representation	8	5.83	5.33	0.50
Top management representation	5	4.33	4.33	–
Employment equity	10	5.56	5.13	0.43
Skills development	20	19.55	17.27	2.28
Enterprise and supplier development	50	44.79	41.68	3.11
Procurement	25	20.55	18.00	2.55
Supplier development	10	7.54	8.68	(1.14)
Enterprise development	15	16.70	15.00	1.70
Socioeconomic development	12	11.77	12.00	(0.23)
Total	130	108.03	101.91	6.12

Ownership

The Group has an effective black ownership of 17.56%, a nominal increase from the previous year of 17.19%, resulting in a score increase of 0.03 points – 16.20 out of 25.

Management control

The Group exceeded the previous year's score of 14.79, with a score of 15.72 out of 23, as a result of transformational changes in its occupational levels under employment equity.

Skills development

Our consolidated training spend increased from R175 million to R248 million, with more than R8.5 million invested in the development of black youth living with disabilities, R5 million more than the prior year. This resulted in an impressive total score of 19.55 out of 20 points.

Enterprise and supplier development

This element has three sub-sets: procurement, supplier development (2% net profit after tax (NPAT) spend target), and enterprise development (3% NPAT spend target). Under procurement, Vodacom's commitment is demonstrated in the shift of spend to BBBEE-status suppliers and black-owned suppliers.

We spent R173 million on supplier development, up from R151 million in the prior year, targeted on developing SMMEs within Vodacom's supplier base; this included investing R14 million towards the transformation of our retail franchisee base, which resulted in 24 Vodacom shops changing ownership to black individuals. Under enterprise development, more than R388 million was invested in developing black-owned ICT SMMEs outside of Vodacom's business. The collective score for this element was 44.79 out of 50 – three points higher than the previous year.

Socioeconomic development

The Group fell slightly short of obtaining full points.

SDG11: Sustainable cities and communities

We will assist in making cities and human settlements more inclusive, safe, resilient and sustainable by offering innovative digital approaches, through applications such as smart buildings, smart water management, intelligent transport systems, and new efficiencies in energy consumption and waste management.

Supporting communities through digital inclusion

Promoting financial inclusion through M-Pesa: This year we celebrated ten years of M-Pesa, our pioneering mobile money service that enables people to securely send, receive and store money electronically. About 32.3 million customers in our international operations and Safaricom rely on our services.

Promoting digital inclusion in the emerging market segment in South Africa: Focused on low-spend customers in the emerging prepaid segment, our Siyakha platform facilitates digital inclusion through affordable price packages, entry-level smartphones, and targeted offers and content. Over 1 million customers use our Mom and Baby services.

Delivering social benefit through Internet of Things (IoT): IoT changes how products, businesses, homes and services operate, increasing automation of functions, significantly optimising resource efficiency, and providing valuable new insights to improve decision-making. We currently have 3.6 million active connections providing IoT solutions in the transportation, industrial, energy, residential, property and healthcare sectors, covering end-to-end services across the full IoT value chain: connecting things; collecting the data; analysing the data; and taking action on this data.

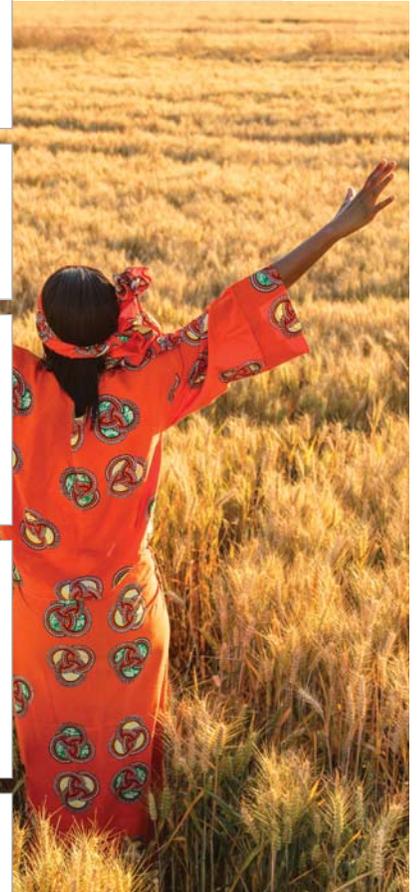
Promoting food security and jobs in the agricultural sector: We have continued our partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), which provides an IoT-based solution to support smallholder farmers in South Africa. With an estimated combined investment amount of around R21 million over three years, our Cloud-based web and mobile software Connected Farmer platform will link thousands of smallholder farmers to the agriculture value chain, improving agriculture productivity, addressing food security, creating jobs and increasing incomes in the agriculture sector.

Using digital technology to encouraging citizen engagement: In the year, Vodacom's technology was used to support service delivery in South Africa by developing mobile platforms to promote civic communication in the Eastern Cape "Thetha Nathi" platform.

Increasing universal access to communication services: In keeping with our commitment to increase rural coverage, Vodacom brought network coverage to the remote town of Noenieput in the Northern Cape. Through our ultra-low cost solar sites, we service millions of previously unconnected people in rural areas. We extended rural coverage by adding 101 rural sites to towns that never had coverage before.

Vodacom's eVoucher agriculture solution successfully implemented in Zambia

In 2017, Vodacom introduced its mobile-enabled electronic voucher system (eVoucher) in Zambia to support the government's efforts to improve productivity in the agriculture sector. The functionality was designed according to the requirements of Zambia's Conservation Farming Unit (CFU), a non-profit organisation which aims to assist small emerging farmers. The electronic voucher system enables CFU to electronically pay subsidies to almost 3 000 pre-identified farmers across 30 locations in the country.



Sustainable cities and communities | continued

Employee volunteering and donations

The Vodacom Foundation and staff members continue to play an active role in communities, supporting those in need through volunteering initiatives, donations and participating in causes that fall primarily within our focus on promoting education and health. The following is a selection of initiatives supported this year.

Youth empowerment (Vodacom Change the World programme): Through the Vodacom Change the World programme, established in 2011, Vodacom South Africa has annually selected around 20 volunteers to work for a Non-Profit Organisation (NPO) of their choice in South Africa for a year, at no cost to the volunteer or the host organisation. The volunteers have the opportunity to do something close to their hearts while imparting skills and expertise to the NPO. To date, we have invested more than R35 million on project funds, salaries and grants to the NPOs. A total of 100 volunteers have participated in the programme, delivering more than 100 projects.

Supporting disaster relief: In response to the devastating fires and storms that occurred in the Southern and Western Cape in June 2017, Vodacom set up a R20 million disaster recovery fund to provide much needed support and aid for those most affected when disasters arise. Over 1 200 SIM cards loaded with airtime were distributed to disaster relief personnel in Knysna and residents to improve communication and emergency response. Vodacom has offered support to 10 schools in the Western Cape, one teacher centre and a school in KwaZulu-Natal.

Connect For Good: This online platform connects people who want to contribute towards good causes by volunteering their time and skills, or by donating goods..

- ▶ 50 NGOs have registered on the platform.
- ▶ 1 400 users/volunteers are registered on the platform.



100 projects delivered through the “Change the World” programme.



International Nelson Mandela Day

On 'Mandela Day', 18 July 2017, thousands of Vodacom staff across South Africa spent 67 minutes packing food parcels for learners from previously disadvantaged schools. The initiative forms part of a larger project that the Vodacom Foundation is rolling out across the country, building on its inaugural food security drive launched in honour of the International Nelson Mandela Day in 2013. This year, Vodacom employees and key partners including the Nelson Mandela Foundation, Gift of Givers, Kaizer Chiefs and the Blue Bulls celebrated Mandela Day by packing 50 000 food parcels that were distributed to 60 schools across the country. The parcels contained, non-perishable items such as peanut butter, baked beans and canned meat. We also partnered with Food and Trees for Africa to plant fruit trees and set up vegetable gardens at seven food gardens across South Africa.

Image: Celebrating International Nelson Mandela Day



SDG13: Climate action

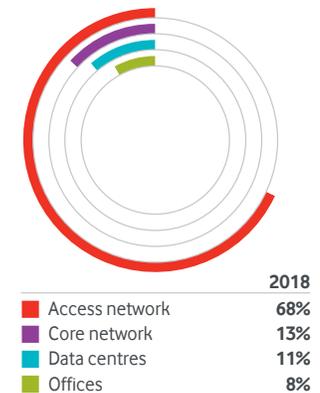
To take urgent action to combat climate change and its impact, by minimising the energy required to run our networks and seeking to increase the proportion of our energy that comes from renewable sources, and by continuing to ensure that our IoT products and services play a significant role in helping customers to reduce their greenhouse gas (GHG) emissions. Our goal is to help our customers reduce their GHG emissions by two tonnes for every tonne of GHG we generate by March 2018.

Driving climate change mitigation

In December 2016, the Paris Agreement on climate change came into force, addressing the need to limit the rise of global temperatures. In 2017, Vodafone responded to this global call for action by developing a set of targets for the reduction of greenhouse gasses and adoption of renewable energy at the Group's operations. Vodacom is in the process of assessing the feasibility of these targets in our markets, as we continue to address the energy challenges that we face and to seek opportunities to contribute to a low carbon future. We follow developments in the energy sector closely and aim to commit to a revised carbon reduction target in the near future.

To this end we conducted an in-depth examination of our energy and climate change impacts. The review provided clarity on the areas of the business with the greatest energy demands and informed the development of action plans to drive further energy efficiencies and the adoption of renewable energy where feasible. Vodacom's energy consumption is tracked and reported bi-annually by four departments, namely: access network; core network; data centres; offices. The energy profile of these areas of the business is illustrated.

Vodacom energy consumption (%)



Vodacom continues to invest in upgrades to our network, data centres and offices to maintain efficiencies, and to explore opportunities for cost and energy savings, which in turn further reduce our impact on the environment. We have implemented various projects in South Africa over the past five years to mitigate our energy and carbon impacts, notably the following:

- ▶ Retrofitting radio sites with free cooling solutions at approximately 1 500 towers, reducing energy costs by approximately R72 million.
- ▶ Fitting new sites with outdoor cabinet sites instead of air conditioner cooled containerised sites.
- ▶ Installing remote monitoring of mobile generators to assist in reducing diesel theft and optimising generator runtimes.
- ▶ Rejuvenating and redeploying backup batteries to radio sites instead of battery disposal.
- ▶ Deploying remote smart metres to improve the accuracy of energy billing to tower sharing parties.
- ▶ Introducing lithium ion (Li-Ion) batteries to radio sites owing to their longer life expectancy than lead-acid batteries. During the year, we installed more than 130 new Li-Ion battery banks at our radio sites.
- ▶ Implementing energy efficiency measures to the HVAC systems at our core facilities to improve the power usage effectiveness (PUE) and energy efficiency at these sites.
- ▶ Consolidating office space in both the northern and southern regions to reduce costs, optimise savings and create a workplace which encourages agility, collaboration and innovation.
- ▶ Replacing fluorescent lighting with individually controlled LED panels; this has achieved a 25% reduction in lighting load amounting to 88MWh savings per annum.
- ▶ Upgrading building management systems including automation of processes resulting in better control, accurate energy measurements and enhanced energy decision making.
- ▶ Engaging with our supply chain to develop a request for proposal (RFP) for the provision of alternative energy solutions for our Midrand campus.
- ▶ Exploring power purchase agreements in the Nelson Mandela Bay municipality and other regions in South Africa where energy from renewable sources is feasible for our network.
- ▶ Installing solar panels at our Midrand campus to power the parking lot. The unit produces enough power for the parking lot to operate off the grid, powering all lighting, electric fencing, boom and spikes, access control, CCTV and cameras.

Climate action | continued

Promoting energy efficiency across our operations

Across the Group we measure diesel and electricity consumption in our base stations and implement initiatives aimed at operating more efficiently and adopting renewable and alternate sources of energy where feasible. We implement a strategy for managing our internal energy and carbon performance. The following set of nine principles guides us to ensure we work efficiently and dedicate resources to effectively track, manage and report on our performance.

- ▶ Take a full life-cycle view when assessing energy and carbon performance.
- ▶ Incorporate energy and carbon performance considerations into business and procurement decisions, design specifications and operational functioning.
- ▶ Strive to improve energy efficiency of our organisation by choosing energy efficient technology solutions as far as possible and eliminating waste.
- ▶ Manage the carbon intensity of our company by optimising energy choices where possible, driving awareness, reducing waste and growing sustainably.
- ▶ Ensure business continuity at all levels of Vodacom, by addressing energy shortages and pursuing alternative and independent energy solutions where the business case supports this.
- ▶ Engender and enable behavioural change in our organisation, along our value chain, in our customers and in our communities, to minimise our environmental impact, carbon intensity and energy intensity.
- ▶ Employ the latest technology and advanced ICT solutions, integrate smart measurement and control capability to facilitate energy and carbon performance measurement and management.
- ▶ Streamline and integrate governance of physical systems for a unified and optimal approach to manage energy efficiency.
- ▶ Set ambitious targets for energy performance and carbon intensity, while driving operational expenditure reductions and ensuring network resilience.

In South Africa, the quality of reliable energy data continues to improve, as we progressively rollout smart energy metres at base stations. To date we have installed 4 712 smart metres, of which 840 this year. In our International markets the planned roll-out of smart meters is in progress at our base stations.



Climate action | continued

Vodacom Lesotho donates solar biomass stoves to communities

Combining its environmental strategy with social responsibility, Vodacom Lesotho implements an eco-stove project in the rural communities where it has base stations. The solar biomass stoves, which reduce smoke emissions to negligible levels, provides clean cooking with a range of biomass fuels as well as offering solar electricity for mobile phone charging and LED lighting. The empowerment initiative assists in reducing overdependence on traditional fuels, while also increasing opportunities for development through connectivity and access to energy. Thus far, we have donated 185 stoves.



Vodacom Lesotho's new headquarters sets a leading example in promoting a green economy

Vodacom has launched a new head office in Lesotho, which represents the first of its kind 'green building' in the country. The roof of the building is covered with solar panels that generate the primary source of power for the building. Built with an investment of R80 million, the company aims to be a leader in the country in the ICT sector for the promotion of a green economy. The new building's reliance on solar power is aimed at reducing the cost of electricity for the business and mitigating environmental impacts.

Vodacom Lesotho's broader environmental initiatives include encouraging recycling and the separation of waste products in the office, the use of technology in boardrooms, promoting telecommuting and reducing carbon footprint. These are testament to Vodacom's commitment to the climate action goal in Lesotho.



Vodacom retains its leadership in the 2017 global Carbon Disclosure Project (CDP) initiative

We participate annually in the CDP South Africa Climate Change Report. This year, Vodacom once again retained an A-rating and prominent leadership in the telecommunications sector in South Africa. Our CDP submission <https://www.cdp.net/en> provides a comprehensive review of how we identify and manage the risks and opportunities associated with climate change. Our CDP score acknowledges the steps that we have taken as a company to adopt best practice in the area of environmental awareness of energy and climate change risks. The CDP assessment covers the following categories: governance and strategy, risk and opportunity management, emissions management and verification.



Our CDP submission is available:
<https://www.cdp.net/en>

Climate action | continued

Vodacom Lesotho’s solar powered base towers

Approximately 30% of Vodacom Lesotho’s network (90 out of a total 298 base station sites) is powered through a combination of energy saving solar power technologies that are helping to reduce carbon emissions. Our ‘green’ base stations are powered independently of diesel generators or the national grid and are among the first of their kind world-wide.

Vodacom Lesotho’s other environmentally conscious technologies include power system optimisation that ensures that in the event of power failure, a traditional site continues to operate for up to three hours on stored battery power before a diesel generator is activated. In addition, smart meters are used to monitor power consumption and remote control systems are used to operate base station sites, reducing the need for physical site visits.

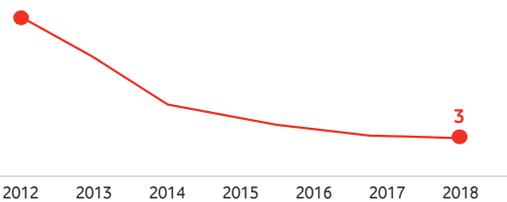
There is a strong business case for installing green base stations as they reduce ongoing operating costs and these cost savings will ultimately benefit our customers. The process to ‘green’ the network started in 2004 with two sites in a bid to provide services where there was no access to the electricity grid. A number of challenges were experienced around signal availability and quality, which were overcome through collaboration with our customers in these areas.

Vodacom Group carbon footprint 2018 (MtCO₂e)

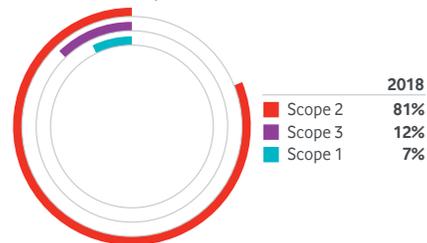
Description	SA	DRC	Tanzania	Mozambique	Lesotho	Total
Scope 1						
Stationary fuel	8 047 [^]	23 399 [^]	1 352	7 589	262	40 649
Fugitive emissions	-	2	1	-	-	3
Mobile fuel	1 807 [^]	1 486 [^]	601	734	286	4 914
Total Scope 1	9 854	24 887	1 954	8 323	548	45 566
Scope 2						
Purchased electricity	491 458 [^]	17	6 206	2 957	8 127	508 765
Total Scope 1 and 2	501 312	24 904	8 160	11 280	8 675	554 331
Scope 3						
Office paper	113	99	-	63	26	301
T&D losses	43 207	3	724	462	1 076	45 472
Third party vehicle fleet (upstream distribution)	-	-	16	-	-	16
Third party vehicle fleet (downstream distribution)	6 255	-	-	-	-	6 255
Waste	662	43	-	62	-	767
Business travel rental cars	73 [^]	6	7	2	-	88
Business travel flights	6 239 [^]	1 456	192	555	5	8 447
Business travel accommodation	234 [^]	130	3	29	7	403
Employee commuting	9 613	850	789	742	307	12 301
Total Scope 3	66 396	2 587	1 731	1 915	1 421	74 050
Total Scope 1, 2 and 3	567 708	27 491	9 891	13 195	10 096	628 381

[^] Independently assured by PwC. Refer to page 46 for the independent assurance report.

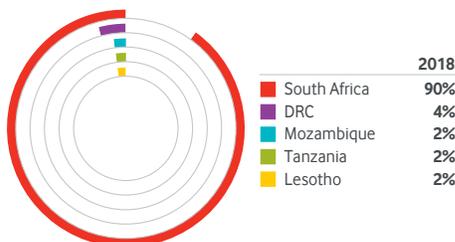
Emissions/TB of data (SA only)



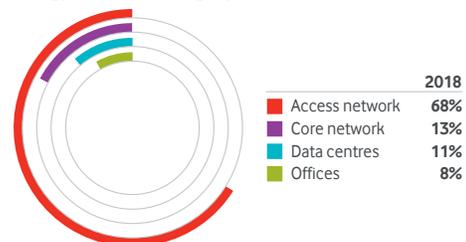
Vodacom Group total emissions (%)



Contribution to Group carbon footprint (%)



Energy use per category (%)





SDG17: Partnerships for the goals

We will use digital and ICT technologies to strengthen the means of implementation and to revitalise the UN's Global Partnership for Sustainable Development. We believe that digital and ICT will be crucial in achieving the SDGs, play a key role in enhancing international co-operation and co-ordination, promoting technology transfer and capacity building, contributing to forging multi-stakeholder partnerships, and enabling and improving data monitoring and accountability.

Accelerating socio-economic transformation through partnerships

Promoting SMMEs in Mitchells Plain: Vodacom Business, in partnership with technology and training company Silulo Ulutho Technologies and with the involvement of the SAB Foundation, recently launched a business incubation centre in Mitchells Plain near Cape Town, with the aim of digitally empowering SMMEs in the local community. The incubation centre will be equip entrepreneurs with the necessary skill sets to develop applications and security systems, and to engage in fintech, and edu-tech initiatives, so that they can bring solutions to some of the country's social challenges.

Addressing mining sector challenges: In March 2018, we announced our intention to partner with the Mining Precinct @ Carlow Road and the South African mining sector more broadly to use our technology to help solve some of the challenges facing the sector. We will be using our capabilities in IoT, Big Data analytics, and digital health, to assist in addressing such challenges as health and safety, mining efficiency and productivity.

Digitising education in the Eastern Cape: In September 2017, in partnership with the Eastern Cape Department of Education, we launched the 'virtual teacher' platform, a new interactive technology platform that allows an individual teacher to deliver lessons in real-time to multiple remote classrooms simultaneously.

Partnering to combat rhino poaching: To assist in combatting the scourge of rhino poaching, Vodacom and Celcom have partnered to introduce an innovative security measure for the Addo Elephant National Park. This includes providing mobile devices programmed with a Cmore application software that enables real-time tracking of rangers, as well as allowing rangers to enter information on such issues as poaching incidents, poacher sightings, carcass locations or logging a patrol.

Stimulating enterprise creation in the ICT sector: Since 2014, we have worked with the Innovator Trust and various businesses in Gauteng, KwaZulu Natal, Eastern Cape and Western Cape, to provide training, mentorship, networking and infrastructure support with the aim of developing future ICT leaders.

Enhancing agricultural productivity and job creation: Through our successful partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), a German development agency that provides services in the field of international development cooperation, our cloud-based web and mobile software Connected Farmer platform, will be linking thousands of smallholder farmers to the agriculture value chain enabling access to information, services and markets.

Engaging with government to ensure alignment on developmental objectives: In addition to various project-specific partnerships, we continued to engage this year with government and regulatory authorities in each of our markets, with the aim of contributing to a policy and regulatory environment that is most conducive to realising the full developmental potential of the ICT sector.

South Africa: Key engagements with government and regulatory authorities included: ongoing discussions on the implementation of the national Integrated Information and Communication Technology (ICT) Policy White Paper, the Electronic Communications Amendment (ECA) Bill, digital migration to free up spectrum, efficient spectrum allocation, the cost to communicate, and promoting inclusive access to communication services and transformation. We also engaged with various national and provincial departments in seeking to strengthen relations, facilitate an efficient response to natural disasters and highlight our contribution to the Government's National Development Plan. The national Departments of Basic Education, Health and Social Development remain the Vodacom Foundation's strategic partners in the delivery of social projects focusing on education, health and combatting gender-based violence.

Tanzania: Specific engagement issues this year ranged from the initial public offering (IPO) on the Dar es Salaam Stock Exchange, complying with customer registration requirements, rural coverage, the tax authority's implementation of the Electronic Revenue Collection System (designed to calculate and collect taxes, including value added tax and excise duty), and mobile termination rates.

DRC: We met this year with government and regulatory authorities on matters relating to compliance with customer registration, spectrum and licence renewals, the Communications Bill, tax on mobile money, mobile termination rates, international traffic regulation and profiling the economic impact of Vodacom's operation in the country.

Mozambique: Our engagements with authorities were dominated by discussions on mobile termination rates, SIM registration, spectrum, 2G licence renewal, profiling Vodacom network investments, contribution to society and partnerships with government on education and graduate development programmes.

Lesotho: Our meetings with government and regulatory authorities included compliance with mobile financial services regulations, localisation and work permit approvals, prioritisation of local suppliers in procurement and harmonisation of VAT laws.

A leading digital company

2

Ensuring our operations are responsible, ethical and accountable

In addition to accelerating social transformation through improved connectivity, it is equally important that we manage our operations in an ethical and accountable manner, conducting our business with the levels of integrity and responsibility that are justifiably expected by our stakeholders. Doing so is critical to our goal of being a leading digital company.

In this section we review our performance on driving accountability, ensuring business integrity, investing in our people, protecting consumer privacy and mitigating our environmental impacts.

Driving accountability across our operations

Seeking to build trust with our stakeholders

As a company we do not operate in isolation: our ability to deliver value depends on the contribution and activities of a range of different stakeholders. We have invested in mapping all key stakeholders, linking them to material issues affecting business operations and implementing tailored engagement plans to ensure ongoing discussions to manage the anticipated impact on the business. We briefly outline our key stakeholder groups below, identifying our means of engagement with them and their material interests relating to our business activities.

1

Government and regulators

- Provide access to spectrum and operating licences, the basis for creating value.
- Impose regulatory measures with potential costs implications.



2

Customers

- Purchase our products and services, providing the basis for business growth and sustainability.



3

Investors and shareholders

- Provide the financial capital needed to sustain and grow.



4

Employees

- Their skills and involvement determine our ability to realise our vision of becoming a leading digital company that empowers a connected society.



5

Suppliers

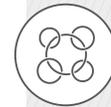
- Impact on our ability to cost-effectively provide products and services.



6

Communities

- Add to the longer-term viability of our markets by strengthening the socio-economic context in which we operate.



7

Business partners

- A key interface with our customers, they are custodians of our brand and reputation, and critical to ensuring effective delivery of our objective of delivering the best customer experience.



8

Media

- Critical role in keeping stakeholders informed of (business developments), new products and services and the impact of our business operations.



Further details are provided in our integrated report
www.vodacom.com

Driving accountability across our operations | continued

Managing our reputation

We track Vodacom’s reputation, and levels of stakeholder trust, through various means. In addition to monitoring customer Net Promoter Score (NPS), we commission an independent research company to conduct an annual reputation survey across all our markets to measure how stakeholders perceive our performance against our competitors and peer companies.

The latest results indicate that Vodacom has retained its number one position across all markets as the reputational leader in the telecommunications sector, with stakeholders rating us higher than our peers and other non-telecommunications brands.

Vodacom is South Africa's favourite brand

At the **19th annual Sunday Times Top Brands Awards** in September 2017, **Vodacom was awarded all three of the Grand Prix awards** in the business sector, as **South Africa's overall favourite brand** as well as winning the Green award for the brand perceived to be the most ecologically friendly and the Community Upliftment award.

Our Reputation Index performance

Reputation Index	2018	2017	2016	Relative position
South Africa	8.0	7.9	7.5	#1
Tanzania	8.0	8.4	7.9	#1
DR Congo	7.3	7.5	7.6	#1
Mozambique	8.2	8.3	8.3	#1
Lesotho	7.3	8.1	8.4	#1

Note:
Across all our operations, management teams proactively manage our reputation with quarterly meetings to review progress on reputation management plans.

We recognise that despite this existing reputational strength, we need to continue to retain a strong focus on understanding and addressing the interests of our stakeholders.

It is particularly important that we are responsive and transparent on 'hot topics', such as the cost and availability of data, socioeconomic transformation, and customer privacy. As reviewed (pages 24-25), we engage regularly with stakeholders to ascertain their interests, and are implementing various initiatives aimed at building trust with our stakeholders, driving down the cost of data, increasing access to digital services, and promoting social transformation.



Stakeholder 'hot topics' in 2018

Fostering accountability and building trusted relationships requires that we are fully transparent and responsive on issues of particular concern to our priority stakeholders. We have identified the following as the most material 'hot topics' over the year, and provide our response to these.

Delivering social transformation

The issue: South Africa, our largest market, has some of the highest levels of inequality, unemployment and poverty in the world. Given the need to promote greater economic inclusion in the country, the South African government has highlighted its commitment to implement 'radical economic transformation'. In terms of the ICT sector, this is reflected in key provisions of the National Integrated ICT Policy White Paper and the Electronic Communications Amendment Bill. In our other international markets there are similar pressure from government, regulators and consumers to further broaden access to digital services.

Material stakeholder groups: Government; industry regulators; employees; business peers; and customers.

Our response: Our Vision 2020 includes a clear commitment to removing barriers to digital access, and to deliver the significant societal benefits associated with improved connectivity. We are committed to playing a transformative role in the provision of financial services, education, healthcare and agriculture, and to demonstrating leadership in promoting BBBEE in South Africa. Our existing initiatives to accelerate socio-economic transformation include:

- ▶ Our M-Pesa product that provided affordable access to financial services to more than 32 million customers (including Safaricom), increasing savings, reducing poverty and opening up valuable economic opportunities;
- ▶ Our substantial investment in extending networks into rural areas across our countries of operation;
- ▶ Promoting commercially viable mobile agricultural solutions through our Connected Farmer platform, and delivering measurable education and health benefits through our mobile data initiatives;
- ▶ Our Siyakha platform, offering zero-rated health, education and career portal for low-income consumers in South Africa;
- ▶ Our investments in enterprise development, preferential procurement, skills development and employee diversity resulting in Vodacom consistently being recognised for leading BEE performance; and
- ▶ A retail transformation strategy that encourages greater "black" ownership of our franchise channel.

Data costs

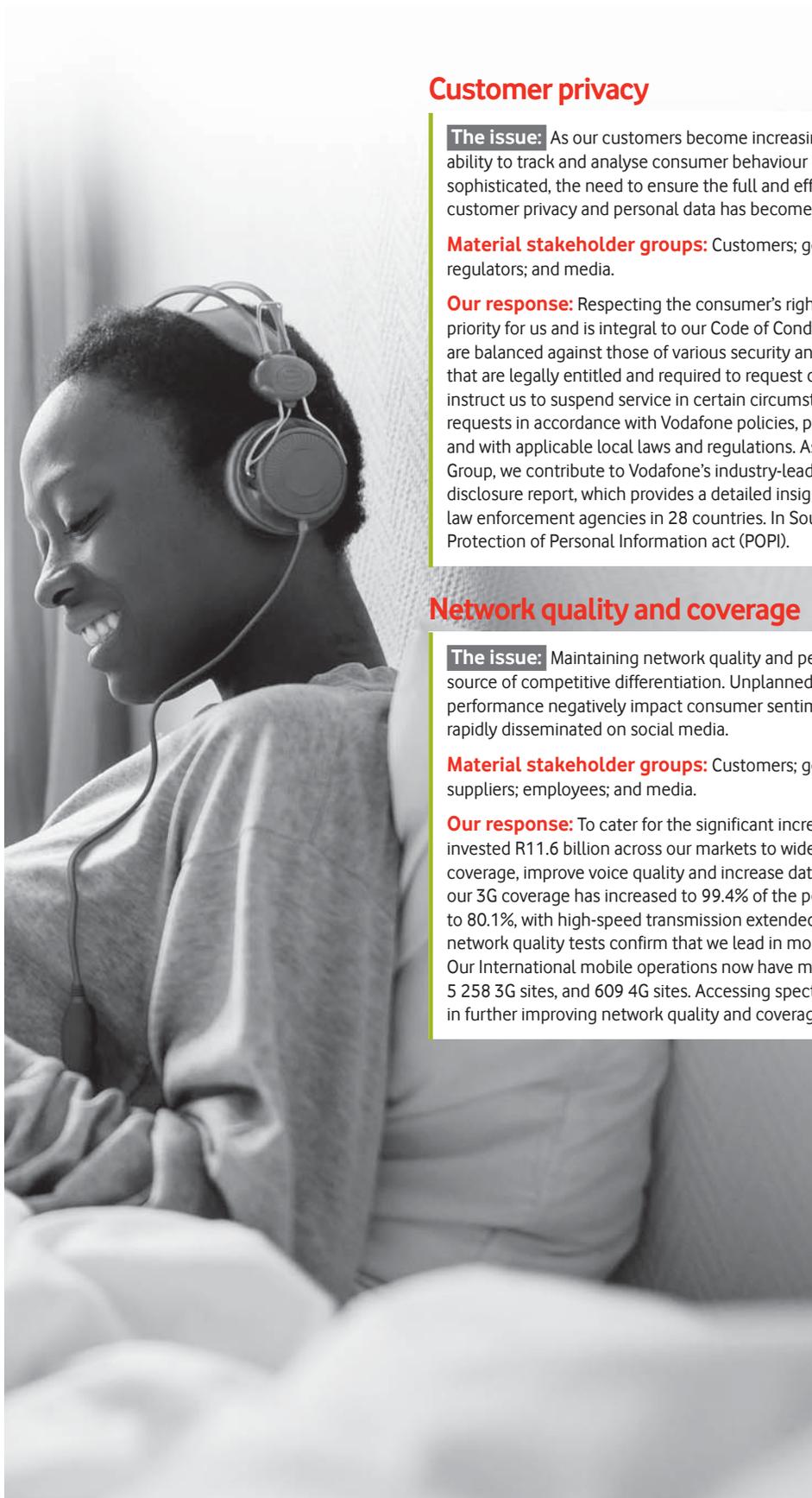
The issue: The cost of accessing communications services in general – and data in particular – remains a prominent concern for consumers and policy makers. Following the high profile #datamustfall social media campaign launched in South Africa in 2016, the Competition Commission and ICASA have both launched processes relating to the cost and nature of data services.

Material stakeholder groups: Customers; government; industry regulators; and media

Our response: We recognise the imperative of further lowering data prices, while not compromising our ability to make the investments in network and IT infrastructure needed to broaden and improve service delivery. We have various initiatives in place to reduce data costs and encourage customers to optimise their bundles and data usage; these include:

- ▶ Providing customers with bundles for varying periods of validity at affordable pricing (down to 3c per MB for a one-day, 1GB package), and reducing our out-of-bundle rates by up to 50%;
- ▶ Improving our in-bundle and out-of-bundle smart notifications for customers in line with ICASA's recommendations, and launching a data refill services to manage out-of-bundle pricing;
- ▶ Running targeted consumer campaigns to increase awareness on how to buy maximum-value bundles, check balances and more efficiently manage data usage; and
- ▶ Making data more affordable through various propositions that lower the data entry barrier, such as Facebook flex (a low data, free version of Facebook without photos and video) and Vodacom Siyakha (a platform offering access to zero-rated career, education and health websites).

Stakeholder 'hot topics' in 2018 | continued



Customer privacy

The issue: As our customers become increasingly connected, and as the ability to track and analyse consumer behaviour becomes more sophisticated, the need to ensure the full and effective protection of customer privacy and personal data has become more critical.

Material stakeholder groups: Customers; government; industry regulators; and media.

Our response: Respecting the consumer's right to privacy remains a top priority for us and is integral to our Code of Conduct. Our customers' rights are balanced against those of various security and enforcement agencies that are legally entitled and required to request customer information, and to instruct us to suspend service in certain circumstances. We manage such requests in accordance with Vodafone policies, procedures and guidelines, and with applicable local laws and regulations. As part of the Vodafone Group, we contribute to Vodafone's industry-leading law enforcement disclosure report, which provides a detailed insight regarding demands from law enforcement agencies in 28 countries. In South Africa, we abide by the Protection of Personal Information act (POPI).

Network quality and coverage

The issue: Maintaining network quality and performance is an essential source of competitive differentiation. Unplanned disruptions in network performance negatively impact consumer sentiment, which is sometimes rapidly disseminated on social media.

Material stakeholder groups: Customers; government and regulators; suppliers; employees; and media.

Our response: To cater for the significant increase in data usage, we have invested R11.6 billion across our markets to widen our 3G and 4G data coverage, improve voice quality and increase data speeds. In South Africa, our 3G coverage has increased to 99.4% of the population and 4G coverage to 80.1%, with high-speed transmission extended to 92% of our sites. Routine network quality tests confirm that we lead in most quality indicators. Our International mobile operations now have more 7 288 2G sites, 5 258 3G sites, and 609 4G sites. Accessing spectrum remains a critical factor in further improving network quality and coverage, and reducing data costs.

Ensuring business integrity

The reputation of our business and value of our brand is built on Vodacom's long-standing commitment to being a responsible, transparent and ethical business, and securing and maintaining the trust of our diverse stakeholders. The King IV principles set out the ethical commitments and performance requirements that lay the foundation for a socially responsible and truly profitable business. As a Vodafone subsidiary, we have adopted the Vodafone Way, Vodafone Business Principles and the Vodafone Code of Conduct and made them relevant to our own market conditions, managing and measuring our performance accordingly.

Promoting ethical conduct

Our Code of Conduct (Code), supported by our ten underlying Business Principles, explains what is expected of everyone working for and with Vodacom, including employees, contractors, business partners and suppliers. It also sets out Vodacom's responsibilities to our people, partners and shareholders. The Code is underpinned by an extensive and well-established framework of policies and systems to manage our responsibilities.



Access the Code on
our website:
www.vodacom.com

We provide training and awareness to employees on the Code, ethical values and ethical decision making through the Doing What's Right (DWR) and Ethics Along the Way (EAW) programmes.

The DWR online training comprising of five modules: code of conduct, anti-bribery, security, health and safety, and privacy was provided to all permanent staff members, with a 94% completion rate across the Group.

Through industrial theatre, we brought the code alive and created awareness on our values, key ethics risks and various policies which are outlined in the code of conduct. Over 350 staff members watched the interactive play.

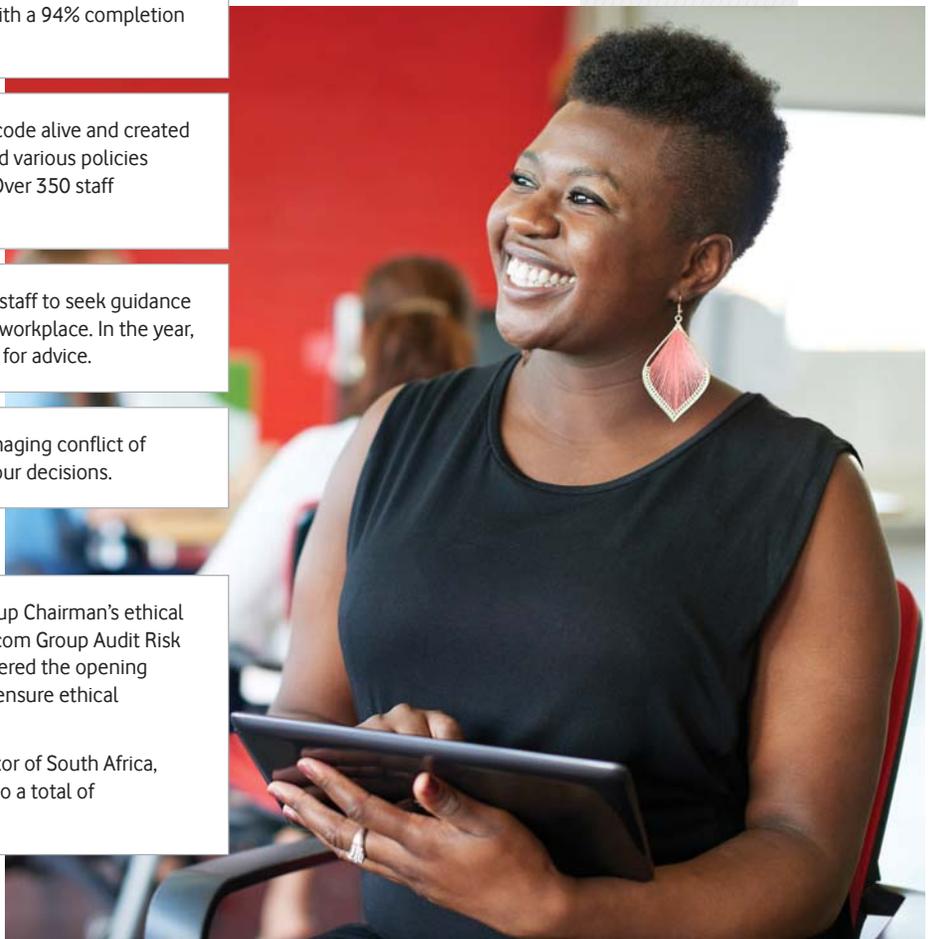
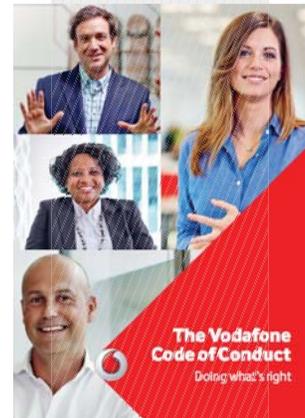
We maintain an ethics advice line to enable staff to seek guidance on ethical dilemmas they experience in the workplace. In the year, we received and responded to 180 requests for advice.

We have mechanisms in place aimed at managing conflict of interests in order to ensure the integrity of our decisions.

Ethical leadership

On an annual basis, we host a Vodacom Group Chairman's ethical leadership event. Mr David Brown, the Vodacom Group Audit Risk and Compliance Committee Chairman delivered the opening address, explaining the role of the Board to ensure ethical leadership.

Prof. Thuli Madonsela, former Public Protector of South Africa, reflected on the topic of ethical leadership to a total of 804 managers who attended the event.



Ensuring business integrity | continued

Monitoring our performance

We periodically measure Vodacom's ethical performance on a number of dimensions through our ethics, reputation and people culture survey. Management is held accountable for taking the necessary corrective actions, which are tracked and monitored by the Group Audit, Risk and Compliance Committee. We also conducted a gap analysis to establish the organisation's alignment to the practices recommended by King IV in developing an ethical organisation. Based on this analysis, Vodacom is aligned with King IV recommendations relating to ethics management.



Vodacom Group achieves #1 on the Vodafone Doing What's Right league table for their communication campaigns on policies.

Facilitating whistleblowing/confidential reporting

A long-standing whistleblowing line called SpeakUp is implemented for confidential reporting. All stakeholders are required to report any suspected breaches of our Code of Conduct. During the year, Vodacom Group received 164 reports through the SpeakUp whistleblowing line.

Common themes of issues reported related to fraud, bullying and breach of policy. Disciplinary proceedings, including termination, are instituted where employees or contractors are found to have behaved contrary to our principles. Measures to mitigate the risk of reoccurrence of these types of misconduct are implemented.

Investigations and disciplinary mechanisms

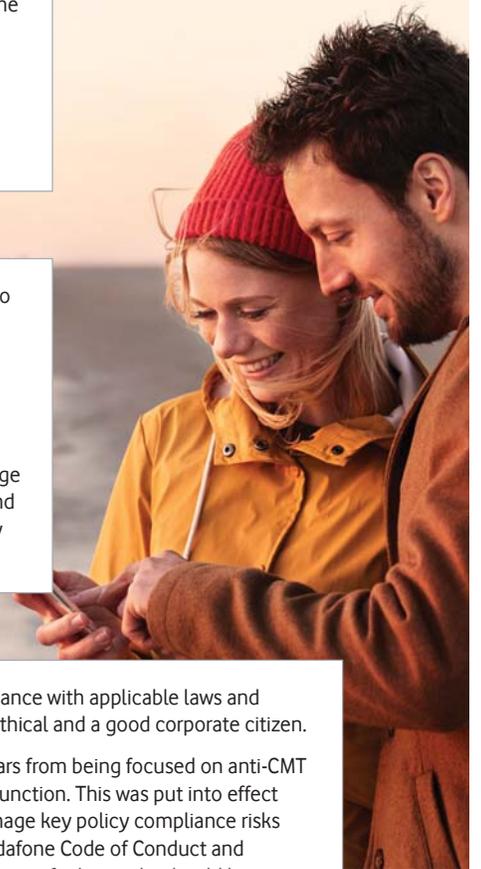
The Group's corporate security division investigated over 13 723 cases of which 13 322 related to external cases and 401 to internal cases. In South Africa, the most common form of misconduct related to dishonesty and poor attendance.

In our International operations, we experienced an improvement in the number cases of fraudulent SIM swaps, dishonesty, theft of assets and burglary as compared to the previous reporting cycle, which was attributed to improved consequence management, awareness, continuous review and audit of internal process and procedures. Externally, we continue to engage and provide fraud management awareness to our business partners, dealers, service providers and vendors. Early detection remains a key safeguard in preventing fraud and corruption. Disciplinary measures are taken and sanctions imposed as appropriate.

Compliance with laws and regulations

A guiding King IV principle of good governance is that the governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

In pursuit of aligning with the above principle, the compliance function has evolved in recent years from being focused on anti-CMT (corruption, money laundering and terrorist financing) to becoming a fully-fledged compliance function. This was put into effect through the development of a Compliance Charter, with the primary objective to effectively manage key policy compliance risks and an ethical culture across our global footprint. The policy structure is underpinned by the Vodafone Code of Conduct and supported by Vodafone Global Policy Standards. These policy documents set minimum requirements for how risks should be managed and is mandatory in all Vodacom markets. Certain policy documents are classified as "high risk", including the Anti-Bribery and the Anti-Money Laundering policy standards, and require a greater degree of assurance. In order to address specific complaint risks in each of the Vodacom markets, we have introduced a risk-based Legal Compliance Programme.



Ensuring business integrity | continued**Promoting responsible sourcing**

Vodacom extends its values and business ethics through its relationships with its suppliers and business partners. Vodacom's Code of Ethical Purchasing is incorporated in contracts of new supplier and existing suppliers as they come up for renewal.

We continue to enhance and raise the minimum performance standards we require our suppliers to adhere to and this has continued to produce positive results within the supply chain.

Having the right policies and processes in place helps us with risk mitigation, legislative compliance and maintaining high standards of social and ethical performance.

All new suppliers are screened, with a focus on anti-corruption, health and safety, and BBBEE. Screening suppliers on additional social criteria, such as labour practices, is undertaken via our global teams.

We held 47 (2017: 38) health and safety supplier forums across the Group where we engaged our suppliers on a number of health and safety issues, including, but not limited to, our safety rules, changes in legislation and lessons learnt from incidents. Our suppliers are re-vetted annually, according to their risk categories in the services they provide, by an independent, approved vendor.



Investing in our people

We depend on our people. We need the right people with the right skills to operate our business effectively and create value. To do this we need to attract and retain the right people by creating a safe and rewarding environment, and to create the right culture and environment where employees can thrive and have the freedom to pursue their higher purpose through their work.

In line with our *Vision 2020*, becoming a leading digital company requires digital transformation within our own organisation, built on a culture that fosters organisational agility and collaborative working, that attracts and develops the right skills, talent and diversity, and that uses Big Data and analytics to inform decision-making.

Our workforce

Performance indicators

	2018	2017
Number of full-time permanent employees	7 554	7 587
Engagement Index – People Survey (%)	78	79 ¹
Employee turnover [†]	9.0	9.0
Women representation in senior management [†] (%)	35	32.7
Black representation in senior management* (%)	56	51.4
Ratio of average basic salary of men to women* (times)	1.3:1	1:3
Total training spend (Rm)	278	277¹

Notes:

* Vodacom Group and Vodacom South Africa only.

[†] Vodacom Group (South Africa, Tanzania, the DRC, Mozambique and Lesotho).

¹ These items were the subject of the limited assurance engagement performed by KPMG in 2017.

Number of employees by company

Country	2018	2017
South Africa (including subsidiaries)	5 007	5 038
DRC	578	617
Tanzania	537	525
Mozambique	530	485
Lesotho	209	207
VBA	501	512
Mauritius	5	5
Vodacom Group Limited	187	198
Total	7 554	7 587

Employees per contract type and gender in South Africa

Row Labels	Female	Male	Grand Total
Assignee Home-Prep [§]		2	2
Assignee Host	1	8	9
Contractor	138	139	277
Employee	2000	2580	4580
Grand Total	2139	2729	4868

Notes:

[§] employees preparing for international assignments.



Vodacom Lesotho retains certification as a top employer

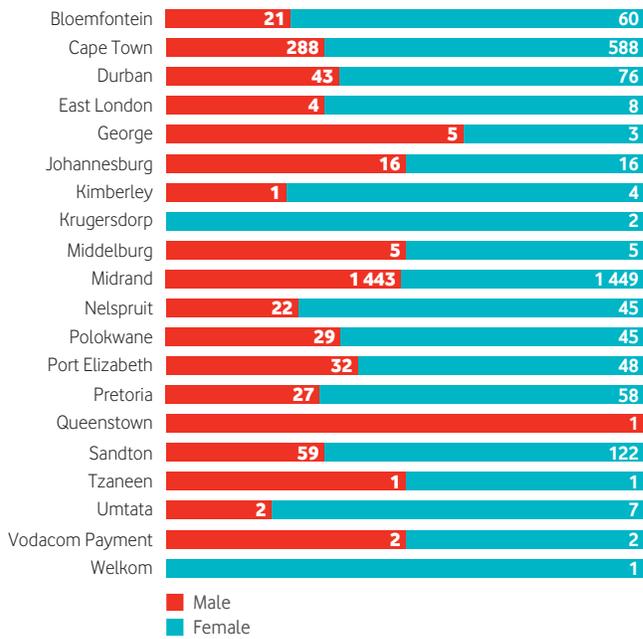
Vodacom Lesotho was awarded the Top Employers Africa certification in 2017 and 2018, in the annual research programme undertaken by the Top Employers Institute, which globally certifies excellence in the conditions that employers create for their people. This is in recognition for the company's dedication to the development of its people.



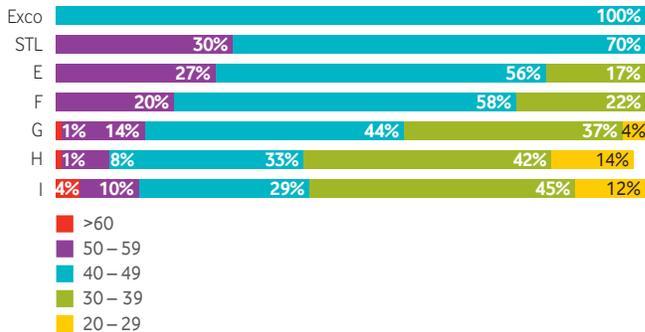
Investing in our people | continued

The graphs show the distribution of men and women per region and employees per age level in Vodacom South Africa. In our efforts to drive an inclusive culture consisting of all ages and gender we have 43.5% female and 56.4% male representation. Our age distribution reflect a good mix of experience and youth. Interestingly, the majority of our employees fall between the ages of 30-40 years where the next level of leadership will emerge for the digital age.

Employees per region and gender in South Africa



Employees per age per level in South Africa



Investing in our people | continued

Creating an Agile, future-focused organisation

We are placing a strong emphasis on embedding a culture where the attributes of speed, simplicity and trust inform how we work.

We have streamlined our operating model, organisational structure and decision-making processes, with the goal of promoting a more Agile, future-proof way of work.

We have placed a particular focus this year on embedding Agile structures, principles and tools such as our operating model, establishing various collaborative cross-functional 'digital accelerator' teams and scaling these across the organisation.

Establishing a distinct employee experience

Our resourcing policy provides a framework for promoting good practice and equality in recruitment and performance management.

The current key focus is on attracting and retaining digital skills, actuarial skills and Big Data to ensure that we are ready for the new wave of artificial intelligence in a highly competitive market for skills. As part of our shift to digital, this year our South African business migrated to the digital-based Global Resourcing Process, significantly boosting the efficiency of our recruitment.

We strive to create a culture of recognition that motivates employees to deliver performance above-and-beyond what is expected, not only in terms of individual performance, but also with the aim of encouraging more effective teamwork. Our performance management methodology is built on open and transparent dialogues between our people leaders and employees. We strive for fair and consistent assessment of all our employees, and believe in performance differentiation between our people and in rewarding our top performers accordingly.

Each year we conduct an annual People Survey, undertaken by independent consultants, to track how engaged, well managed and 'included' our employees feel. We compare our scores with a high-performing peer group and other Vodafone Group companies to assess whether we are creating the right environment for our people to excel and grow. This year, our overall workforce participation rate was 88%, unchanged from last year.

	2018	2017	2016
Engagement Index	78	79	76
Digital Index	77	–	–

We have approved various actions in response to the results, including: undertaking dedicated CEO-led employee interactions and targeted leadership engagements, enabling line managers to recognise staff achievements, and increasing our focus on employees' individual development plans.

We have also rolled out a focus group initiative ('#haveyoursay') that seek to solicit deeper employee inputs across all organisational levels, and to co-create solutions to some of the challenges identified in the survey.

We have successfully concluded a senior leadership conference to align our senior leadership team on our digital strategy, and rolled out a Digital Bootcamp and an INSEAD programme for senior leadership.

We have also established a Digital Ninja programme with over 200 Digital Ninjas, who upskill employees across the business to serve as the champions of digital adoption and change.



Investing in our people | continued

Accelerating digital skills and a learning culture

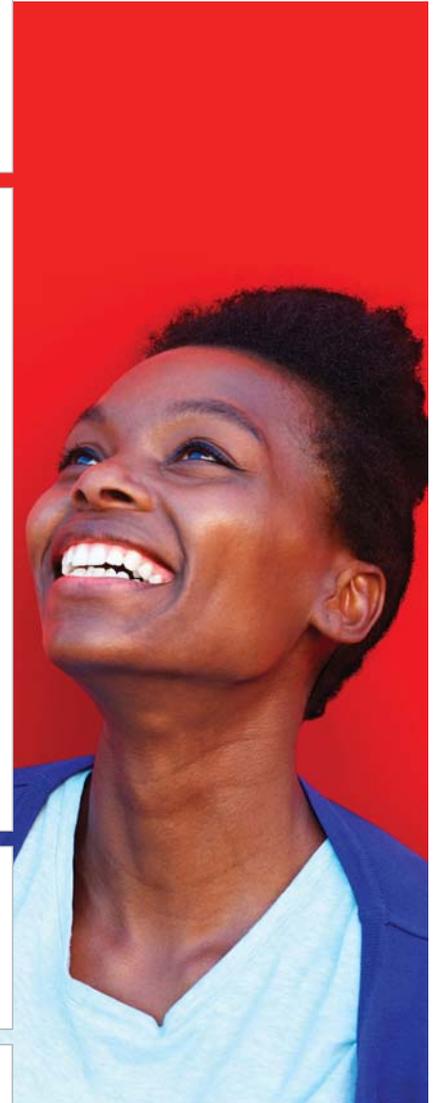
To deliver the best experience to our customers we need technical skills (best network), product development and financial expertise (best value), and great customer-facing employees (best service). We support, train and encourage more than 7 554 people working across Vodacom to ensure they have the right capabilities, commitment and enthusiasm to achieve our business goals. In South Africa, a total of 156 691 hours were spent on various training and development programmes.

Leadership development: In seeking to increase our leadership capabilities, we invested R21.4 million in our various leadership development courses.

- ▶ **Ascend:** Aimed at middle management, provides participants with knowledge, skills and techniques that will lead to more professional management and leadership within Vodacom.
- ▶ **Vodacom Advanced Executive programme (VAEP):** Aimed at executives in the business, promotes the development of a network of empowered executives who can leverage each other's experiences to advance Vodacom's strategic and operational sustainability.
- ▶ **Leadership essentials:** Aimed at all people leaders in the business, creates a common understanding of what is expected of people leaders within Vodafone/Vodacom.
- ▶ **Harvard Senior Executive programme:** Aimed at senior executives and delivered in partnership with Gordon Institute of Business Science, explores the practices of successful business leaders in local, regional and global markets.
- ▶ **Senior Digital leadership bootcamp:** A Vodafone Global programme aimed at developing the mind-set and confidence needed to be an admired and effective leader in a digitally-enabled age. Leaders commit to personally role-model behaviours needed for a customer-centric, Agile organisation and influence the working culture and practices. This year, 213 people leaders completed the programme.
- ▶ **INSEAD- Leadership in the Age of Digital Disruption:** A group of 100 senior managers enrolled to complete this online programme that will support leaders in becoming more proactive in the digital domain, helping them to turn digital threats into opportunities and allow them to leverage digital to create competitive advantage and enhanced performance.

Digital business essentials: This foundational programme is offered to all employees through the Vodafone University, our global online portal. The programme comprises six modules, each allowing the participant to earn a badge towards their course completion. As at 31 March 2018, Vodacom South Africa has 81.4% (4 771) of all staff registered, with 54.7% (2 765) of employees having completed all six badges.

Interns, learners and bursars: We invested R8.9 million on training for the 236 young people currently employed by Vodacom as interns and learners. Included in the total are 45 disabled youths. As at 31 March 2018, employment opportunities have been created for 32 of the interns and learners (19%). This year, 110 external students qualified to participate in our student bursary scheme; in which bursaries in a total amount of R12 million had been provided.



Investing in our people | continued

Columbus Graduate programme: This is a global two-year programme within Vodafone that provides our graduates with working experience and placement opportunities in other Vodacom markets. This year six graduates moved to other markets outside South Africa, in the fields of Commercial Marketing, Product Management, Customer Value Management, and Technology.

International Development programme: The International Development programme (IDP) is a new programme that integrates a number of other short term programmes into one consistent global approach. Through the IDP, employees (primarily senior Managers and professional staff) can travel to another Vodafone location across the globe. The duration of the programme is typically between 4-10 weeks. This programme enables employees to have the opportunity to work shadow, share best practice, and increase their knowledge. A fair, and stringent process is used to select the right employees for this programme. This is again testament to Vodacom's best recruitment practice.

Rotation programme: In 2016 we developed a rotation programme that provides employees with developmental opportunities through temporary assignments (three to six months) in a different role at the same job grade within the Company. These rotations promote collaboration and innovation across functional areas, and enable us to strengthen our succession pipeline. During the past year, we had 36 rotation assignments within South Africa.

Cross Functional Talent forum: This is a new initiative at Vodacom and demonstrates our integrated approach to talent management. We have established a cross-functional talent forum which will convene twice a year. At present the focus is on key talent pipelines including the female leaders programme. The focus will be expanded to include a separate Graduate forum to track our emerging talent.

Career Connect: To promote awareness among our employees around career opportunities within Vodacom, this financial year we hosted additional career exhibitions, called Career Connect in Cape Town and in Durban, with impressive business unit participation. Information on career paths and opportunities was shared, coupled with panel discussions on future career opportunities. Senior management shared their experience on career journeys, and how they have progressed within Vodacom. The feedback was overwhelmingly positive. We also piloted our first PD Experience (see below) as part of the showcase.

Performance development (PD)

This year we revised our performance management process, which we now refer to as performance development. The methodology is designed to promote 'break through goals' and powerful feedback, unlocking development and performance coaching, and is built on nine beliefs aligned to our Vision 2020. The quality of our people managers is key to our success as we depend on trusting and empowered managers who motivate, engage and coach their people. Training on the PD system was conducted with more than 1500 people leaders and 2 897 employees, to ensure there is an understanding and commitment to the system. The training included elements of industrial theatre, gamification, augmented reality and is supported by a ninja zone where staff will be provided with support on the technologically enabled elements of PD.



Investing in our people | continued

During 2017 we conducted more than 7 000 performance related assessments, either via online or face to face across our operations in South Africa, Tanzania, DRC, Lesotho and Mozambique.

The ultimate honour for performance recognition is the annual CEO awards ceremony, where the highest achieving employees, teams and suppliers are recognised and rewarded for outstanding performance throughout the year.



Promoting workforce diversity

We are committed to creating an inclusive work environment that respects, values, celebrates and makes the most of the individual differences our people bring to Vodacom. Our ambitious approach focuses on promoting gender equality and youth development.

We have various initiatives aimed at promoting gender diversity and supporting women in progressing their careers at Vodacom.

At our South African operation, we continue to promote transformation. Black representation in the workforce is 74%, with 56% at senior management level and 67% at Executive Committee level. Women represent 43% of the workforce and 31% at senior management level.

Employment Equity performance against the ICT sector code for Vodacom South Africa

The amended ICT sector code measures black employees in accordance to the racial demographic profile of the country between the ages of 16 and 65 years old.

	2018	2017
Black senior managers	1.05	1.30
Black middle managers	1.14	1.5
Black junior managers	0.67	1.3
Disability	1.23	1.18
Employment equity score	5.56	5.28

Promoting an inclusive working environment

To achieve a truly inclusive working environment, Vodacom implemented the roll-out of unconscious bias training across all markets. Our Vodacom Group Executive Committee attended the course, which provided the opportunity for personal reflection and action planning in order to eliminate practices reflecting unconscious bias.

Diversity initiatives focus on the inclusion of females with specific reference to underrepresented groups, including the lesbian, gay, bisexual, transgender/transsexual (LGBT) community, people with disabilities, attracting and retaining employees from all age groups.

Our LGBTI employees and friends network continue to provide confidential support and advice to employees on a variety of LGBTI topics and provided a channel for employees to raise concerns on LGBTI related topics. Vodacom for the first time participated in LGBT Pride Events held in Johannesburg on 28 October 2017.

Investing in our people | continued

The Disability Forum established in 2015 continued to actively promote the rights of all employees with disabilities.

During disability awareness month, a number of initiatives were held in Midrand and Cape Town to create an understanding of the challenges faced by people with disabilities on a daily basis and to educate line management regarding reasonable accommodation. We currently have 75 people with disabilities (2017: 72).

Labour rights and relations

We are committed to respecting the human rights of everyone working for Vodacom either directly as an employee, or indirectly as someone employed by one of our suppliers. Vodacom extends its values and business ethics through its relationships with its suppliers and business partners.

Vodacom employment policies are consistent with the UN Universal Declaration of Human Rights and the International Labour Organization's core conventions. We are committed to preventing unfair discrimination through the full, fair and objective application of our disciplinary policy, ensuring equal treatment of employees irrespective of union membership, communicating standards of acceptable behaviour and consequences of non-compliance to all employees, and ensuring the resolution of all reported matters within five days as per our grievance policy. One grievance relating to bullying and harassment was addressed in accordance with our policy.

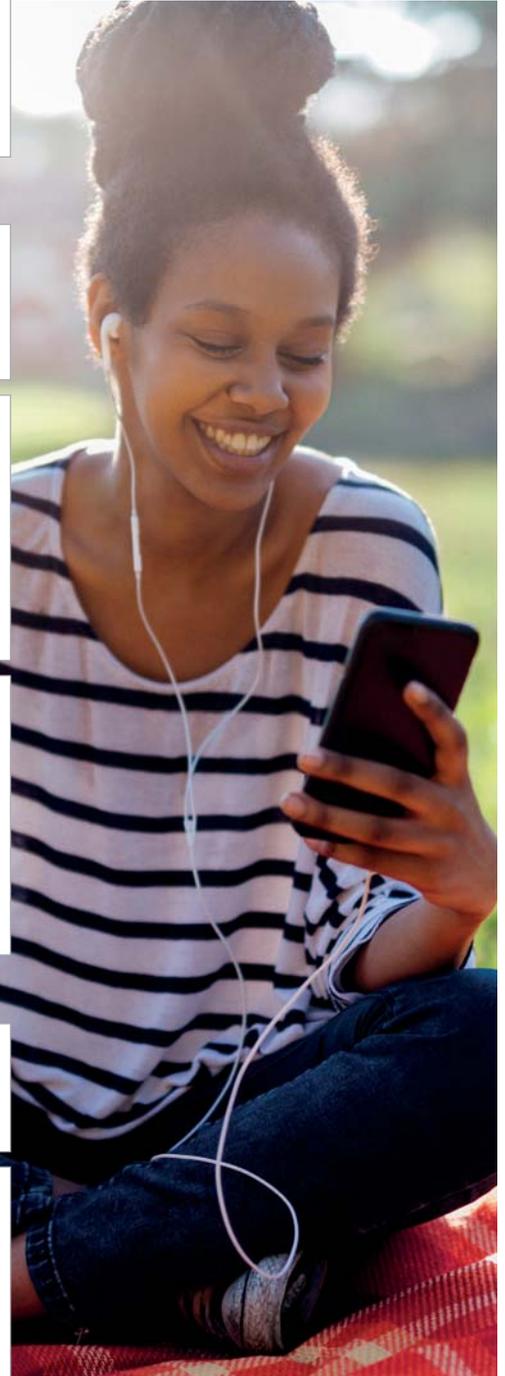
The Company continued to enjoy a strong relationship with the National Consultative Committee in South Africa comprising of employee representatives across the business. The aim is to involve employees in aspects of decision-making that affect their work environment and enhance co-operation between management and employees.

Over and above the quarterly engagement sessions with the CEO and Chief Human Resources Officer, sub-committees also engage management on a regular basis on matters such as disability, performance management, employment equity and transformation, skills development and other people matters.

Union membership

We provide an environment conducive to freedom of association and have a channel to manage employee-related issues with unions. We have not experienced any labour-related strikes over the past year in any of our operations.

In **South Africa**, approximately 400 employees (9.11% of the workforce) are members of the Communication Workers' Union (CWU). **Mozambique** has an active union that is regarded as a partner to management; union participation is quite low at 9.8% of the workforce. **DRC** has an active trade union and employee union. Members engage with management on a monthly basis to discuss employee issues and bi-annually to discuss disciplinary matters within the company as well as any other relevant issues. Two hundred and fifty eight employees are registered with the union (2017: 29), representing 45% of the work force (2017: 4.7%). Lesotho, Tanzania, VBA Nigeria and AfriConnect in Zambia are not unionised.



Investing in our people | continued

Ensuring employee safety, health and wellbeing

We take our responsibility to promote the safety, health and wellbeing of our people very seriously. Loss of life or injury related to our operations is unacceptable. In South Africa, the current health, safety and environment committee representation is at 1.5% of total headcount.

We are saddened to report the loss of life of three Vodacom contractors this year, in a road traffic accident in the DRC. On 19 November 2017, a Vodacom contractor driver and two passengers were fatally injured in a collision with an oncoming truck that was overtaking another vehicle. All other markets recorded a fatality free year. Road-related accidents remain our principal safety risk and we are continually focusing on initiatives to enhance and improve our risk mitigation methods.

This year we conducted deep dive audits on our high-risk suppliers to assess their road risk controls and ensure compliance with our stringent standards.

In **South Africa**, our Road Guardian Bureau programme to monitor and analyse our driver behaviour patterns continues to assist in improving driver behaviour and mitigating the severity and number of road accidents. Driver behaviour scorecards indicate a significant improvement from 92% in 2017 to 99% this year. Management are directly involved in the process to address any infractions that are identified through the programme on a daily basis. We continue to make progress in mitigating transportation related risks at our International operations.



Safety Incidents

The effectiveness of our internal risk controls to mitigate motor vehicle incidents, which remain our highest causal factor of safety incidents, is encouragingly reflected in the reduced levels of involvement of Vodacom employees in such accidents, to 26% of safety incidents this year.

Vehicle incidents accounted for 43% of all safety incidents this year (2017: 59%), followed by electrical fires (11%) and slips, trips and falls (11%). South Africa accounted for 75% of all safety incidents (2017: 69%), with 15% from DRC (2017: 22%).

Contributing factors mainly related to our contractor drivers involved in vehicle incidents in all markets and trenching incidents in South Africa. The majority of safety incidents recorded (62%) are 'high potential incidents' (HPIs), relating mainly to road transport, electrical fires and slip/trip incidents. Contractors account for at least 67% of all reported incidents. We have effective risk mitigation measures in place in our high risk job environment areas and we are focusing on emerging risks, notably electrical fires and fibre (FTTX) related incidents. Appropriate safety measures have been implemented and awareness training is ongoing.

This year we recorded a 30% decrease year-on-year in the number of HPIs recorded, an 11% decrease in minor incidents and an 80% decrease in lost time incidents.

Safety incidents	2018	2017
Fatalities	3	1
Lost Time injuries (LTIs)	1	5
Major incidents	2	2
HiPO incidents	76	109
Minor incidents	38	43
Near miss incidents	1	1
Lost Time injury frequency rate (LTIFR)	0.03	0.05

Investing in our people | continued

Promoting health and wellbeing in the workplace

Creating a healthy workplace that fosters care and personal wellbeing for our employees is essential to the success of our business. We support our employees in managing their work-life balance and promoting all-round development. Our principal organisational health risks are stress and being overweight. We are addressing health risks through various physical activities and supporting wellbeing initiatives.

Wellness strategic focus: 2018/19



Investing in our people | continued

Ongoing wellbeing initiatives

Physical activities: This year we held our second annual sports day, involving various physical activities onsite across all our operating regions. Health risk assessments were provided in all regions through our primary health care nurses. We also have wellness centres in all regions which offer professional assistance including from chiropractors, physiotherapists and optometrists, as well as blood donation campaigns and vitality assessments.

HIV management and testing: Vodacom supported World Aids day in all our regions including the International operations. We offered HIV testing through our primary health care clinics and distributed knowledge based communications. HIV support is offered throughout the year through our primary health care clinics. Employees are also referred to the EAP for counselling and support when results are positive.

Lifestyle centres: Our dedicated employee lifestyle centres in South Africa offer various services across all regions. We continue to introduce new services and raise awareness of the facilities. This year there were 17 462 visits to the centres (2017: 17 431). The main reasons for visiting our primary health care facilities relate to gastrointestinal, muscular skeletal and neurological concerns, as well as monitoring of chronic disease risk factors.

Occupational and primary healthcare: In line with occupational health law, all employees working in a high risk job environment (in our business, performing any function that involves, for example, driving, electrical work, working at heights, exposure to noise) have an annual medical, undertaken by our occupational medical practitioners. We have appointed a new service provider effective January 2018. We recorded 2884 visits to our primary healthcare facilities this year.

Employee Assistance Programme (EAP): The utilisation rate of our EAP, a confidential employee counselling line, decreased this year to 9.39% (2017: 11.12%).

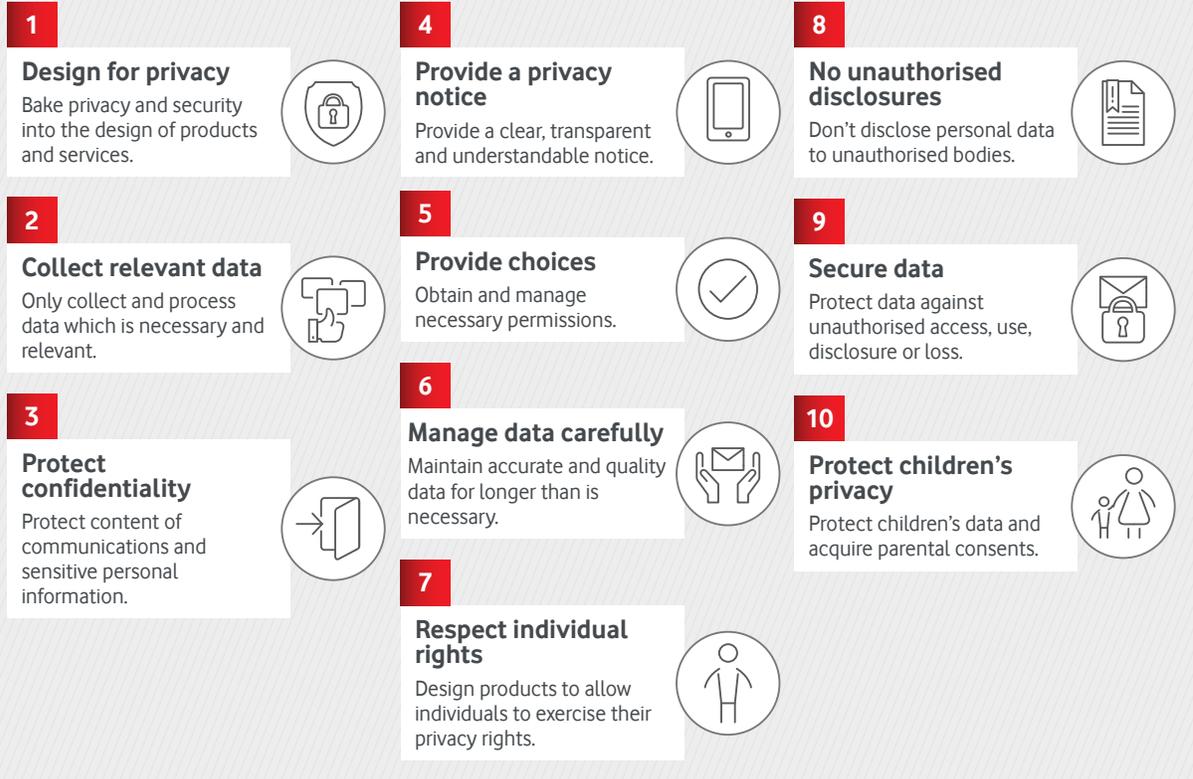
Executive medical programme: As part of the integrated wellbeing programme, we are designing a programme to assess and address levels of health risk among our Executives. A medical assessment will determine levels of risk and executives will receive a repeat medical at intervals according to their level of risk. Executives will be referred where needed and stringently managed by dedicated case managers. This includes regular touchpoints, follow-up management and referral management.



Protecting customer privacy and security

Protecting our customers' personal information and respecting their privacy are essential to maintain their trust. Our approach to privacy is based on our commitment to process personal information honestly, ethically, with integrity, and consistently with applicable laws and our values.

We are guided by our privacy commandments as illustrated, which we are working at ingraining into our "how we work" culture.



Respecting the consumer's right to privacy remains a top priority for us and is integral to our Code of Conduct. Our customers' rights are balanced against those of various security and enforcement agencies that are legally entitled and required to request customer information, and to instruct us to suspend service in certain circumstances.

We manage such requests in accordance with Vodafone policies, procedures and guidelines, and with applicable local laws and regulations.

In upholding the protection of privacy regime, the main focus for all Vodacom Group operating companies has been the implementation of robust and demonstrable privacy compliance initiatives that not only address the requirements of applicable privacy laws but also the principles of good corporate governance relating to the processing or use of personal information. Approximately 5 incidents of loss or breach of customer information were reported and remedial action was instituted.

Security and Privacy by Design and Assurance is our new and improved privacy and design demonstrable approach that we are rolling out which consists of a series of security and privacy steps, typically within a waterfall or agile product or service development lifecycle, for:

- 1. Identifying potential privacy and security risks** for new products, services and operations **and identifying controls** to minimise, mitigate or remove those privacy and security risks;
- 2. Designing and implementing the identified controls** into the product;
- 3. Providing assurance** that privacy and security controls have been implemented before the product goes "live" and the product complies with privacy requirements and applicable laws;
- 4. Addressing security and privacy risks arising from changes to existing live products** that impact the processing of personal data; and
- 5. Ensuring security and privacy risks are addressed when decommissioning** these products.

Protecting customer privacy and security | continued

Accountability and privacy governance

The establishment of privacy steering committees comprising senior leadership team members, in all operating companies.
The appointment of privacy officers and /or privacy champions responsible for overseeing the implementation of the Group privacy management programme.

Privacy, training and awareness

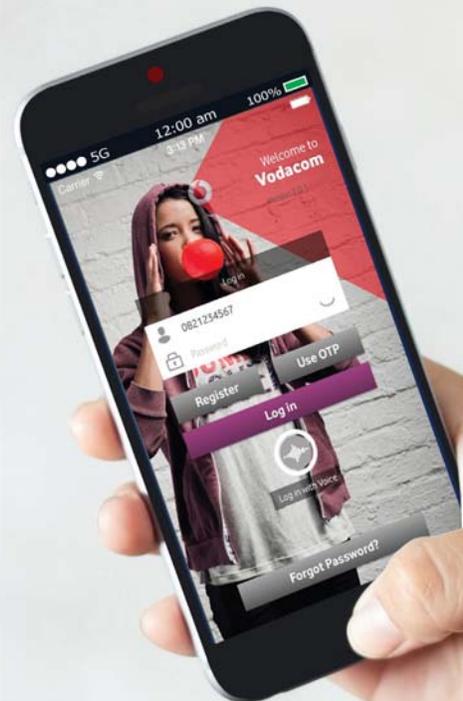
The implementation of privacy training and awareness initiatives across all employee spheres. The approach adopted is either through face-to-face interactions or through the Vodacom University e-learning portal, as part of the Doing What's Right (DWR) programme.
In South Africa, training has been extended beyond staff members to include suppliers and franchisees. Privacy impact assessments and privacy by design are critical considerations in the development of new products and services.

Cross border transfers

Ensuring that personal information is only transferred across borders to territories where it will be protected throughout its lifecycle and always subject to contractual arrangements that regulate the transfer and processing of personal information.

Customer permissions management

Transparency regarding the use of customers' information dictates that we should implement an effective customer permissions management solution. The management of customer permissions ensures that Vodacom utilises personal information based on appropriate disclosures that have been made to customers and subject to the consent that has been granted by customers. The first phase of the implementation of our Customer Permissions Management solution is underway in South Africa.



Protecting customer privacy and security | continued

Maintaining customer security

Vodacom Group recognises that privacy and security is paramount in our efforts to provide advanced technologies and digital products and services to customers. Our technology security strategy ensures that our customers are confidently and securely connected. The strategy focusses on five key pillars namely; strong security controls, protection of critical assets, monitoring and responding to cyber threats, and ensuring a secure customer experience.

5 key pillars of security



The effectiveness of our strategy and associated activities was pertinently demonstrated in the successful management and mitigation of the impact of the Global Ransomware Cryptoworm WannaCry which targeted many organisations in May 2017. In response to the key learnings from the many impacted organisations, Vodacom Technology embarked on further improvements in the patch management and privileged user access management areas. This has been achieved through a Rapid Risk Reduction programme completed in October 2017.

In line with the Group privacy management programme, the technology security team have applied relevant technology security capabilities focusing on protecting the security of customer data and personal information throughout the data life cycle.



Mitigating our environmental impact

At Vodacom we remain mindful of our impact on the environment. We aim to mitigate our environmental impacts by increasing operational efficiencies, promoting responsible waste management and water stewardship, and working to address the climate change challenge within our own operations and through our products and services.

Ensuring responsible environmental management

In June 2017, Vodacom successfully achieved re-certification of ISO14001:2004 for its Environmental Management System (EMS) as approved by Bureau Veritas. Our ISO14001:2004 certification expires in September 2018 and a decision was made to transition to the new version of the ISO14001:2015 standard. A transition audit was conducted by ISRM in April 2017 as a gap analysis and a number of both major and minor non-conformities against the requirements of the new standard were identified. These were addressed in order to meet the new requirements and be on track for re-certification scheduled for July 2018.

As part of the transitioning process a review of our environmental impacts was conducted which showed that significant aspects arising from our activities, products and services remain the same. The impacts from these are managed and mitigated within the system.

The new standard recognises the indirect environmental impacts that arise and expects businesses to take a life-cycle approach and consider impacts that occur during the use of products and services, and at end-of-life. At Vodacom the products and services that can be influenced through the EMS have been given greater importance; these include supporting suppliers through supply chain management and influencing employees through both formal and informal training and awareness initiatives. Procedures detailing operational controls to manage or mitigate our significant impacts continue to be implemented with relevant operations regularly audited by our internal ISO auditor's team annually to ensure compliance.

Compliance with legislation

We regularly review all new and proposed environmental legislation, regulations and policies to assess their potential impact on our business and operations. This provides us with an opportunity to proactively take the necessary steps to ensure compliance with the relevant or applicable laws. Our legal compliance team has established a compliance system for flexibility to address or react quickly to new mandates and legislations.



Vodacom Group successfully achieved re-certification of ISO14001:2004 for its Environmental Management System



Mitigating our environmental impacts | continued

Managing environmental impacts

We are aware that our sector can cause environmental impacts in its main fields of operation, namely towers, data centres, office buildings, and from the products and services we supply. We identify our environmental impact areas and take these areas into consideration in managing our operations. We are committed to fulfilling our responsibility to minimise our environmental impacts and to contribute to reducing the environmental impacts of the business world. As in the products and services we provide, we also show leadership in fulfilling our responsibilities to the environment. In line with our integrated working model, we also manage our environmental responsibilities by following national and international developments in communication and technology and focusing on improving the fields where our impact is significant.

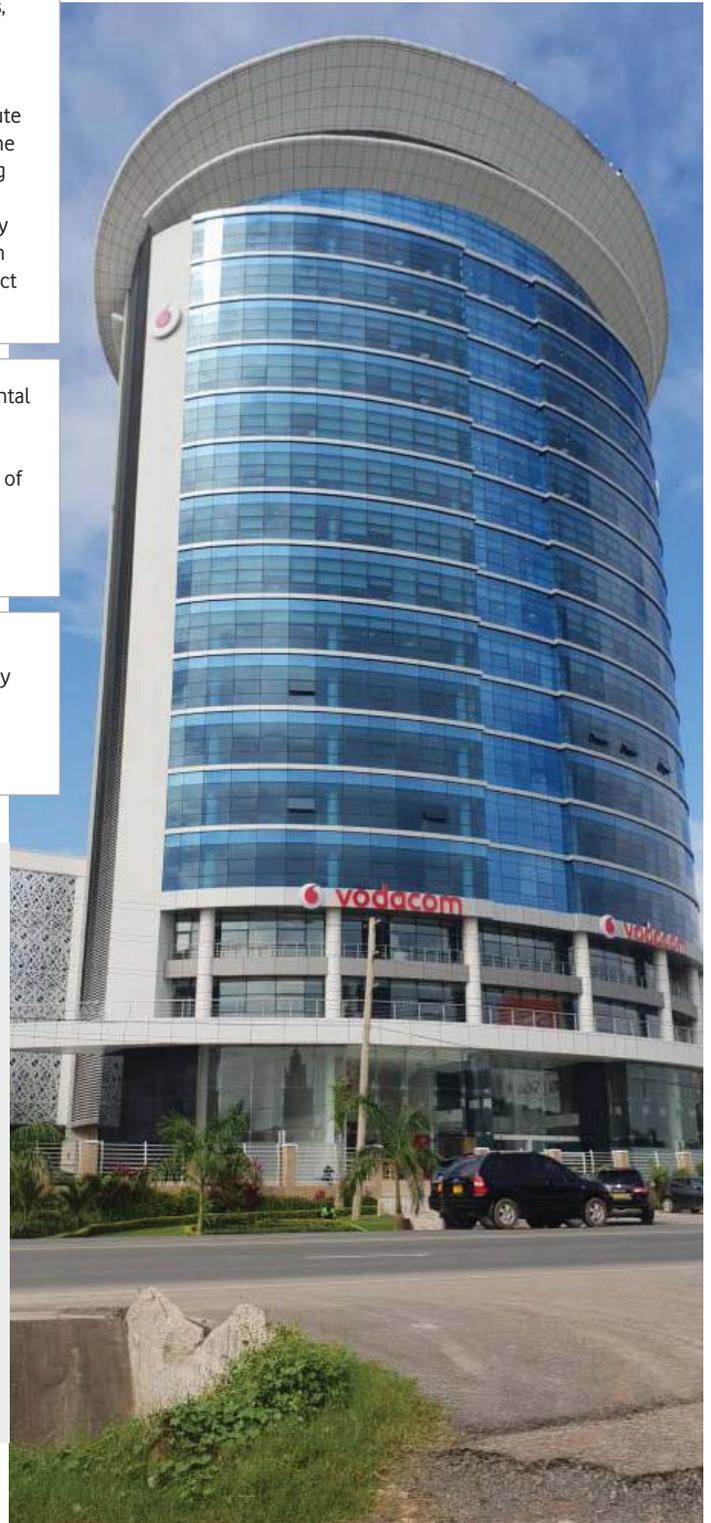
DRC has launched a campaign to raise awareness around environmental friendly practices. Initiatives underway include companywide communication on the SDGs and how they align to the company's sustainability priorities. In addition, we are reducing our consumption of office paper through the implementation of the Vodabox Platform to digitise administration processes, which will result in a paperless environment in our offices.

In **Tanzania**, we have expanded our environmental programmes and ramped up efforts to reduce wastage in offices, drive energy efficiency and adopt smart working practices through reducing the need for business travel and encouraging the use of teleconferencing and videoconference facilities for local and international meetings.

Vodacom Tanzania shows leadership in safety and environmental practices

Vodacom Tanzania's move from Mlimani city office park to a new Vodacom Tower set a higher safety standard. Before relocating to the new building safety precautions were considered such as submission of certificates from the occupational health and safety authority and fire departments and emergency procedures were checked and tested. During the move, all employees received orientation on health, safety and wellbeing to ensure a smooth and safe relocation. In the new offices, a consideration of wellbeing issues included providing ergonomic chairs and a good working space, which has increased collaborative team work.

In the new building, levels of water and energy consumption have decreased by 50% compared to in the previous building, as a result of implementing advanced technology such as usage of movement sensors for lights and water taps. A focus on promoting a paper-less environment that emphasises digital working has generated a 60% reduction in paper usage.



Mitigating our environmental impacts | continued

Driving responsible waste management

In order to promote adequate waste management and reduce the negative impact of waste to the environment and community we operate in, we create awareness in respect of waste management practices internally through the adoption of a waste hierarchy (see illustration) which is being used in day to day business activities and in decision-making processes. Raising awareness of the waste hierarchy in our business is already yielding good results and leading to cost savings and a reduced impact on the environment. Examples of these achievements are illustrated below:

Reusing more than 250 tons of network equipment and batteries:

Vodacom extended the useful life of network equipment by re-introducing more than 170 tons of network equipment into the network. In addition, we rejuvenated and re-introduced more than 86 tons of batteries into the network, thereby reducing the need to purchase new batteries thereby achieving cost savings.

Repurposing polystyrene containers enables a 47% reduction in waste sent to landfill:

Vodacom initiated a pilot project to remove polystyrene containers from our waste bins, bale them separately and pass them onto a third party that repurposes them to make photo frames. This initiative has enabled cost savings and lowered our impact on the environment by reducing levels of waste sent to landfill by 47%. The transportation of waste has consequently been reduced from five to three trips a week.

Reducing the use of paper and printer ink in our office buildings:

We are making efforts to reduce the use of paper and printer ink in our office buildings. We separate paper, plastic and general waste from the other waste.

We also manage all processes concerning our hazardous wastes, including batteries, toners, electronic wastes and consumables by giving them to licensed recycling or disposal facilities.



- 1 Reduce**
what you can. If you can't reduce it then...
- 2 Re-use**
what you can. If you can't re-use it then...
- 3 Recycle and compost**
what you can. If you can't recycle, burn it...
- 4 Create energy**
for electricity. If you can't create electricity, then it is...
- 5 Disposed**
of in a landfill. This is the LAST option.



Vodacom achieves Net Zero certification of its Site Solution Innovation Centre



We are pleased to report that the Vodacom Site Solution Innovation Centre in Midrand is one of the first four projects to be certified as 'net zero' under the Green Building Council South Africa's (GBCSA) pilot certification programme in South Africa. The GBCSA is one of 14 green building councils participating in the World Green Building Council's Advancing Net Zero project, which aims to promote and support the acceleration of net zero carbon buildings to 100% by 2050. Net zero carbon buildings are defined as highly energy efficient buildings, with remaining energy demand supplied by on-site and/or off-site renewable sources, or through offsets.

Mitigating our environmental impacts | continued

Promoting water stewardship

Vodacom does not have a large water footprint in the normal course of its business, however, we recognise the importance of ensuring efficient usage of water as a critical natural resource.

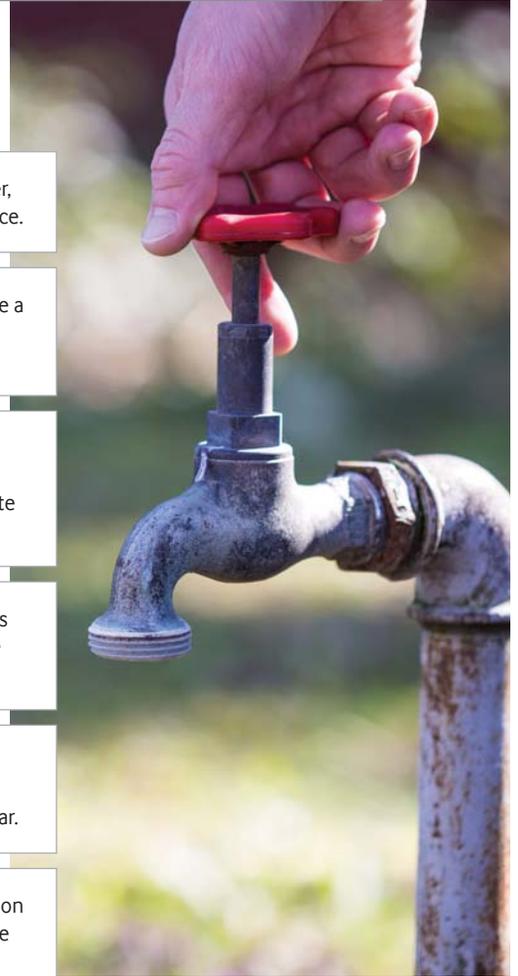
To this end, we have established a Water Crisis Steering Committee in South Africa to provide a response and action plan which aims to assist affected employees and their families, communities and customers across the country, to reduce levels of water usage.

In **South Africa**, our national facilities team has proactively taken measures to reduce our water footprint in all regions. These include changes to the water reticulation system at the Century City and Techno Centre offices in Cape Town to accommodate waterless urinal waste systems as well as regulating the flow of water in kitchens, showers and sluices.

In addition, aesthetic water features in these offices have been switched off. These initiatives have led to water savings of 150kl and 100kl per month respectively when compared to the same period in the previous year.

At the data centres, cooling loads were removed from evaporative cooling systems and are being supplied by air cooled chillers. This has achieved significant water savings, with water consumption decreasing by 300kl per month compared to the same period the previous year.

Changes to air-conditioning systems at the Vodacom Century City offices saw the introduction of an air-side economy cycle to complement the ice plant which is due for completion at the end of March 2018. This project will significantly reduce the need for evaporative cooling.



Providing access to water

In the DRC, we provide sustainable access to water and a healthy environment to communities living in a Camp called "Tshamilemba, at Lubumbashi/Haut Katanga Province". Through this project, eight water tanks were installed in the Tshamilemba community which provide access to clean water to 8 000 people. The community members were trained in basic hygiene practices, resulting to improved sanitation in Tshamilemba district and Naviundo river. We also planted trees to clean up and depollute soil, air and water.



Environmentally conscious rebranding project

In 2017, Vodacom partnered in an initiative to revitalise the display of its brand at the top of the iconic Ponte City skyscraper, a 55-story cylindrical building, which dominates the Johannesburg skyline. The massive outdoor advertising structure, 15 metres high and 132 metres long, is supported on the Ponte City roof and proudly affords Vodacom an almost 360-degree view from many kilometres away. Vodacom's face is visible both day and night, enabled by approximately 10 000 metres of LED lights mounted on the front of the structure. The rebranding project was executed to the highest health, safety and environmental (HSE) standards, with an emphasis on the implementation of safety controls. The project was completed in 77 days of incident free work, during which 18 HSE inspections were conducted. Environmentally sensitive paint (more than 1 000 litres) was used and the installation of LED (light emitting diode) lights to replace CFLs (compact fluorescent lamp), achieved a 75% energy reduction.



Independent Assurance Report to the Directors of Vodacom Group Limited

We have been engaged by the directors of Vodacom Group Limited (“Vodacom” or “the Company”) to perform an independent limited assurance engagement in respect of Selected Sustainability Information reported in the Company’s Report of the Social and Ethics Committee for the year ending 31 March 2018 (the Report). This report is produced in accordance with the terms of our contract with the Company dated 16 April 2018.

Independence, Quality Control and Expertise

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies the International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement was conducted by a multi-disciplinary team of environmental and assurance specialists with extensive experience in sustainability reporting.

Scope and Subject Matter

The following Selected Sustainability Information in the Report was selected for an expression of limited assurance and have been marked with “A” throughout the Report:

Carbon emissions category	Selected sustainability information	Country
Scope 1 carbon emissions	1 Tonnes of CO ₂ arising from diesel usage in stationary equipment – tCO _{2e}	South Africa
	2 Tonnes of CO ₂ arising from diesel usage in stationary equipment – tCO _{2e}	Democratic Republic of the Congo (DRC)
	3 Tonnes of CO ₂ arising from company owned mobile fleet – tCO _{2e}	South Africa
	4 Tonnes of CO ₂ arising from company owned mobile fleet – tCO _{2e}	Democratic Republic of the Congo (DRC)
Scope 2 carbon emissions	5 Tonnes of CO ₂ arising from purchased electricity – tCO _{2e}	South Africa
Scope 3 carbon emissions	6 Tonnes of CO ₂ arising from business travel in rental cars – tCO _{2e}	South Africa
	7 Tonnes of CO ₂ arising from business travel in commercial flights – tCO _{2e}	
	8 Tonnes of CO ₂ arising from business travel in hotel accommodation – tCO _{2e}	

We refer to this information as the “Selected Sustainability Information for Limited Assurance”.

We have not carried out any work on data reported for prior reporting periods, nor have we performed work in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our opinion to the Selected Sustainability Information.

Respective responsibilities of the Directors and PricewaterhouseCoopers Inc.

The directors are responsible for the selection, preparation and presentation of the Selected Sustainability Information for Limited Assurance in accordance with Vodacom’s internally defined criteria set out on page 48 of the Report, referred to as the “Reporting Criteria”. The directors are also responsible for designing, implementing and maintaining of internal controls as the directors determine necessary to enable the preparation of the Selected Sustainability Information that are free from material misstatements, whether due to fraud or error.

Our responsibility is to form an independent conclusion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that the Selected Sustainability Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Independent Assurance Report | continued

This report, including the conclusion, has been prepared solely for the directors of the Company as a body, to assist the directors in reporting on the Company's sustainable development performance and activities. We permit the disclosure of this report within the Report for the year ended 31 March 2018, to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and the Company for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised); Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), and in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410: Assurance Engagements on Greenhouse Gas Statements (ISAE 3410), issued by the International Auditing and Assurance Standards Board. These standards require that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance on the Selected Sustainability Information as per the terms of our engagement.

Our work included examination, on a test basis, of evidence relevant to the Selected Sustainability Information. It also included an assessment of the significant estimates and judgements made by the directors in the preparation of the Selected Sustainability Information. We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence on which to base our conclusion in respect of the Selected Sustainability Information.

Our limited assurance procedures primarily comprised:

- ▶ Reviewing the processes that Vodacom has in place for determining the Selected Sustainability Information included in the Report;
- ▶ Obtaining an understanding of the systems used to generate, aggregate and report the Selected Sustainability Information;
- ▶ Conducting interviews with management at corporate head office and regional offices, where relevant;
- ▶ Evaluating the data generation and reporting processes against the Reporting Criteria;
- ▶ Performing key controls testing where relevant and testing the accuracy of the data reported on a sample basis; and
- ▶ Reviewing the consistency between the Selected Sustainability Information and the related statements in Vodacom's Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised). Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance

engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement

The procedures selected depend on our judgement, including the assessment of the risk of material misstatement of the Selected Sustainability Information, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of the Selected Sustainability Information in order to design procedures that are appropriate in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

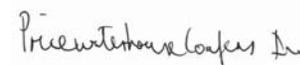
Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Report in the context of the Reporting Criteria.

Conclusion

Based on the results of our limited assurance procedures nothing has come to our attention that causes us to believe that the Selected Sustainability Information for the year ended 31 March 2018, has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Other Matters

The maintenance and integrity of Vodacom's website is the responsibility of Vodacom's Directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on the Vodacom's website.



PricewaterhouseCoopers Inc.

Director: H Zulch
Registered Auditor
Johannesburg
29 June 2018

Vodacom Group Limited

Limited Assurance definitions report for the year ending 31 March 2018

Carbon emissions category	Selected Sustainability Information	Country	Definition
Scope 1 carbon emissions	1 Tonnes of CO ₂ arising from diesel usage in stationary equipment – tCO _{2e}	South Africa	Tonnes of CO ₂ arising from diesel usage at the office buildings and generators for the 12 months ended 31 March 2018.
	2 Tonnes of CO ₂ arising from diesel usage in stationary equipment – tCO _{2e}	Democratic Republic of the Congo (DRC)	Scope 1 emissions are from sources owned or controlled by the reporting Company in relation to diesel consumption from generators used.
	3 Tonnes of CO ₂ arising from company owned mobile fleet – tCO _{2e}	South Africa	Tonnes of CO ₂ arising from petrol and diesel used by company owned vehicles for the 12 months ended 31 March 2018.
	4 Tonnes of CO ₂ arising from company owned mobile fleet – tCO _{2e}	Democratic Republic of the Congo (DRC)	Scope 1 emissions are from sources owned or controlled by the reporting Company in relation to petrol and diesel consumption from company owned vehicles used.
Scope 2 carbon emissions	5 Tonnes of CO ₂ arising from purchased electricity – tCO _{2e}	South Africa	<p>Tonnes of CO₂ arising from electricity consumption of access and core network sites, data centres and buildings nationwide for the 12 months ended 31 March 2018.</p> <p>Scope 2 emissions are associated with the consumption of purchased electricity from a source that is not owned or controlled by the reporting Company. Under the GHG Protocol, "Indirect" sources are those emissions related to the Company's activities that are emitted from sources owned or controlled by another company.</p>
Scope 3 carbon emissions	6 Tonnes of CO ₂ arising from business travel in rental cars – tCO _{2e}	South Africa	Tonnes of CO ₂ arising from business travel which includes air travel, hotel accommodation and car rental for the 12 months ended 31 March 2018.
	7 Tonnes of CO ₂ arising from business travel in commercial flights – tCO _{2e}		Scope 3 emissions are indirect emissions, other than purchased electricity, which can be described as relevant to the activities of the reporting Company such as air travel, hotel accommodation and car rental. The measurement basis is based on the actual number of:
	8 Tonnes of CO ₂ arising from business travel in hotel accommodation – tCO _{2e}		<ol style="list-style-type: none"> 1. kilometres travelled for car hire; 2. air miles travelled; and 3. hotel nights.