Vodacom Lesotho
Environmental, Social and Governance Snapshot

'23

Further together

Contents

Vodacom is a leading and purpose-driven African connectivity, digital and fintech operator. Our mobile networks cover more than 500 million people[1]. The Group serves 185.8 million[1] customers across consumer and enterprise segments, with 1.8 million in Lesotho.

Customers

Egypt — 45.5 million

Ethiopia — 2.1 million

Kenya — 43.8 million

DRC — 21.0 million

Tanzania — 16.7 million

Mozambique — 10.7 million

Lesotho — 1.7 million

South Africa — 44.2 million

We have grown from our roots in South Africa, with operations in Tanzania, the Democratic Republic of the Congo (DRC), Mozambique and Lesotho. We have a presence in 49 countries through Vodacom Business Africa. In December 2022, we completed the acquisition of a 55% stake in Vodafone Egypt. We have a presence in Kenya and Ethiopia through Safaricom.

1. Including Safaricom.

Our approach to ESG

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

Enables
Drives

Digital society
Inclusion for all
Planet

Our purpose pillars

Our purpose drives us in becoming a leading African TechCo with a clear system of advantage.

Our system of advantage

Informs
Influences

Our purpose is central to everything we do.

We connect for a better future.

Impacts
Draws from

Our context

The success of our business depends on our ability to respond and adapt to our operating context.

Our capital performance

Our capitals are the resources and relationships we rely on.

Affects
Influences

Governance oversight and responsible business practices
Good governance, acting ethically, lawfully and with integrity forms a critical part of sustainable value creation and our long-term success.

By delivering against our purpose, we aim to produce profitable solutions to challenges faced by society and the planet, while not profiting from those that have negative impacts. We strive to minimise the negative environmental impacts arising from our operations and are seeking ways to support our customers in managing their environmental impacts.

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

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

PG See page 03 for more on our approach to ESG and how we create a positive impact.

For full detail on **Vodacom's ESG approach and performance**, please see the Vodacom Group ESG report.

Read about our **strategy, context and capitals performance** in our Integrated report.

Read about our **governance principles and practices** in our Corporate governance report.

Committed to Lesotho

Vodacom is Lesotho's leading telecommunications company with the largest market share, providing a wide range of products and services, including data, mobile and fixed voice, messaging, financial services, enterprise IT and converged services to over 1.8 million customers.

Vodacom Lesotho began operating in 1996 with the Lesotho government as a shareholder through its stake in Lesotho Telecommunications Corporation. Vodacom Group has an 80% holding in Vodacom Lesotho and its subsidiaries. The remaining 20% is held by local shareholders under the Group Sekhametsi Consortium made up of Basotho individuals and community groups.

We are committed to providing solutions that contribute towards Lesotho's priority national development ambitions, which include education, youth employment creation, coverage and access, healthcare and digitisation.

1. Fitch Solutions, 2023.
2. GSMA, 2022.
3. Datareportal.com Digital 2022.
4. Fitch Solutions, October 2022.

Lesotho

Population[1]
2.2 million
2027 — 2.3 million

Nominal GDP per capita[1]
1 217 EUR
2027 — 1 643 EUR

Communications as % of GDP[1]
2.3%
2027 — 2.1%

Lesotho's digital profile

112.9%
mobile penetration[2]

Bank account holders[3]
33.3%
of the population

Mobile money penetration
27.6%
of the population

31.5%
internet penetration[3]

532 000
active social media users[3]

67.7%
smartphone penetration[2]

Watch **Introduction to Lesotho**

Lesotho's outlook
Growth is expected to be subdued in 2023 at 1.5% amid a slowdown in global growth and disrupted electricity imports from neighbouring South Africa. However, growth opportunities in the digital and financial sectors remain[4].

Our ESG framework

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

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

Our strategy is underpinned by our purpose pillars, our Social Contract and our responsible business practices – all of which form our ESG framework. This enables us to manage ESG risks and deliver positive impact through ESG-related opportunities.

Our ESG approach reflects our operating context and considers ESG-related regulations, stakeholder expectations and developments in reporting standards.

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

The **UN SDGs** that Vodacom impacts are unpacked in our ESG report

Connecting for a better future

Purpose pillars

Digital society
Connecting people and things, and digitalising critical sectors

Digitalising business	Providing products and services to support business, particularly SMEs.
Digitalising critical sectors	Supporting the digitalisation of education, healthcare and agriculture with specific products and services.
Digitalising government	Using our Internet of Things (IoT) platform and technology to amplify productivity and efficiencies and enable better connectivity with citizens.

Inclusion for all
Ensuring everyone has access to the benefits of a digital society

Access for all	Finding new ways to extend our network and make connectivity more accessible to all.
Propositions for equality	Providing relevant products and services to address societal challenges such as gender equality and financial inclusion.
Workplace equality	Developing a diverse and inclusive workforce that reflects the customers and societies we serve.

Planet
Reducing our environmental impact and helping society decarbonise

Responding to climate change	Committed to a low-carbon future and playing our part in addressing the climate crisis.
Decreasing scope 1 and 2 emissions	Increasing our efficiencies and sourcing renewable energy to reduce energy consumption and carbon emissions.
Managing scope 3 emissions	Influencing our supply chain to reduce indirect emissions.
Driving circularity	Following a circular approach to reuse, resell and recycle resources to reduce waste in our produce and service ecosystem.
Supporting biodiversity	Understanding and managing our biodiversity impact.

Social Contract

To achieve our purpose, we aim to strengthen our reputation by safeguarding the trust of our stakeholders and ensuring that digital connectivity delivers on its full potential for responsible leadership and innovation. Our Social Contract is a pact to help strengthen trust across all stakeholder groups as we meet their expectations, while maintaining positive relationships. Our Social Contract guides our journey as a purpose-led company, and is built on three core principles.

Trust
Building trust with our customers through simplified and transparent pricing, customer-orientated solutions and reducing our planetary impact.

Fairness
To ensure fairness and promote digital inclusivity through enhanced access to digital products, services and infrastructure.

Leadership
To demonstrate responsible leadership through innovation in IoT and mobile financial services, leadership in convergence and solutions that benefit society.

Responsible business practices

Protecting data

Customers trust us with their data and maintaining this trust is critical.

Data privacy
We want to respect the privacy preferences of our customers and help improve society through the responsible use of data.

Cyber security
As a provider of critical national infrastructure and connectivity that millions of customers rely on, we prioritise cyber and information security across everything we do.

Protecting people

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

Mobiles, masts and health
Operating our networks strictly within national regulations.

Human rights
Contributing to the protection and promotion of human rights and freedoms and supporting socio-economic development.

Responsible supply chain
Managing relationships with our direct suppliers and evaluating their commitments to diversity, inclusion and the environment.

Business integrity

We are committed to ensuring that our business operates ethically, lawfully and with integrity wherever we operate.

Tax and economic contribution
As a major investor, taxpayer and employer, we make a significant contribution to the economies of all the countries we operate in.

Anti-bribery and corruption
We have a zero-tolerance policy on bribery and corruption. The policy details what constitutes a bribe and prohibits giving or receiving any excessive or improper gifts and hospitality.

Transparency and measurement

Transparency is essential to our ESG approach. We achieve transparency through comprehensive disclosure and measuring our ESG progress using multiple mechanisms such as ESG ratings, reputation tracking and stakeholder feedback.

FY2023 snapshot

Digital society

3 200
maternity emergency transportations on m-mama

Enhanced the delivery of government services, including the payment of pensions and traffic fines

Inclusion for all

400
rural network sites

2 160
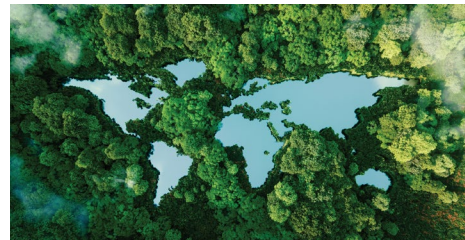people served by the Insight Centre

7%
reduction in data-bundle prices

305
rural schools received free internet

1.1 million
M-Pesa customers

Planet

1 500
Code Like a Girl trainees

1.9kWh
saved through energy-efficiency initiatives

98
network access sites are solar powered

0.3 million kWh
saved with outdoor radio units

20 000
trees planted

Responsible business practices

52%
supplier companies are local women owned

Launched an improved **supplier qualification process**

People

Certified **Top employer** by the Top Employers Institute

Partnering for impact

Vodacom actively pursues partnerships to deliver impact at scale. These partnerships, which are aimed at meeting our customers' needs, include developing innovative and smart technology platforms and connectivity solutions, network expansion and facilitating access to affordable smart devices to drive device penetration and advance digital inclusion. Examples of partnerships are illustrated throughout this report. Significant partnerships in FY2023 included the following:

Universal Service Fund

We have expanded our network to include 14 new base towers in previously underserved areas through a partnership with the African Development Bank funded scheme delivered through the Universal Service Fund. It resulted in improved digital and financial connectivity in rural areas.

PG **Universal Service Fund** on page 08

Udacity

Through our partnership with Udacity, we have provided more than 65 young people with job ready skills. Beneficiaries were able to choose from two Nanodegree programs: Programming for Data Science with Python and Business Analytics. The partnership enables an inclusive and sustainable digital society and assists in closing the technology talent gap through hands-on projects, highly curated content, and on-demand support.

Watch Udacity

Entrepreneurship World Cup

Through a partnership with the Global Entrepreneurship Network, BAM Consultancy Foundation and Business Doctors NGO, we hosted the Entrepreneurship World Cup for more than 400 budding young entrepreneurs. The aim of the programme was to provide them with business start-up skills. The program offered entrepreneurs an opportunity to pitch on a global stage for a share of US$1 million in global prizes, access to international mentors and investors as well as M1 million in local prizes and local incubation.

Watch Entrepreneurship World Cup
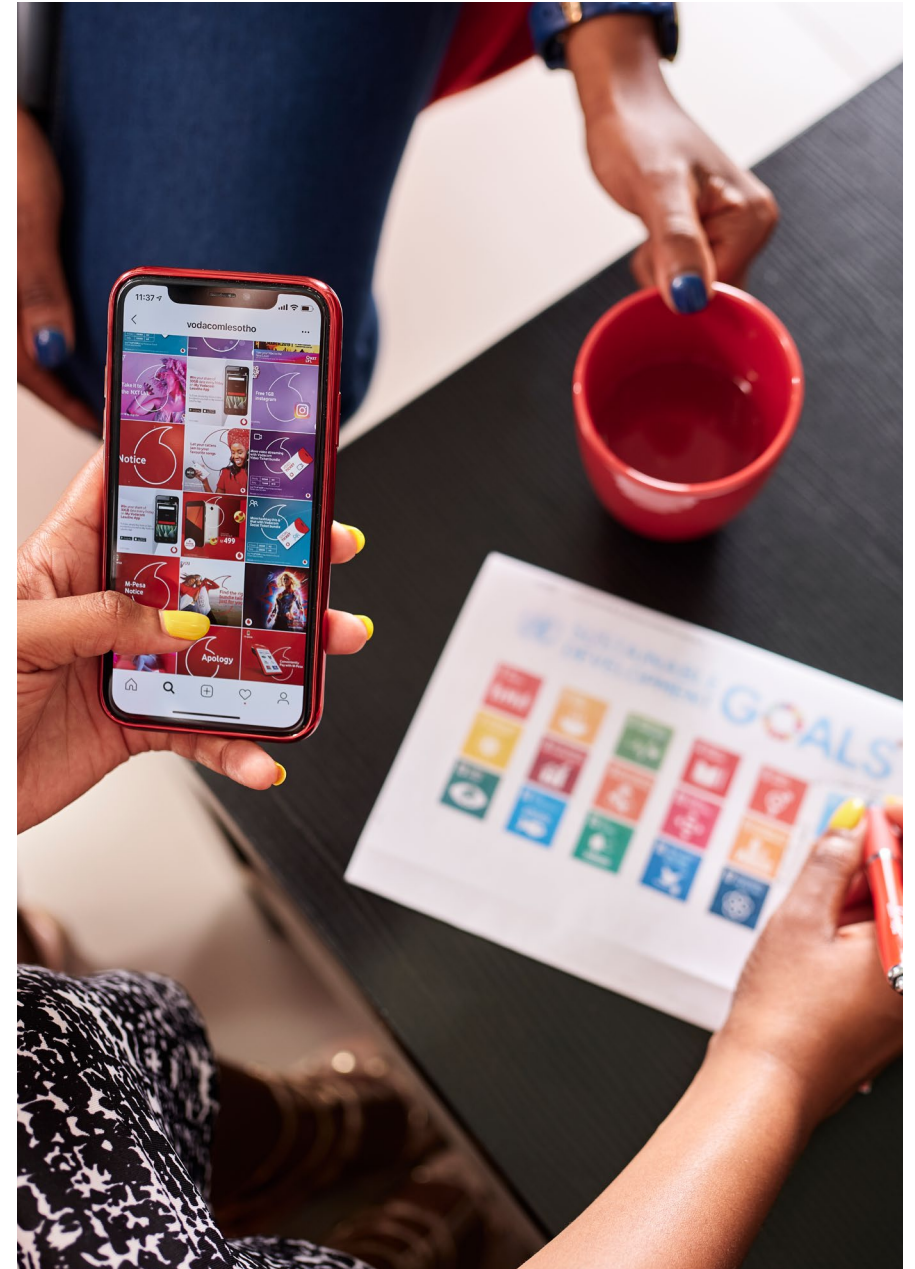
Digital society

We believe in the power of connectivity and digital services to strengthen economic resilience.

We connect people, enterprises and communities through our mobile and fixed networks, thus expanding opportunities.

A digital society realises the benefits of communication, facilitates inclusion and enables access to other services through digital technology. We acknowledge the significant digital divide in Africa and believe that for a digital society to flourish it must be inclusive.

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

Our digital society focus areas:

| **1** | **Digitalising critical sectors** |
| **2** | **Digitalising government** |

3 200
emergency transportations on m-mama

1

Digitalising critical sectors

We support critical sectors by providing connectivity and platforms to drive impact at scale.

Certain sectors, such as education, agriculture and healthcare, provide products and services that are critical for society and the economy to function. These sectors impact individuals, communities and the planet.

Digitalising healthcare

Digital connectivity enables the delivery of critical healthcare services. Technology can increase efficiency for providers and be more inclusive for patients. We support health and social care providers to benefit from the opportunities that digital tools and better access to data offer. From improving patient outcomes to delivering a better caregiver experience, we are at the forefront of developing this process through innovative technology and connectivity.

Case study

m-mama connects pregnant women with emergency care

Weak health systems and delayed access to healthcare are significant causes of maternal and newborn deaths, with a lack of affordable transport for emergency referrals compounding the issue. Thousands of pregnant women in rural Africa are unable to travel to hospital in a pregnancy-related emergency, and rates of maternal and newborn deaths remain high.

To address this, we continue to support the government-led, technology-based emergency transport system known as m-mama in partnership with the United States Agency for International Development, Vodafone Foundation, Vodacom Foundations, Touch Foundation, Ministry of Health and local government authorities.

m-mama improves the coordination and management of existing healthcare and transport resources in rural Lesotho with the support of volunteer community drivers when needed. The approach is designed to reduce maternal and newborn mortality, especially among the poorest segments of populations and those living in remote and difficult-to-access areas.

Vodacom provides technical support for the programme, and the Vodafone Foundation and partners fund the set-up costs, with health ministries funding the residual costs. Once established, governments own and operate the m-mama service, including the underlying technology.

m-mama began in Lesotho in 2021 and is now available in all districts. 3 200 emergency transportations have been completed, saving an estimated 66 lives since the beginning of the programme. Maternal deaths have been reduced by an estimated 38% and new-born deaths by 47%.

In April 2023 there was a national communications launch to expand awareness of the service. We assisted programme partners (including the Ministry of Health, Ministry of Finance and Development Planning and Riders of Health) by appointing a project manager to oversee the awareness launch, setting up a toll-free number, and a designated project call centre with equipment and employees.

m-mama now covers all Lesotho districts.

Learn more about **m-mama – connecting mothers with health services in Africa**

2

Digitalising government

Effectively digitalising the public sector contributes to inclusive growth, enhanced education, increased accountability and good governance.

We support a digital society by providing digital solutions to government. Through our expertise in connectivity, smart devices and digital platforms, we strengthen governmental administration and efficiency, enhance communication and service delivery, create smarter cities, and reduce environmental impact.

Facilitating digital systems for efficiency and improved administration

Our digital solutions are used by government departments, state-owned entities and municipalities. For example, we partnered with government stakeholders (including the Ministry of Finance and Development Planning, Ministry of Sports, Gender and Social Development, Ministry of Public Works and Transport, and the Lesotho Mounted Police Service) to **enhance the delivery of government services**, including the payment of pensions and traffic fines.

Inclusion for all

Vodacom seeks to ensure no one is left behind. Our inclusion for all pillar focuses on access to connectivity, digital skills and creating necessary products and services, such as access to education, healthcare and finance. We are committed to developing a diverse and inclusive workforce that reflects the customers and societies we serve.

In Africa, 60% of the population lacks internet connectivity. The United Nations designated Tanzania, the DRC, Mozambique and Lesotho as least developed countries, with just 27%[1] of people online. Closing this gap is threatened by high inflation and the cost-of-living crisis, which has eroded real incomes and pushed millions more into poverty in Africa.

The internet has become a vital part of our lives. It enables communication and access to vital services such as educational resources, government services, health information, financial services and entertainment. There are strong economic gains from increased usage of mobile broadband. Research from the World Bank shows that mobile broadband can reduce the number of households in extreme poverty by 4%, mainly due to increases in labour force participation among women[2]. Furthermore, expanding broadband penetration across Africa by 10% could boost GDP per capita by 2.5%[3].

Our inclusion for all focus areas:

1	Access for all
2	Propositions for equality
3	Workplace equality

400
rural network sites

2 160
people served by the Insight Centre

7%
reduction in data-bundle prices

1. International Telecommunications Union, 2022.
2. World Bank, 2022.
3. GSMA, 2022.

1

Access for all

Internet access is transformational and empowers people to contribute and connect meaningfully.

Barriers to using 4G include lack of awareness, digital skills, and the price of smartphones. We aim to address these barriers and support an inclusive society by upgrading and expanding our networks.

Enabling connectivity

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

Regulators set up the **Universal Service Fund (USF)** to ensure that all citizens of Lesotho have access to connectivity, including telephone, broadband, diverse broadcasting content and basic postal services. As part of this mandate, the USF supports the installation of telephone, data and broadband services in rural areas where they would otherwise be commercially unavailable. It is an initiative which receives funding from the African Development Bank. Lesotho's mountainous geography makes extending coverage particularly difficult and requires more sites than would be needed if communities were not obscured by hills or valleys.

In FY2023, we deployed 14 **rural connectivity sites**, with an additional 10 planned for FY2024. This brought us to a total of 400 rural sites.

Selling affordable smart devices

Lowering the cost of devices is key to addressing the digital divide.

We run programmes aimed at reducing the cost of smartphones. We reduced the cost of our 4G devices by:

- Applying subsidies, discounts and offers tailored to low-income communities; and
- Offering financing to customers to shift from 2G to 4G handsets.

We applied a subsidy on the **Kicka 5 Plus 4G device** to achieve a LSL 6.99 price-point, which is an attractive offer for a five-inch device. 13 000 units were sold in FY2023.

Providing free access to online platforms

Free access to beneficial online platforms and resources drives digital access and inclusion.

We realise the profound benefit of free access to educational and critical information for society. Vodacom's **ConnectU** platform provides a suite of zero-rated websites focused on business and social impact, and could have a substantial impact in Lesotho. Our current standalone zero-rated Mum and Baby offering will be incorporated into ConnectU once it is live in FY2024.

Transforming pricing

We have initiatives to reduce the cost of data and increase usage among the youth and low-income households. We use Big Data analytics to deliver affordable personalised bundles for low-spend prepaid customers. Our innovative pricing and products include cheaper short validity, smaller data amounts and URL bundles.

We reduced **data bundle prices** by about 7% in the last two years. Out-of-bundle data charges have been discontinued since 2020, with an exception for customers who opt-in.

2

Propositions for equality

We face increasing societal challenges such as access to education, gender equality, financial inclusion and poverty – many of which were exacerbated by the COVID-19 pandemic.

Individuals, schools and communities increasingly use and depend on digital technology, providing opportunities for digital innovation to address societal needs.

We develop innovative solutions to support an equal and inclusive society, supported by the Vodacom Foundations, most notably in education, skills development, and gender and disability empowerment programmes.

Providing platforms for financial inclusion

Globally, 2 billion people remain unbanked[1]. Many people, especially women, still lack access to financial services. Digital services are key to helping people access safe, secure financial services. Without the ability to transfer money, people battle to save, access loans, start a business and get paid. Financial inclusion is necessary to reduce poverty. We work with various licensed banking and financial services providers to enable people, including those in remote areas to access payments, loans and savings on their mobile devices without needing to travel.

1. GSMA, 2021.

Mobile money penetration in Lesotho increased from 49% to 85% between 2011 and 2021, increasing formal financial inclusion by 27%.

M-Pesa currently has 1.1 million customers transacting monthly. This represents nearly half of Lesotho's adult population. It allows broad access to payments, disbursements, collections, microloans, group savings, international remittances and online transactions.

The **Mokhatlo** platform allows community members to collectively save for a common goal through controlled access to a shared account that pays for goods and services.

Ntlatse is a collaboration with Redeem Financial Services, offering an overdraft facility, and **Nkalime** provides microloans.

Learn more about the **Ntlatse overdraft offering**

Enabling education and digital skills

Globally, children living in learning poverty make up 50% of low and middle-income countries' population. UNICEF[1] deems education inequality a global crisis, with challenges of formal schooling, trained teachers, education materials, school infrastructure, and internet access impacting children. Vodacom provides devices and connectivity to students. We are growing our educational platforms and contributing directly through our digital skills and education initiatives. There are more opportunities to innovate and transform traditional education approaches by using technology to deliver remote and hybrid education to close the divide.

Digital Labs – each comprising 20 computers, internet connectivity and solar power – were donated to the rural villages of Malealea and Tsehla. Each Digital Lab has the capacity and reach to serve neighbouring schools and communities.

In partnership with the Lesotho government, we have provided **fixed or wireless connectivity** to 305 rural schools to help bridge the rural connectivity gap. 201 of the schools provided with internet connectivity was in partnership with the Lesotho Communications Authority.

Code Like a Girl is a social enterprise providing girls and women with the confidence, tools, knowledge and support to enter and flourish in the world of coding. We trained 1 500 girls in Lesotho in FY2023, with a total of 2 364 girls reached since inception.

We sponsored 19 students to study science, technology, engineering and mathematics (STEM)-related tertiary qualifications.

We partnered with Udacity to sponsor 65 young people with **job-ready scholarships** that provided an opportunity to study towards nano-degrees in Business Analytics and Programming with Python.

PG   Read more on **Udacity** on page 05

1. https://www.unicef.org/education.
2. GSMA, 2020.

Supporting jobseekers and empowering youth

We support those seeking employment and opportunity through affordable connectivity, job platforms and work-experience activities.

13 young people were placed in **learnerships** across Vodacom Lesotho in order to gain valuable work experience.

Bring mobile to, and empowering, more women

Mobile technology enables access to essential services such as maternal healthcare, financial services and education. However, the gender gap for internet usage is substantial, with over 300 million fewer women than men accessing the internet on a mobile phone[2]. We use mobile technologies to enhance women's quality of life through programmes that enable financial inclusion, improve health and well-being, and build education, skills and entrepreneurship.

The **Nokaneng App** informs users in Lesotho about the different forms of gender-based violence, their rights and available support services, as well as protection tools such as a sound alarm and emergency SMS. The app provides a safe space for conversation, support and advice, and access to counsellors linked to the Lapeng Centre – the government's safe house and one-stop centre for survivors of gender-based violence. This is a joint initiative between Vodacom and the Lesotho Ministry of Gender, Youth, Sports and Recreation, GenderLinks Lesotho and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

Mum & Baby, is a zero-rated mobile health service, which provides information on maternal, neonatal and child health and well-being. The platform currently has 700 users.

We support two **safe houses** for female victims of gender-based violence.

In partnership with World Vision, we distributed 2 500 **sanitary packs** to needy girls to prevent the disruption of their education.

Supporting customers with special needs

We enable people with disabilities to stay connected, live a better life today and build a better tomorrow. A dedicated team, led by people with disabilities and organisations for disabled persons, focuses on meeting the needs of disabled persons, senior citizens, and persons who experience communication barriers such as hearing, visual or speech impairments.

Vodacom is a signatory to the GSMA's principles for driving digital inclusion of persons with disabilities. We established the Africa Accessibility Forum which aims to drive the digital inclusion of disabled persons by providing accessible products – ensuring that disabled persons can participate in a digital society.

We provided **computer labs** to three schools for the visually and hearing impaired.

We provided 20 assistive devices to the **Thuso E Tla Tsoa Kae Centre** for people with disabilities. Our employees also donated reading glasses and hearing aids to community members in need.

To support digital inclusion for the blind and visually impaired, we launched the **Insight Centre** in 2021. The Insight Centre is a 4G supported library situated at the State Library which provides visually impaired persons with equal access to information, enabling them to lead independent, autonomous lives. Since its launch, it has served 2 160 people with an average of 30 visitors daily.

Watch the **Insight Centre's** story

Welcome to the
Vodacom Lesotho Foundation Insight Centre
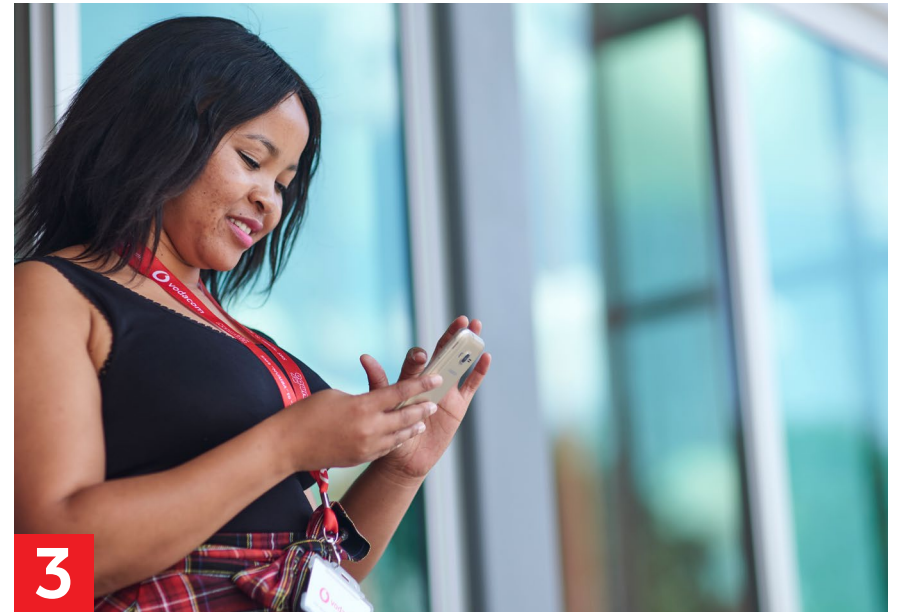
3
Workplace equality

As part of our purpose, we are committed to making the world more connected, inclusive and sustainable, where everyone can truly be themselves and belong.

We bring the human touch to our technology to create a better digital future for all, starting with our people.

Driving diversity and inclusion

Vodacom's diversity and inclusion focus aims to remove barriers to workplace equality by accelerating momentum on gender equality and ensuring our physical and digital workplace is fully accessible.

Enabling diversity is critical to achieving these goals sustainably. Doing What's Right training is mandatory for all employees, including executives and senior managers, and covers diversity and inclusion, harassment, and bullying.

We have launched the **Women's Network Forum** which is a platform where women can mobilise, connect, network and be empowered. It also serves as a platform to champion gender equality within Vodacom.

Watch **International Women's Week 2023**

Planet

We are committed to reducing our environmental impact and helping decarbonise society as part of our purpose. Digital technology is key to saving energy, using natural resources more efficiently, and creating a circular economy. Our digital networks and technologies can contribute to mitigating climate change.

Our planet focus areas:

1	**Responding to climate change**
2	**Decreasing scope 1 and 2 emissions**
3	**Managing scope 3 emissions**
4	**Driving circularity**
5	**Supporting biodiversity**

1.9 million kWh
saved through energy efficiency initiatives

20 000
trees planted

1

Responding to climate change

We address the global climate crisis through our efforts to mitigate and address our climate-related impact and risks.

Vodacom is committed to a low-carbon future and sustainable environmental practices. This requires global, regional and local cooperation, individual actions, and collective responsibility to adapt to the changing climate and to mitigate greenhouse gas emissions to avoid further drastic climate change. Addressing climate change is imperative should we wish to protect the environment, safeguard human health, promote economic stability, achieve social justice, and secure a sustainable future.

The ICT sector is responsible for an estimated 1.8% to 2.8% of global GHG emissions[1]. As we move towards a more digital society, with increasing volumes of internet use and mobile data traffic, we are committed to reducing our emissions in absolute terms, in line with what science requires to avoid catastrophic climate change.

> Lesotho faces harsh weather conditions that are becoming more unpredictable and extreme. After several years of drought, the last two years have seen above-average wind and rainfall. We contributed M1.4 million to the **reroofing of a hospital** damaged by hailstorms in partnership with the Lesotho Defence Force.

1. The real climate and transformative impact of ICT.

2

Decreasing scope 1 and 2 emissions

Our activities to reduce scope 1 and 2 emissions focus on driving energy efficiency across our mobile and fixed-line networks and phasing out and replacing fossil-fuel based energy sources with renewable energy sources.

Our energy leads coordinate localised energy and decarbonisation strategies in accordance with the Group's energy strategy. We measure our carbon footprint using the GHG Protocol Corporate Accounting and Reporting Standard.

Goals

50% reduction in our scope 1 and 2 GHG emissions by 2025

ISO 50001 certification for all countries by FY2024

Driving energy efficiencies

Our energy efficiency measures aim to reduce our dependence on fossil-fuel based energy sources, to reduce our GHG emissions which supports global efforts to address climate change, and to reduce costs.

Our primary energy source is grid supplied electricity supplemented with diesel generators, to power our access network of base stations, data centres, buildings (offices and warehouses), and retail stores. Our key energy efficiency focus areas are managing network, building and data centre consumption.

We drive energy efficiencies through the following:

- We invested in two **energy efficiency projects**, resulting in savings of 1.9 million kWh.
- A **software feature** which allows radios to be deactivated during periods of reduced traffic has been added, saving a further 1.6 million kWh.
- We have replaced indoor radio units with **outdoor radio units** to reduce the demand for air-conditioned cooling as the latter employs passive cooling. This saved 0.3 million kWh.
- We have also implemented the **SAM200** which is used to automatically turn aircons on or off.
- We have implemented the **ISO 50001** management system and are awaiting external audit verification.
- We will deploy **smart metering** across our operations in FY2024.

Switching to renewables

We aim to achieve a 50% reduction in our scope 1 and 2 carbon emissions by 2025 and aspire to a 100% reduction by 2030. Achieving this sustainably requires switching to renewable sources of grid-supplied electricity, and replacing diesel generators with technology that can operate on alternative, renewable fuel sources.

98 of our 398 network **access sites** are solar powered.

We are also exploring power purchasing agreement options to continue decarbonisation efforts.

The **Vodacom Park rooftop solar plant** (105 kWp) augments grid electricity at our offices, saving 98 796 kWh in FY2023.

3
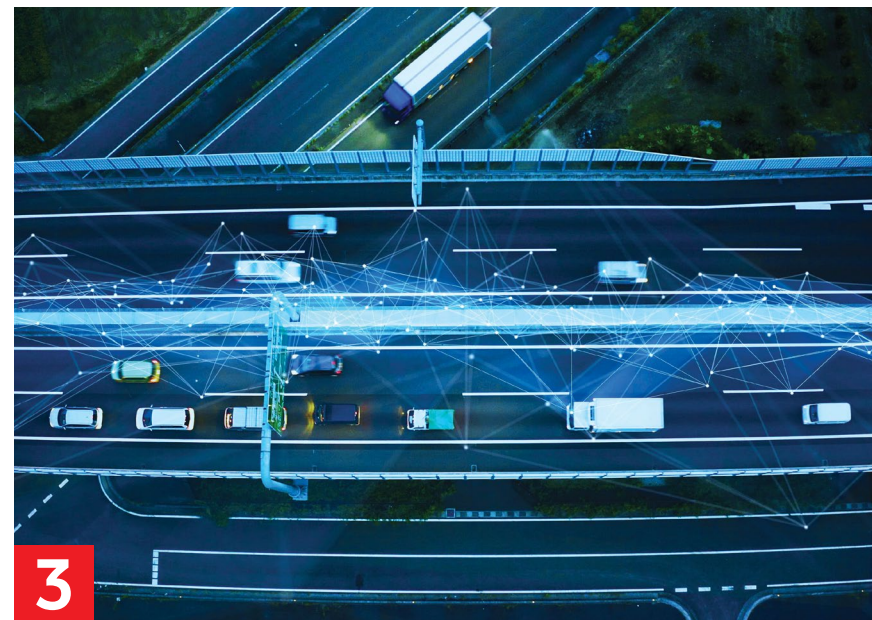
Managing scope 3 emissions

Scope 3 emissions are indirect GHG emissions that we cannot control but could influence.

The main sources of our scope 3 emissions are fuel and energy-related activities.

Working with partners to reduce scope 3 emissions

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

Enabling customers to reduce their emissions

We develop digital technologies and services that enable our customers (enterprises and governments) to reduce their environmental footprint. We began by using green digital solutions to tackle climate change and help decarbonise society.

4

Driving circularity

Circularity is a key enabler of Vodacom's planet strategy. A circular systems approach considers the full life cycle of a resource and aims to eliminate waste – reducing environmental impact.

We aim to use resources for as long as possible to maximise the return on capital employed and recover and reuse materials responsibly. We seek to manage our impact responsibly and support our customers' efforts.

We reduce e-waste by implementing practices for the reuse, resale or recycling of our network waste, and driving action to reduce device and water waste.

Goal

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

Circularity of devices

We reduce our impact in this area by implementing circular devices initiatives in conjunction with our partners and other operators. Small IT equipment and electronics such as devices constitute around 9% of Vodacom's total e-waste generated[1], and we believe that more than 50 000 tonnes of CO_2e could be avoided for every million smartphones traded in, refurbished and resold.

> We have onboarded an e-waste contractor and rolled out and promoted **e-Bins** across outlets.

1. GSMA (2022), Strategy Paper for Circular Economy, Mobile devices.

Using water responsibly

While we are not a water-intensive user, we operate in some of the driest countries in the world. We aim to reduce our consumption and support a sustainable earth.

PG Refer to **smart metering** on page 13

Circularity of network waste

Our resource efficiency and waste disposal management programmes minimise environmental impacts from network and IT equipment waste. When reuse (either through resale or redeployment) options are exhausted, we recycle obsolete equipment responsibly using approved recycling agencies. Network waste is never sent to landfill sites.

We use certified local service providers to dispose of our telecommunication equipment when the useful life is exhausted. Obsolete batteries, classified as hazardous waste, go to a licensed facility for incineration.

5

Supporting biodiversity

We aim to understand how our value chain activities impact biodiversity and minimise the environmental and visual impact of our infrastructure.

Outside of managing our impact, we work with conservation agencies to explore how technology can minimise biodiversity loss.

Supporting biodiversity protection through new technologies

We work various partners and conservation agencies to protect biodiversity. This support is a combination of programme funding and using connectivity and innovative technology solutions in conservation efforts.

> We collaborated with Limomonane Trust in the implementation of a **sustainable urban greening and forest restoration** project. The aim of which is to create a green belt across the most arid parts of the country. About 20 000 trees have been planted since the launch in March 2021.

Responsible business

Acting ethically, lawfully and with integrity is critical to our long-term success. Responsible business practices support our purpose and enable value creation.

We comply with legal and regulatory standards, and ensure employees, business partners and suppliers conduct themselves appropriately. Training and awareness initiatives ensure adherence to and understanding of the internal codes, policies and programmes that govern behaviour.

Our responsible business focus areas:

1	Doing business ethically
2	Protecting data
3	Protecting people
4	Responsible and inclusive procurement

52%
supplier companies are local women owned

1

Doing business ethically

Our commitment to operate responsibly underpins our purpose.

We expect our employees, business partners and suppliers to conduct themselves with integrity. Our ethics programme is led by an independent ethics office. Training and awareness support the programme's related internal and external policies to ensure compliance with best practice, laws and regulations.

We achieve this through:

- Promoting ethical conduct
- Managing disciplinary and grievance processes
- Complying with policies and controls

Speak Up

WWW   Click **here** to report an incident

Speak Up hotline: 8001 3460

2

Protecting data

Millions of people trust us with their data and maintaining this trust is critical.

We believe that everyone has a right to privacy wherever they live in the world, and our commitment to our customers' privacy goes beyond legal compliance.

We achieve this through:

- Managing data privacy
- Managing cyber security

Our **data privacy programme** ensures that we meet the requirements of various privacy regulations in Lesotho. In FY2023 held workshops with the local telecommunications regulators to brief them on our privacy practices.

We have a dedicated privacy officer, privacy legal counsel and other privacy specialists. We maintain privacy steering committees, combining privacy and security teams and senior management from relevant business functions.

We have implemented Vodafone's **global cyber security baseline**. The baseline is based on ISO 27001/2 standard and includes 48 key security controls, of which 11 super controls are prioritised.

3

Protecting people

We have an overarching opportunity to contribute to advancing the fundamental rights of our customers, employees and communities where we operate.

We are conscious of the risks associated with our operations and we endeavour to mitigate negative impacts, while ensuring we keep people safe.

We achieve this through:

- Managing health and safety
- Masts, mobile phones and health
- Respecting human rights

We remain focused on physical and mental well-being, with training and services being available including the provision of **employee assistance** and psychological support services.

We have **health and safety consultative committees**, comprised of management and employee representations as well as onsite suppliers.

Our health and safety teams conduct internal inspections. Suppliers are also **audited** by the internal audit team upon our request and independent assessors.

4

Responsible and inclusive procurement

Vodacom encourages suppliers and business partners to adopt sustainable business practices.

We want to ensure safe and fair working conditions, and responsibly manage environmental and social issues across our supply chains.

Our suppliers share our values and strive to meet our mandatory ethical, labour and environmental standards.

Vodacom procurement is executed in accordance with Vodafone's approach and policies:

- Code of ethical purchasing
- Slavery and human trafficking statement

We aim to ensure integrity in our supply chain processes by identifying and managing related risks. Our suppliers share our values and strive to meet our mandatory ethical, labour and environmental standards.

We achieve this through:

- Managing our supply chain
- Supporting local economic development

We launched an improved **supplier qualification process** that uses a risk-based assessment to review compliance for new suppliers.

Our people

We are becoming a new generation connectivity and digital services provider for Africa. Our people strategy accelerates this transformation by creating an inclusive environment for growth, where everyone has the opportunity to thrive.

Our people strategy is based on an appropriately skilled and motivated workforce. We aim to provide our employees with the environment and tools they need to succeed in their roles, and to actively engage with them to gain insights to inform our employee experience. We aim to ensure our employees have a positive and motivating working environment. This encompasses our collaborative hybrid working model, benefits, well-being and engagement. Digital tools and systems support these elements.

Our people focus areas:

1	**Living the Spirit of Vodacom**
2	**Diversifying talent and developing future ready skills**
3	**Our employee proposition**

1

Living the Spirit of Vodacom

The Spirit of Vodacom (the Spirit) galvanises our culture. It outlines the beliefs we stand for.

The Spirit of Vodacom, centred around four key behaviours, will create a better future for customers, encourage collaboration and enable innovation.

We achieve this through:

- Powering the Spirit journey
- Delivering a digital and personalised experience

We are intentionally aligning all activities and initiatives with the company purpose and spirit through conducting spirit moments at all monthly and quarterly town halls.

We participated in the first Africa-wide **employee forum** and had the opportunity to meet Vodafone Group Plc Board's workforce engagement lead, Valerie Gooding.

2

Diversifying talent and developing future ready skills

As part of our employee experience, we ensure pay and benefits are competitive and fair, and attract, retain and develop future talent.

Our reward approach demonstrates the Spirit behaviours to encourage collective performance, strategy execution and increase focus on recognition.

We achieve this through:

- Our employee value proposition
- Delivering fair and responsible pay
- Providing an enabling workplace
- Supporting well-being
- Promoting skills development opportunities

We **support employees** to learn on the job by taking part in work shadowing or taking on extra projects, with time allocated for these agreed with the employee's manager. Projects can be based outside of Lesotho, providing it is in accordance with the International Mobility Policy.

The #1MoreSkill programme accelerated and expanded across Vodacom through an increased focus on aligning budget spend, vendor optimisation and skills training for all.

Post-training feedback is evaluated by our learning and development leads and associated corrective actions are implemented where necessary.

3

Our employee value proposition

As part of our employee experience, we ensure pay and benefits are competitive and fair, and attract, retain and develop future talent.

Our reward approach demonstrates the Spirit behaviours to encourage collective performance, strategy execution and increase focus on recognition.

We achieve this through:

- Our employee value proposition
- Delivering fair and responsible pay
- Providing an enabling workplace
- Supporting well-being
- Promoting skills development opportunities

We conduct an annual fair pay analysis to identify and address any pay discrepancies, to implement remedial action.

We offer risk benefits to employees, including life and disability cover.