Sustainability report 2019

for the year ended 31 March 2019

(incorporating the Social and Ethics Committee report)

The future is exciting.
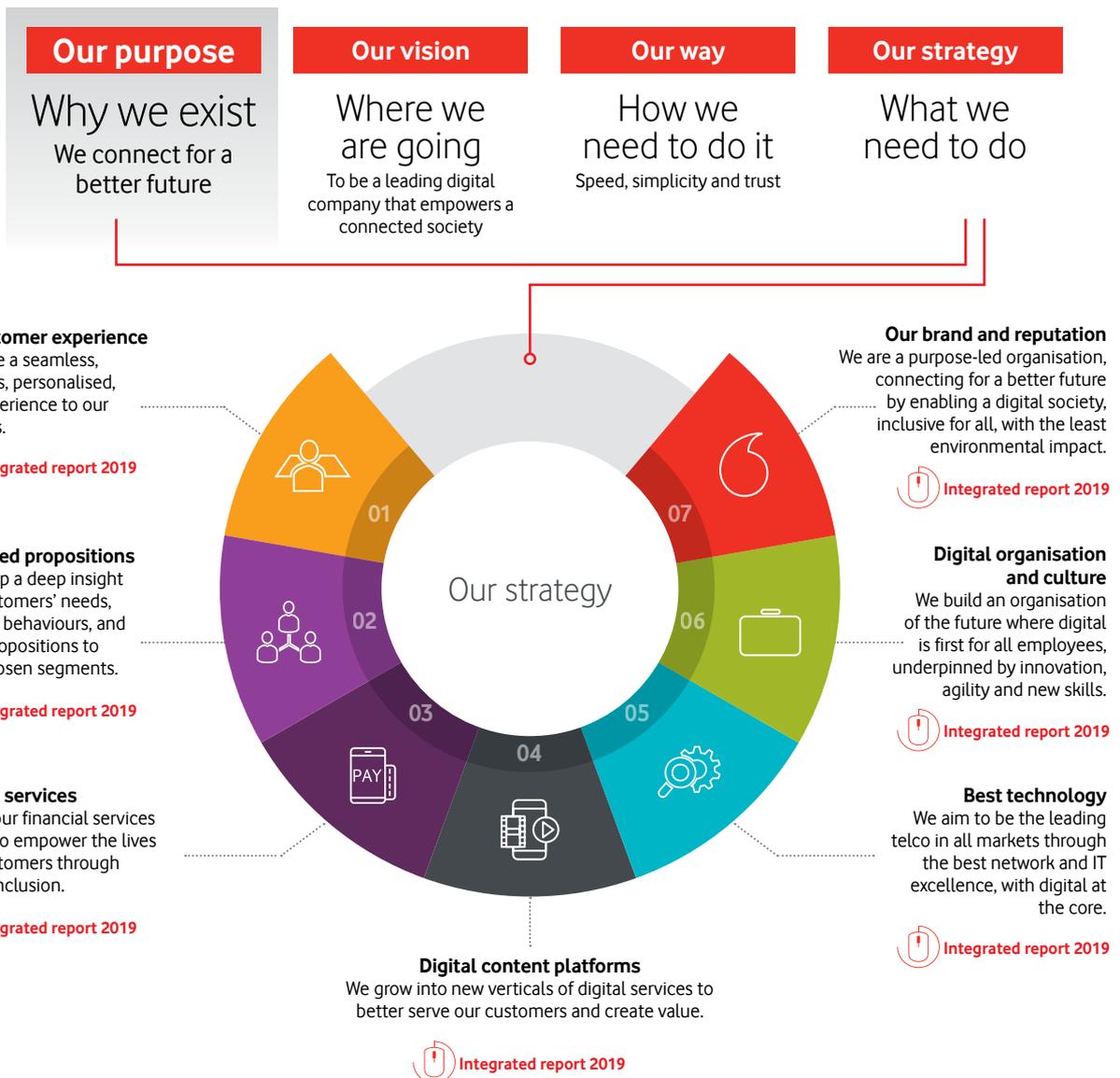**Ready?**

vodacom

Who we are

Vodacom is a leading African communications company providing a wide range of services, including data, mobile and fixed voice, messaging, financial services, Enterprise IT and converged services to 110 million[1] customers.

From our roots in South Africa, we have grown our mobile network business to include operations in Tanzania, the DRC, Mozambique, Lesotho and Kenya. Our mobile networks cover a total population of over 291 million[1] people. Through Vodacom Business Africa (VBA), we offer business-managed services to enterprises in 50 countries. Vodacom is majority owned by Vodafone (60.5% holding), one of the world's largest communications companies by revenue.

Our purpose	Our vision	Our way	Our strategy
Why we exist We connect for a better future	Where we are going To be a leading digital company that empowers a connected society	How we need to do it Speed, simplicity and trust	What we need to do

Best customer experience
We provide a seamless, frictionless, personalised, digital experience to our customers.

Integrated report 2019

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

Integrated report 2019

Financial services
We scale our financial services offerings to empower the lives of our customers through financial inclusion.

Integrated report 2019

Our strategy

01 02 03 04 05 06 07

Our brand and reputation
We are a purpose-led organisation, connecting for a better future by enabling a digital society, inclusive for all, with the least environmental impact.

Integrated report 2019

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.

Integrated report 2019

Best technology
We aim to be the leading telco in all markets through the best network and IT excellence, with digital at the core.

Integrated report 2019

Digital content platforms
We grow into new verticals of digital services to better serve our customers and create value.

Integrated report 2019

1. Including Safaricom at 100%.

Contents

How to get the most out of our Sustainability report:

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

This icon tells you where you can find more information at **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 source of information available online

Integrated report

About our Sustainability report

The Vodacom 2019 Sustainability report forms part of a collection of reports developed as part of Vodacom's integrated reporting process. Our Sustainability report provides information on our performance and management approach relating to the most material economic, social and environmental impacts of our operational activities. The report also includes information on the management of the Vodacom Group Social and Ethics Committee's performance in compliance with the Companies Act.

The Sustainability report is compiled for all stakeholders interested in and affected by Vodacom's operations and sustainability activities, including current and potential employees, shareholders and investors, general public, regulatory authorities, current and potential customers and media.

Scope and boundaries

This report provides an overview of Vodacom Group's economic, social, environmental and ethics performance for the period 1 April 2018 to 31 March 2019, inclusive of our operations in South Africa, Tanzania, Mozambique, the Democratic Republic of Congo (DRC) and Lesotho. The Sustainability report should be read in conjunction with our Integrated report. All data and information apply to the Group, unless specifically indicated otherwise. Our aim is to ensure consistency in the annual reporting approach and boundary for all our sustainability metrics, however, in some instances we do report on developments and impacts outside our reporting boundary where these might have a material impact on the business and our sustainability performance.

The Sustainability report is aligned to the principles and requirements of the King Code on Corporate Governance 2016 (King IV), Carbon Disclosure Project (CDP), JSE Listings Requirements, FTSE Russell, South African Companies Act of 2008, International Financial Reporting Standards (IFRS), International Integrated Reporting Framework and the Global Reporting Initiative Standards.

Approach to collecting data

The Sustainability report has been compiled using information from our operating markets. Primary data was drawn from internal reporting and data management systems. Data sources included Vodacom's internal systems and portals, energy management system, the Connecting for Good portal and Social and Ethics Committee reports. Secondary data was collected from publicly available information sources, industry specific reports such as the GSMA and other generic reports, including reports compiled by government.

Our sustainability performance
at a glance

Indicator

Investing in our people

Number of full-time permanent employees
7 746

Salaries and benefits
R6.1 billion[1]

43.4%
of our employees are women

Black representation in Executive Committee
64.0%

76.0%
of our employees are black

Engagement Index – People survey
78%

Total training spend
R544 million

Workplace-related fatalities
1

Lost-time injury frequency rate (LTIFR)
0.07

Product and service responsibility

Customer NPS (4 out of 5 markets)
1st

Transforming lives

Customers
110 million[2]

M-Pesa customers
36.1 million[2]

Investment in infrastructure
R13 billion

Total cash tax contribution
R20.1 billion

8.5 million
customers on our Siyakha platform

R8.1 billion
airtime advance

240 sites
extended deep rural coverage

23.3%
we reduced the effective price per MB in South Africa

Investment in CSI
R153 million

Level 1
BEE contributor status in South Africa

1. Excludes staff expenses of R1 billion (2018: R821 million) capitalised against property, plant and equipment. Includes dividends of R52 million (2018: R44 million) relating to the forfeitable share plan offset against the forfeitable share plan reserve.
2. Including Safaricom at 100%.

Responsible environmental management

Direct greenhouse gas (GHG) emissions (Scope 1) (mtCO$_2$)

48 774

Indirect GHG emissions (Scope 2) (mtCO$_2$)

516 600

Indirect GHG emissions (Scope 3) (mtCO$_2$)

74 322

Total GHG emissions reductions

136 510

955
network sites are solar powered

Access network electricity# (GWh)

369

Core network electricity# (GWh)

64

Electricity in buildings# (GWh)

42.02

Fuel consumption (diesel and petrol)# (million litres)

4.1

Network equipment and handsets reused/recycled# (tonnes)

545

Water consumption down by

19%
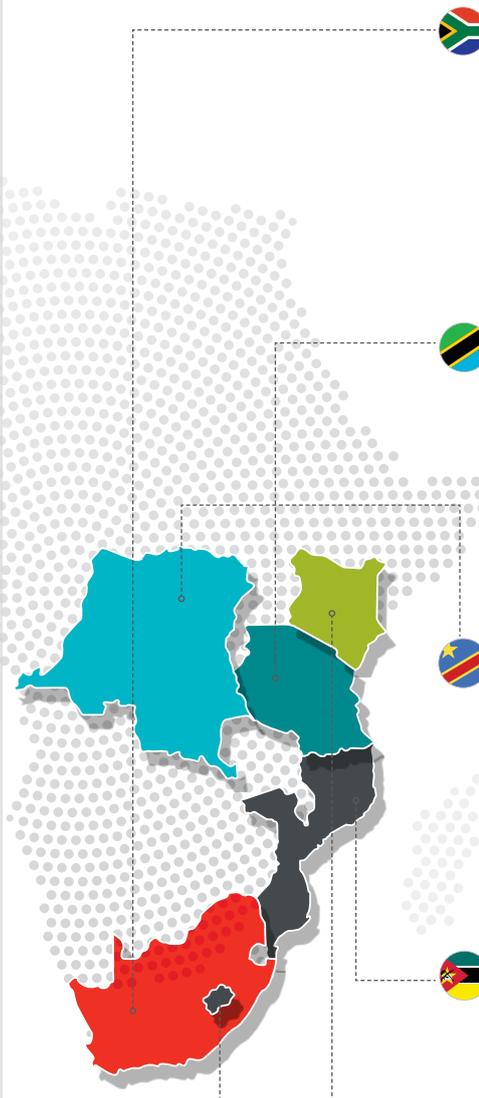
Business flights down by

34%

\# Vodacom South Africa only

Where we operate

Vodacom Business International[7]

Algeria	Madagascar
Angola	Malawi
Benin	Malaysia
Botswana	Mali
Burkina Faso	Mauritania
Burundi	Mauritius
Cameroon	Morocco
Cabo Verde	Mozambique
Central African	Namibia
Republic (CAR)	Niger
Chad	Nigeria
Côte d'Ivoire	Republic of Congo
Democratic	Rwanda
Republic of	Senegal
Congo (DRC)	Sierra Leone
Djibouti	Singapore
Egypt	South Africa
Equatorial Guinea	South Sudan
Ethiopia	Swaziland
France	Tanzania
Gabon	Togo
Gambia	Tunisia
Ghana	Uganda
Kenya	United Kingdom
Lesotho	Zambia
Liberia	Zimbabwe
Libya	

South Africa

Ownership	100%
Population[1] (estimate)	58.1 million
GDP growth[1] estimate	1.3%
Customers	43.2 million
ARPU[2] (local currency per month)	R95
Licence expiry period	2029
Coverage[4]	99.9%
NPS	1st
Points of presence – formal[5]	9 135
Points of presence – informal[5]	61 877
Number of employees	5 197

Tanzania

Ownership	61.61%
Population[1] (estimate)	60.9 million
GDP growth[1] estimate	6.5%
Customers	14.1 million
ARPU[2] (local currency per month)	TZS6 027
Licence expiry period	2031
Coverage[4]	88.3%
NPS	1st
Points of presence – formal[5]	121 393
Points of presence – informal[5]	18 174
Number of employees	548

DRC

Ownership	51%
Population[1] (estimate)	86.8 million
GDP growth[1] estimate	4.5%
Customers	12.2 million
ARPU[2] (local currency per month)	US$3.0
Licence expiry period[3]	2021/2038
Coverage[4]	49.7%
NPS	1st
Points of presence – formal[5]	24 770
Points of presence – informal[5]	345 429
Number of employees	573

Mozambique

Ownership	85%
Population[1] (estimate)	31.4 million
GDP growth[1] estimate	3.7%
Customers	6.8 million
ARPU[2] (local currency per month)	MZN246
Licence expiry period	2038
Coverage[4]	55.8%
NPS	2nd
Points of presence – formal[5]	26 796
Points of presence – informal[5]	8 809
Number of employees	551

Lesotho

Ownership	80%
Population[1] (estimate)	2.3 million
GDP growth[1] estimate	1.0%
Customers	1.5 million
ARPU[2] (local currency per month)	LSL66
Licence expiry period	2036
Coverage[4]	98.5%
NPS	1st
Points of presence – formal[5]	7 415
Points of presence – informal[5]	9 838
Number of employees	220

Safaricom

Ownership	34.94%
Population[1] (estimate)	52.2 million
GDP growth[1] estimate	5.2%
Customers	31.8 million
ARPU[2] (local currency per month)	KES658
Licence expiry period[6]	2022/2026
Coverage[4]	96.0%

Notes:
1. Bureau for Economic Research (BER) and the Economist Intelligence Unit (EIU). gross domestic product (GDP) relates to real GDP growth.
2. Total average revenue per user (ARPU) is calculated by dividing the average monthly service revenue by the average monthly active customers during the period.
3. 2021 (VSAT licence), 2026 (wimax licence), 2028 (2G licence), 2032 (3G licence) and 2038 (4G licence).
4. 2G population coverage.
5. Formal points of presence include Vodacom owned and franchised shops, service providers and private outlets, retailers that purchase directly from Vodacom, M-Pesa agents and ATMs. Informal points of presence include super dealers, territory and data dealers, street vendors/freelancers, informal resellers and virtual top ups.
6. 2022 (3G licence), 2024 (2G licence) and 2026 (4G licence).
7. The Group has entered into agreements to dispose of certain subsidiaries within the Vodacom Business Africa group. The disposals are subject to regulatory approvals.

Our value chain activities

Spectrum, network and IT infrastructure

Most of our communication services depend on accessing spectrum, which we strive to secure at a competitive price though proactive engagement with government and regulators. As part of our 2020 vision, we are building on our substantial investment in network infrastructure by expanding into fixed broadband assets (cable and fibre), and investing in IT services, Big Data and analytics, digital services, financial services, customer relationship capability, billing, and online resources. We leverage our IT infrastructure to become agile and smarter in deploying products and services, and to ensure customer care.

Customer service

Providing the best customer experience is a strategic priority and an important source of market differentiation. We are constantly deepening our understanding of customers and their needs to provide targeted product and service offerings. Our ambition is to provide exceptional customer service through a seamless, personalised, one-channel, digital customer experience.

Procurement activities

To manage our significant supplier landscape, we leverage off the global purchasing power and responsible procurement practices of the Vodafone Procurement Company, enabling the purchase of responsibly manufactured network equipment, handsets and other services on favourable terms. We balance the benefits of global purchasing with our commitment to promoting economic opportunities in our host countries and driving BEE in South Africa.

vodafone

Sales and distribution

We use various sales and distribution channels including wholesale distributors, retailers, franchise stores, direct sales partners, street vendors, informal resellers and online channels. Our aftersales value chain of Vodacom repair centres and regional repair hubs has positioned us as market leaders in the aftersales community. Through container shops and informal traders, we provide important opportunities for small-scale entrepreneurial businesses.

Product and service development

We are constantly developing new products, services and pricing models, informed by our segmented customer approach that caters for each customer's needs, wants and behaviours in both the Consumer and Enterprise markets. We place a strong emphasis on protecting customer privacy, and mitigating the risk of data theft or loss. We are implementing the 'agile' methodology across various departments to ensure we respond faster in a constantly changing environment. We harness the power of Big Data to deliver personalised offers to our customers.

Managing our brand and reputation

We build a brand with purpose, developing and maintaining a reputation as a company that is 'connecting for a better future', and that shows leadership in promoting broad-based societal transformation. We communicate our service offerings and maintain our brand presence through our marketing and brand strategy. External Reputation surveys show that the Vodacom brand is consistently one of the most recognised and trusted brands across our footprint.

Connecting for a better
future

Vodacom is awarded a **licence to operate** a GSM cellular network in South Africa.

A record-breaking rollout of the network follows with at least two base stations built every day.

We officially switch on our network.

Vodacom is granted a **GSM licence in Lesotho,** our first outside South Africa.

We're the first in the world to launch a **prepaid service.**

We switch on our network in Lesotho.

The South African market reaches the one-million customer mark, 606 000 of whom are Vodacom customers.

| **1993** | **1994** | **1995** | **1996** | **1997** |

25 years of empowering a connected society

2008

Vodacom Business is launched.

Vodacom Tanzania introduces M-Pesa.

m-pesa

Vodacom South Africa announces its R7.5 billion BEE transaction, one of the largest Broad-Based BEE transactions in the local industry.

Vodafone increases its shareholding to 65%.

65%

We launch the Vodacom Foundation Mobile Education programme. Connected 9 teacher centres with technology and connectivity.

| **2009** | **2010** | **2012** | **2013** | **2014** |

2011

Vodacom lists on the JSE.

Vodacom's rebranding.

The year Vodacom is the voice behind Bafana Bafana.

First to launch LTE in SA.

We launch MyVodacom app, giving customers a range of self-service capabilities.

We implement an all-encompassing pricing transformation, migrating our customers on to integrated and bundled plans that provide greater value for money.
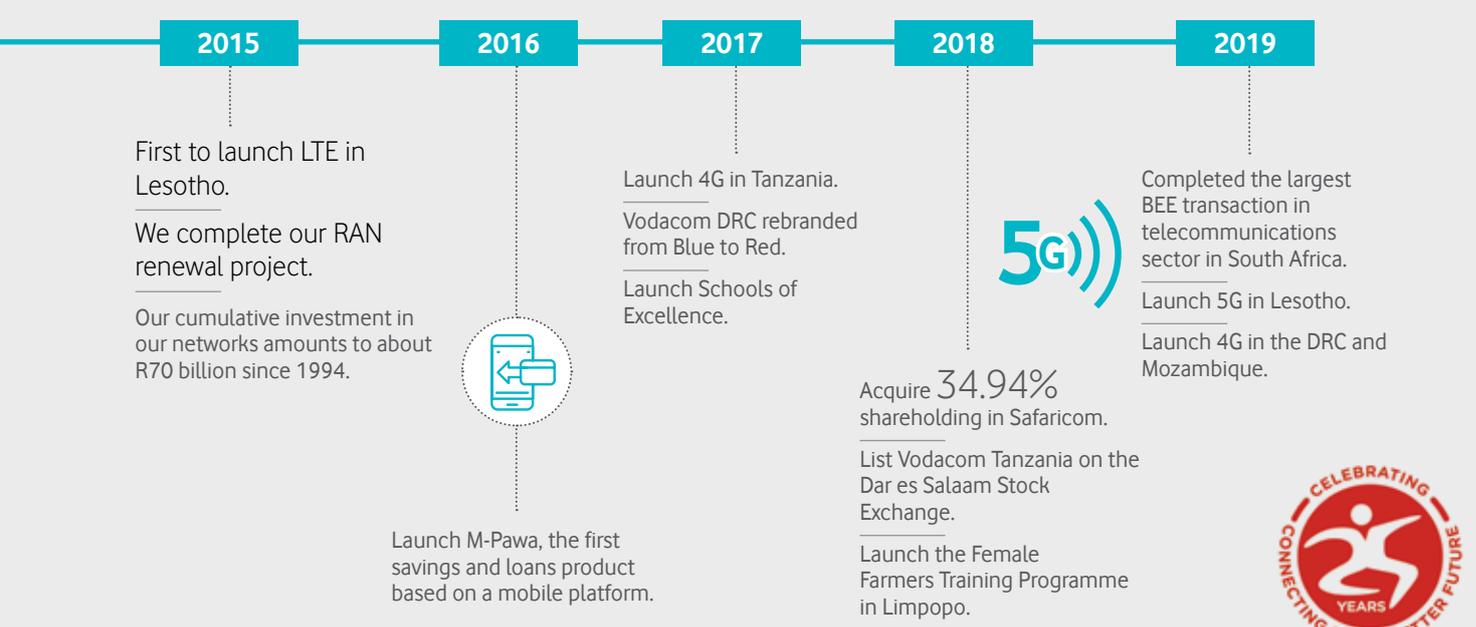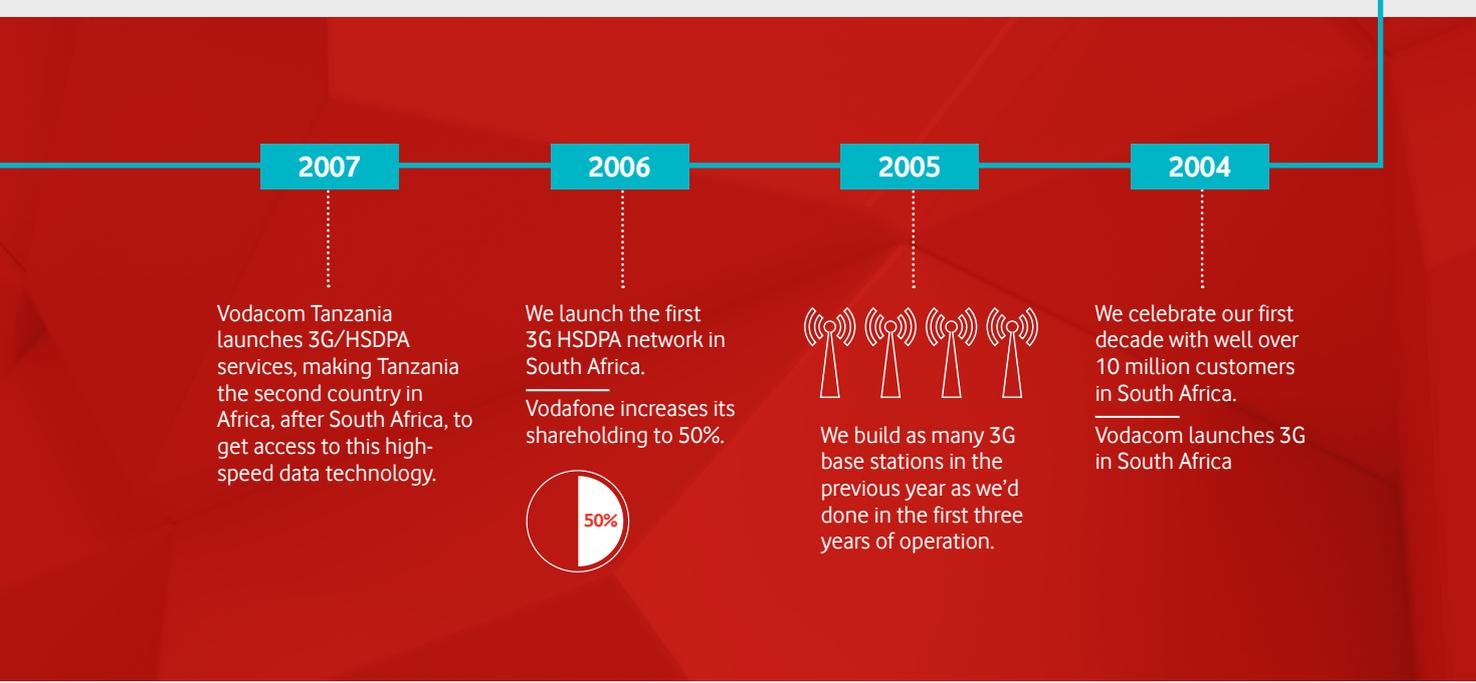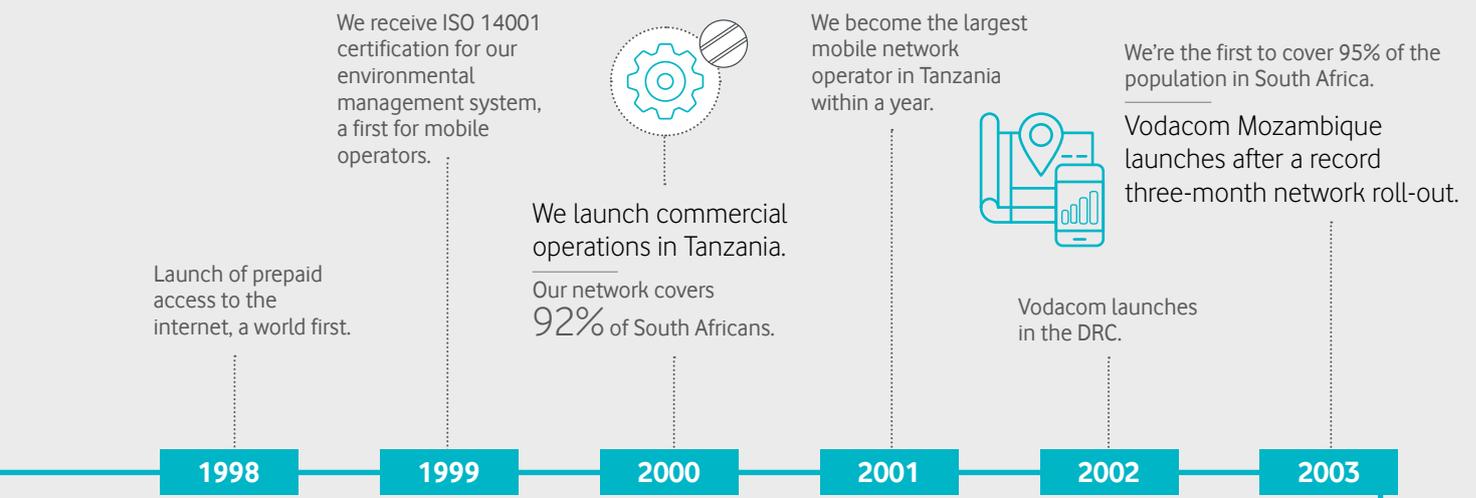
Youth academy rolled out in nine teacher centres.

We cover 99.8% of the population in South Africa.

Stock visibility solution rolled out to clinics.

Launch Vodacom e-School in partnership with the Department of Education.

1998

Launch of prepaid access to the internet, a world first.

1999

We receive ISO 14001 certification for our environmental management system, a first for mobile operators.

2000

We launch commercial operations in Tanzania.

Our network covers 92% of South Africans.

2001

We become the largest mobile network operator in Tanzania within a year.

2002

Vodacom launches in the DRC.

2003

We're the first to cover 95% of the population in South Africa.

Vodacom Mozambique launches after a record three-month network roll-out.

2007

Vodacom Tanzania launches 3G/HSDPA services, making Tanzania the second country in Africa, after South Africa, to get access to this high-speed data technology.

2006

We launch the first 3G HSDPA network in South Africa.

Vodafone increases its shareholding to 50%.

50%

2005

We build as many 3G base stations in the previous year as we'd done in the first three years of operation.

2004

We celebrate our first decade with well over 10 million customers in South Africa.

Vodacom launches 3G in South Africa

2015

First to launch LTE in Lesotho.

We complete our RAN renewal project.

Our cumulative investment in our networks amounts to about R70 billion since 1994.

2016

Launch M-Pawa, the first savings and loans product based on a mobile platform.

2017

Launch 4G in Tanzania.

Vodacom DRC rebranded from Blue to Red.

Launch Schools of Excellence.

2018

Acquire 34.94% shareholding in Safaricom.

List Vodacom Tanzania on the Dar es Salaam Stock Exchange.

Launch the Female Farmers Training Programme in Limpopo.

2019

Completed the largest BEE transaction in telecommunications sector in South Africa.

Launch 5G in Lesotho.

Launch 4G in the DRC and Mozambique.

5G)))

CELEBRATING CONNECTING FOR A BETTER FUTURE 25 YEARS

CEO's statement

Shameel Aziz Joosub

Globally, there are growing expectations on businesses to serve a social purpose, and to use their capabilities and resources to make a meaningful contribution to the countries in which they operate. As a leading mobile network operator that works across emerging markets in Africa, we recognise that Vodacom has both a particular responsibility and a profound opportunity to provide societal value through our core business activities.

Vodacom's Vision 2020 is to be a leading digital company that empowers a connected society, delivering on our core purpose of connecting for a better future. This year, in strengthening our commitment to be a purpose-led organisation, we prioritised three focus areas through which we are driving transformational change and contributing meaningfully to the United Nations Sustainable Development Goals:

» **Digital society** – to ensure that the full benefits of digital technologies are shared, we continue to expand the rural coverage of our networks and the availability of low-cost devices, we are reducing the cost of data through our pricing transformation strategy, and we are improving lives through our innovative digital services and platforms in inclusive finance, education, health and agriculture;

» **Inclusion for all** – recognising the importance of an inclusive approach, we are developing and rolling out initiatives to alleviate poverty and inequality by democratising education, providing digital products and services that empower women and the youth, and promoting diversity and transformation across our workplace and supply chain;

» **Planet** – in addition to driving digital inclusion, we are promoting environmental sustainability by investing in climate-smart networks and solutions, developing water-wise practices for our operations and customers, and minimising waste across our value chain.

Underpinning Vodacom's ability to create value through connectivity, has been the reach and quality of our network. This year, we invested R13 billion in infrastructure, expanding our network coverage in 2G, 3G and 4G across all our markets, and achieving the significant milestones of having 4G live in all our operating markets, as well as launching 5G in Lesotho, a first in Africa. In South Africa, we extended 4G to 90.4% of the population, becoming the first country in Africa beyond 80% coverage. This reflects the impact of our accelerated rural coverage programme, which this year saw 240 network sites in remote rural communities.

Following government's assurance that it will make 4G spectrum available to industry, and will license 5G spectrum in 2020, Vodacom has pledged to invest

a further R50 billion in infrastructure in the country over the next five years, including specifically to increase 4G rural penetration and to rollout 5G, opening up exciting new opportunities for entrepreneurial activity.

The significant potential for the increased availability of high-speed internet to boost the economy and create jobs, will be aided by our commitment to further accelerate financial inclusion, building on the ground-breaking success of our M-Pesa mobile-money solution. M-Pesa has grown to have the largest reach of any financial services provider in Africa, with 36.1 million active customers (including Safaricom), many from previously unbanked rural communities. Numerous independent studies have shown the significant impact of mobile-money in reducing poverty, particularly among female-headed rural households.

We remain committed to reducing the cost to communicate by delivering on our pricing transformation programme. In addition to complying with ICASA's End-User and Subscriber Service Charter, we recently announced a significant reduction in out-of-bundle prices to 50%. We have further lowered the barrier to access data through various sites such as Facebook Flex and our zero-rated Vodacom Siyakha platform that offers free access to career, education and healthcare websites. In South Africa, we spend just over a billion rand per annum providing free internet services by subsidising zero-rated sites on the network. These initiatives resulted in a 37.3% decline in average data prices in March this year, and a 57% reduction in effective data prices over the past three years, despite our investment of R26.9 billion in our network in the past three years.

A particular highlight this year was the successful conclusion of our BEE ownership deal, the country's largest-ever BEE transaction in the telecommunications sector, valued at R16.4 billion. The mutually beneficial deal resulted in Vodacom having an effective black ownership of 29.6% and securing a Level 1 BEE status, an achievement that I am particularly proud of, and a key consideration for spectrum allocation, government contracts and corporate business.

To minimise the environmental impact of our activities, and to secure operational efficiencies and greater energy independence, we implemented various measures to reduce our energy consumption and increase renewable energy for our network, facilities and offices. We now operate 955 solar and solar-hybrid sites, as well as a smaller number of wind and other 'green-powered' sites. We made good progress this year in improving water efficiency and reducing electronic waste, collecting

more than 11 tonnes of devices for recycling and responsible disposal. In March, Vodacom became South Africa's first telecommunications company to ban the issuing of plastic bags to customers in stores. In addition to minimising the impacts of our own activities, we have been growing our product and service offerings to help customers optimise their environmental performance, including through smart-metering and other IoT-enabled devices that help to reduce energy, water and greenhouse gas emissions.

The significant social benefits delivered through our products and services are supported by our corporate social investment (CSI) activities. This year, we invested more than R153 million in education, health and well-being, gender equality and community initiatives. Following a recent internal assessment of the Vodacom Foundation, we have adopted a more strategic approach to our CSI activities that seeks to leverage our product and service innovations to address societal challenges. Recent initiatives include our education ecosystem – covering all levels of education from early childhood development to adult education, and encompassing learners, teachers, parents, teaching material, infrastructure and nutrition – our ICT Youth Academy and youth volunteering programme, our Nokaneng app harnesses technology to prevent gender-based violence, as well as various initiatives that use mobile technology to empower individuals and communities with health information and support, primarily for rural women and children.

Since our launch as South Africa's first mobile network operator twenty-five years ago, Vodacom's voice and digital products and services have helped to positively transform the lives of millions of people across our markets. Looking to the future, the company will continue to make a significant contribution towards achieving national and global development objectives, as we deliver on our commitment to be a purpose-led organisation, 'we connect for a better future'.

Shameel

Shameel Aziz Jososub
CEO
31 May 2019

Sustainability governance and management

Sustainability considerations are entrenched in Vodacom's governance structures and integrated into our core business activities. Our approach to sustainability is underpinned by a well-defined process for identifying and evaluating the risks and opportunities that are most material to the business.

Operating responsibly is essential to secure and maintain our licence to operate and to realise commercial advantages for our business, helping to turn potential risks into opportunities. By acting with honesty and integrity, we secure the trust of our customers, integral to the long-term success of our business. Our ability to create value for our stakeholders is underpinned by maintaining robust ethics, governance and risk management processes and structures. These processes are reviewed in more detail in our Integrated report.

The Vodacom Group 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 all our stakeholders. The Vodacom Group Board places a specific focus on sustainability considerations, risks, opportunities, stakeholder relations, innovation and creation of stakeholder value within the business' operating context. The Board has delegated responsibility for the Group's environmental, social and economic development performance to the Group Social and Ethics Committee.

The Group Social and Ethics 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;

» Safety, health and environmental issues; and

» Stakeholder management.

The Committee receives reports from various business areas in the Group on a quarterly basis to ensure oversight and accountability for achieving sustainability goals and objectives.
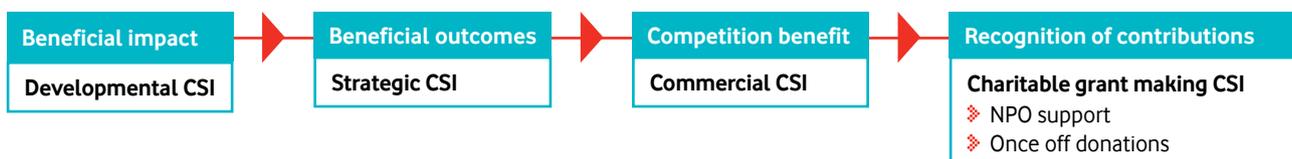
Board
Board committees

Nomination Committee
Remuneration Committee
Social and Ethics Committee
Audit, Risk and Compliance Committee
Executive Committee

Read about our business principles at **www.vodacom.com**

The Vodacom Foundation

The Vodacom Foundation is the corporate social investment (CSI) arm of Vodacom. Following a recent internal assessment of the Vodacom Foundation, we have adopted a more strategic approach to our CSI activities that seeks to leverage our product and service innovations to address societal challenges. This represents a shift from being essentially a charitable entity providing NPO support and once-off donations.

Vodacom Foundation is a unit within Corporate Affairs with an advisory board that is structured in accordance with the King IV code on corporate governance. In Tanzania, the Vodacom Foundation is a legal entity with an independent board. In the DRC and Mozambique, CSI initiatives are driven through Corporate Affairs. Since 1999, Vodacom Foundation South Africa has invested just under R1 billion in communities.

Beneficial impact	Beneficial outcomes	Competition benefit	Recognition of contributions
Developmental CSI	**Strategic CSI**	**Commercial CSI**	**Charitable grant making CSI** » NPO support » Once off donations

In Tanzania, the Vodacom Foundation completed a comprehensive social impact study to qualitatively assess the impact made through its investments. Over the period 2014 – 2019, the study identified the following outcomes:

» 2 884 435 total direct and indirect beneficiaries;
» 400 555 beneficiaries reached through donations;
» 19 regions reached;
» 291 agricultural entities received access to start-up capital and skills development;
» 60 023 students nation-wide received direct access to instant schools and ICT; and
» 55 577 girls empowered.

Our contribution has been recognised externally, with Vodacom Foundation in South Africa rated as the Top Corporate in CSI by other corporates and third by non-profit organisations, according to Trialogue's 2018 Annual Research.

Vodacom CSI spend

(R000)	2019	2018	2017
South Africa	89 831	90 449*	90 593*
Lesotho	3 625	1 291	6 533
Mozambique	47 338	11 754	2 620
Tanzania	7 451	5 373	6 155
DRC	4 275	1 944	5 900
Total	152 520	110 811	111 801

* Restatement of the 2017 and 2018 figures to reflect actual CSI spent instead of budgeted amounts.

Our sustainability approach

Our approach to sustainability focuses on creating and protecting value, driving growth and innovation, and providing societal value through our core business activities, to make a meaningful contribution to the countries in which we operate. The significant social benefits delivered through our products and services are supported by our CSI activities, which seek to leverage our product and service innovations to address societal challenges.

Vodacom's Vision 2020 is to be a leading digital company that empowers a connected society, delivering on our core purpose of connecting for a better future. In strengthening our commitment to be a purpose-led organisation, we have prioritised three sustainability focus areas through which we are driving transformational change and contributing meaningfully to the United Nations Sustainable Development Goals:

1 Digital society
to ensure that the full benefits of digital technologies are shared, we are expanding the rural coverage of our networks and the availability of low-cost devices, we are reducing the cost of data through our pricing transformation strategy, and improving lives through our innovative digital services and platforms in inclusive finance, education, health and agriculture.

2 Inclusion for all
recognising the importance of an inclusive approach, we are developing and rolling out initiatives to alleviate poverty and inequality by democratising education, providing digital products and services that empower women and the youth, and promoting diversity and transformation across our workplace and supply chain.

3 Planet
in addition to driving digital inclusion, we are promoting environmental sustainability by investing in climate-smart networks and solutions, developing water-wise practices for our operations and customers, and minimising waste across our value chain.

In addition to the focus areas above, Vodacom is committed to ensuring that we operate in a responsible and ethical manner. Vodacom therefore reports on areas that ensure accountability and transparency which are:

» Our people;
» Responsible supply chain; and
» Business principles and practices.

Our contribution to the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) define global priorities and aspirations for 2030 and represent an opportunity to bring countries, businesses and people together to work towards eliminating extreme poverty, protecting the planet and ensuring prosperity for all. Africa in particular has a key opportunity to accelerate inclusive growth to support the achievement of the UN SDGs.

Vodacom has assessed its potential contribution to each of the UN SDGs and identified the areas most aligned to our core business; we are duly focusing on the following eight UNSDGs:

Our Vision 2020 has clear commitments to remove barriers to digital access and deliver societal benefits. The UN SDG 9 (Industry, Innovation and Infrastructure), which is core to our business, has been added this year as an additional strategic focus area. Recognising on the interrelatedness of the UN SDGs, we will continue to explore opportunities to increase our contribution towards the other goals in the long term. Our involvement in the UN SDGs is guided by the changing landscape in our operating markets, as well as the issues and concerns raised by our stakeholders. In South Africa, the National Development Plan (NDP) focuses on guiding progress towards eliminating poverty and reducing inequality in the country by 2030, by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

Digital society

- Rural coverage acceleration programme;
- Low-cost devices;
- Platforms for digital inclusion;
- Stock visibility solution;
- Connected Farmer;
- Theta Nathi;
- Smart Utilities Management Services;
- Vodacom Hospitality Solution; and
- Flood Monitoring Application.

Inclusion for all

- Digital education platforms;
- Internet connectivity in schools;
- Vodacom kids lab;
- Code like a girl;
- Robotics training initiative;
- Youth academy programme;
- Digital platform for women; and
- Female farmers programme.

Planet

- Climate-smart networks and solutions;
- Water-wise products and practices; and
- Reducing e-waste.

Our key relationships

As a Group we do not operate in isolation: our ability to deliver value depends on the contribution and activities of a range of different stakeholders.

In the tables below we briefly outline those stakeholder groups who have a substantive impact on our ability to create value, outlining their contribution to value creation, our means of engaging with them, and the stakeholders' primary interests relating to our business activities. We have also provided our own internal assessment of the quality of our current approach to engaging with the different stakeholder groups.

Our assessment of the current quality of our relationship

* No existing relationship, or one that is fractured and has deep challenges.
** An established relationship, but further work needed to improve the quality.
*** Good quality relationship, with room for further improvement.
**** Very strong relationship, based on mutual trust and shared benefit.

Customers ★★★

Purchase our products and services, providing the basis for revenue growth.

How we engage	Material stakeholder interests
» Retail outlets, online and call centres. » MyVodacom app, messaging and USSD channels. » Net promoter score feedback interviews and focus groups. » Social media interaction. » Vodacom website. » Exco visits to stores.	» Better value offerings. » Faster data networks and wider coverage. » Making it simple and quick to deal with us. » Converged solutions for business customers. » Managing the challenge of data-usage transparency. » Privacy of information. » Prompt feedback/resolution on service-related issues.

Our response: **Integrated Report 2019**

Government and regulators ★★★

Provide access to spectrum and operating licences; impose regulatory measures with cost implications.

How we engage	Material stakeholder interests
» Participation in company and industry meetings with government and regulators. » Participation in public forums. » Engagement on draft regulations/bills. » Industry consultative bodies. » Partnering on various social programmes. » Hosting workshops to improve sector understanding. » Participation in parliamentary processes.	» Ensuring that spectrum is managed as a strategic resource. » Protecting consumer interests on service quality, costs and privacy. » Establishing licence certainty in our operating environments. » Opportunities for job creation and socioeconomic development. » Regulatory compliance (eg. mobile termination rates, price, security, safety, health and environmental performance). » Contribution to the tax base.

Our response: **Integrated Report 2019**, Public finances report

Employees ★★★★

Their skills, experience and productivity drive the development and execution of our strategy.

How we engage	Material stakeholder interests
» Internal website. » Newsletters and electronic communication. » Employee hotline. » Leadership roadshows. » Fireside chats with the CEO. » Townhalls.	» Opportunities for personal and career development. » Communication and knowledge sharing across the Group. » Enhancing leadership coaching capacity. » Competitive remuneration. » Deepening digital skills.

Our response: **Integrated Report 2019**, Sustainability report (Our People)

Investors and shareholders ★★★★

Provide the financial capital for long-term growth.

How we engage	Material stakeholder interests
» Personal meetings, roadshows, conferences. » Investor days. » Annual and interim reports. » Stock Exchange News Service (SENS) announcements. » Monthly and quarterly reviews with Vodafone. » Investor relations page on our website.	» Strategy to ensure sustained financial growth. » Responsible allocation of capital. » Sound corporate governance practices. » Transparent executive remuneration. » Stable dividend policy.

Our response: **Integrated Report 2019** , Consolidated annual financial statements, Sustainability report

Suppliers ★★★★

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

How we engage	Material stakeholder interests
» Supplier forums. » Ongoing site visits. » Tenders and requests for audits. » Supplier audits and assessments.	» Timely payment and fair terms. » BEE compliance and SMME/BEE supplier development. » Improving health and safety standards. » Partnering on environmental solutions. » Supplier/product innovation.

Our response: **Integrated Report 2019** , Sustainability report (Responsible supply chain)

Communities ★★★★

Strengthening the socioeconomic context in which we operate; inform our reputation.

How we engage	Material stakeholder interests
» Community interaction on projects relating to education, health, agriculture and inclusive finance. » Public participation on new base stations. » Open days at universities. » Vodacom Foundation/community partnerships.	» Access to mobile voice and data services. » Delivery of global and national development goals. » Free-to-use social media, education and job sites. » Responsible investment in infrastructure. » Transparency on performance.

Our response: **Integrated Report 2019** , Sustainability report

Business partners/franchisees ★★★★

A key interface with our customers, custodians of our brand and reputation.

How we engage	Material stakeholder interests
» Annual business partner conference. » Bi-annual franchise road shows. » Quarterly franchisee council committee meetings. » One-on-one business meetings. » Training sessions on products and services. » Store, franchise and retail visits.	» Fair treatment. » Top management involvement with customers. » Making it simpler and quicker to deal with us.

Our response: **Integrated Report 2019** , Sustainability report

Media ★★★

Inform company reputation and consumer awareness of products and services.

How we engage	Material stakeholder interests
» Face-to-face and telephonic engagement. » Interviews with CEO and key executives. » Media releases and product-related publicity. » Roundtables. » Product launches.	» Being informed of key activities and offerings. » Transparency on performance.

Our response: **Integrated Report 2019**, Consolidated annual financial statements, Sustainability report

Responding to stakeholder 'hot issues'

Being sufficiently responsive to relevant stakeholders' interests is essential to maintaining positive stakeholder relationships. In many instances, those issues which our stakeholders feel most passionate about cut across different stakeholder groups, sometimes with very different perspectives. While there are always many different stakeholder interests that we have to deal with, we have prioritised this financial year's four most visible 'hot issues' which we believe have a material bearing on our ability to create value.

Cost of data
— regulatory and political priority

The issue

In South Africa, consumers, policy makers and the media have been voicing concerns relating to the cost of ICT services in general and digital data in particular. In South Africa, the Competition Commission and ICASA have both launched processes on the cost and nature of data services, and regulations have recently been introduced to manage data usage notification and control out-of-bundle billing.

Our response

In the context of our commitment to drive digital inclusion, and given the tough consumer environment, we recognise the imperative to further lower data prices in some of our markets, while ensuring that this does not compromise our ability to make the investments in network and IT infrastructure needed to broaden service delivery and maintain high quality offerings. Our initiatives to reduce data costs and encourage customers to optimise data usage include:

» Introducing new in-bundle and out-of-bundle smart notifications, and further reducing out-of-bundle rates, in line with the recent amendment to the End-User and Subscriber Service Charter Regulations, providing customers with options to transfer and roll over data, and further reducing out-of-bundle rates by 50%.
» Providing customers with bundles for varying periods of validity at affordable pricing, down to 12 cents per MB for a one-hour, 1Gb package at R12.
» Making data more affordable through various propositions that lower the data entry barrier, such as Facebook Flex and Vodacom Siyakha.
» Running consumer campaigns to increase awareness on optimising data usage.
» Renewed calls for the Government in South Africa to release much needed spectrum at a reasonable price to reduce the cost to carry data.
» Introducing personalised bundles that target lower-income towns and groups.

Stakeholders
- Customers
- Government
- Regulators
- Media
- Investors

Consumer privacy
— protecting personal information

The issue

Individual consumers are becoming increasingly connected through smartphones and other personal devices, spending more time on social media platforms and more frequently engaging in e-commerce transactions and digital financial services. As the ability to track and analyse 'connected consumers' becomes more sophisticated, so the need to manage and protect personal information becomes more critical. Trust in big tech companies has recently been falling, with consumers and regulators increasingly concerned about the security of personal data and how it is being used.

Our response

Respecting our customers' right to privacy, and protecting devices, networks, data and apps, is a top priority for us and integral to our Code of Conduct.

» As part of the Vodafone Group, we benefit from its approach to ensuring compliance with the EU's General Data Protection Regulation (GDPR), the global 'gold standard' on data protection and privacy.
» In South Africa, we have systems in place to ensure compliance with the recently approved regulations of the Protection of Personal Information Act (POPI) once these come into effect.
» All legally-entitled requests from security and enforcement agencies for customer information are managed in accordance with Vodafone policies and procedures, and with applicable local laws and regulations; we contribute annually to Vodafone's industry-leading law enforcement disclosure report, which provides a detailed insight regarding demands from law enforcement agencies in 28 countries.

Stakeholders
- Customers
- Government
- Regulators
- Media
- Investors

'Please Call Me' protests

The issue

In our South African market, Vodacom has been subject to substantial press and social media attention, as well as a public protest outside our head office, relating to a long-standing litigation process with a former Vodacom employee, Mr Nkosana Makate. The matter was eventually heard on appeal by the Constitutional Court. The Court ruled that there was an agreement between Vodacom and Mr Makate, but noted that the price to be paid for Mr Makate's idea still had to be negotiated. The Court instructed Vodacom and Mr Makate to enter into negotiations, in good faith, to agree the 'reasonable compensation' payable to Mr Makate. Mr Makate rejected the CEO's determination and in February 2019 indicated his intention to take the matter under judicial review. We are awaiting communication from Mr Makate on this matter.

Our response

Vodacom has complied fully with the Order of the Constitutional Court.

- Following the failure of the negotiating teams to reach agreement on the quantum of compensation, the Vodacom Group CEO, in his role as a deadlock-breaking mechanism, was required to determine the amount of reasonable compensation to be paid. CEO Shameel Joosub recused himself from all internal meetings on this matter, in order to remain independent and impartial.
- We believe we have followed the Order of the Constitutional Court to the letter and that we have demonstrated good faith throughout the negotiations.
- Vodacom is ready and willing to pay the amount set by the Group CEO as reasonable compensation, in accordance with the Constitutional Court Order.
- In our negotiations with Mr Makate, we have acknowledged that Vodacom could and should have handled this matter better from the beginning; in those instances where we did not get things right, we have tendered our apologies. We have taken some important lessons from this matter.

Stakeholders
- Customers
- Government
- Regulators
- Suppliers
- Investors

Network quality and coverage

The issue

Maintaining network quality and performance is both a significant source of competitive differentiation, as well as a legislated expectation in terms of 'Quality of Service' regulations. Unplanned disruptions in network performance, and any resulting shortfalls in network quality and availability, negatively impact consumer sentiment which can be rapidly shared on social media. In South Africa we have faced network-related challenges in some areas following extended load-shedding by the national energy utility, which placed pressure on batteries and diesel generators.

Our response

To cater for the growth in data usage across our markets, we have invested R13 billion to widen our 3G and 4G data coverage, improve voice quality and increase data speeds.

- Given the potential for further extended load-shedding we have invested in additional batteries and generators across our South African network.
- In South Africa, our 3G coverage has increased to 99.5% of the population and 4G coverage to 90.4%, with high-speed transmission extended to 94.0% of our sites.
- Our International mobile operations now have 7 580 2G sites, 5 629 3G sites, 1 593 4G sites and 1 5G site, with high-speed transmission extended to 91.5% of sites. This year we introduced 5G in Lesotho.
- We continue to engage actively with regulatory authorities on accessing spectrum. This remains a critical factor in further improving network quality and coverage and reducing data costs.

Stakeholders
- Media
- Customers
- Regulators
- Investors

Stakeholder 'hot topics' in 2019 continued

Bulls and bears:
our investors' perceptions

The Bulls – Seeing the upside

❯ Strong management team with good track record of execution.

❯ Strong balance sheet capacity and cash flow generation, to support both dividend and future mergers and acquisitions.

❯ A diversifying portfolio with faster growth potential in International operations, positive earnings contribution from Safaricom.

❯ Excitement about new growth opportunities in digital services, including Financial services, Enterprise and IoT innovations.

❯ Benefits of Telkom roaming deal, filling the gap from the loss of Cell C.

❯ Recent positive regulatory and policy developments in South Africa, with anticipated progress on spectrum allocation.

The Bears – Identifying areas of concern

❯ Continuing macroeconomic pressure negatively impacting consumer spend.

❯ Perceived regulatory and competitive issues placing further pressure on data pricing.

❯ EBITDA margin softness in South Africa from Vodacom roaming on the Rain mobile network.

Topics of interest
related to regulatory affairs

Electronic Communications Amendment (ECA) Bill of 2018

The issue

In 2019, the Minister of Telecommunications and Postal Services informed the Parliamentary Portfolio Committee of a decision to withdraw the ECA Bill from the Parliamentary process. This follows a report of the Portfolio Committee, which identified issues that require further deliberations between the Ministry and the industry.

Our response

The withdrawal of the ECA Bill follows consistent engagements between the Ministry of Telecommunications and Postal Services, parliament, civil society, industry players and other stakeholders. The Ministry expressed that it will assess the policy and regulatory requirements needed to support the Fourth Industrial Revolution and digital economy. Our message has been to promote a hybrid model where the Wholesale Open Access Network (WOAN) is assigned spectrum alongside existing industry players. We have however cautioned against the large proportions of spectrum that would be set aside for the WOAN arguing that it would render other players in the market uncompetitive and consequently suppress latent economic value of the spectrum. We will continue to engage constructively with the Ministry on any policy and regulatory requirements linked to this matter.

Stakeholders
- Customers
- Government
- Regulators
- Civil society
- Media

Competition Commission Data Service Market Inquiry

The issue

The Competition Commission initiated a market inquiry into data services on 30 November 2017. The purpose of the inquiry was to understand the factors of market(s) and value chain that may lead to high prices for data services. This enquiry covers all market participants involved at any point in the value chain for any form of data services that are provided to customers such as government, businesses and consumers in South Africa. The completion of the data market inquiry is expected in 2020.

Our response

Vodacom is in the process of reviewing the provisional report published by the Competition Commission and will meet its 14 June deadline for making further submissions and comments on both the recommendations and findings in the provisional report. Vodacom will also use this round of consultations to provide accurate data, which does not seem to have been incorporated into the provisional report.

Stakeholders
- Customers
- Government
- Regulators
- Media

ICASA priority market review

The issue

On 16 November 2018, ICASA commenced a market inquiry into the mobile broadband market. The purpose of the inquiry was to assess the state of competition and determine if there are markets within the mobile broadband services value chain that may require regulatory intervention.

Our response

We have been actively engaging in the consultation processes with the Regulator and continued to cooperate with ICASA by providing all the necessary information that will contribute to the outcomes of the inquiry. ICASA is expected to finalise the inquiry in 2020.

Stakeholders
- Customers
- Government
- Regulators
- Media

End-User and Subscriber Service Charter Amendment Regulations

The issue

On 7 May 2018, ICASA published the End-User and Subscriber Service Charter Amendment Regulations, which came into effect on 1 March 2019. The main objective of this regulation was to address consumer concerns related to out-of-bundle charges and expiry of data. The amendments followed a consultation process between ICASA and key industry stakeholders.

Our response

We have recently announced a significant reduction in out-of-bundle prices by 50%, in addition to fully complying with ICASA's End-ser and Subscriber Services Charter. We have further reduced the barrier to access data through various platforms that are zero rated. These initiatives have resulted into a 37.7% decline in effective data prices over the past three years. In terms of the new ICASA regulations, Vodacom's contract and hybrid customers who subscribe to data only packages or an integrated package that include data, will continue to have data rolled over automatically by a period of one month. This process remains free to the customer.

Stakeholders
- Customers
- Government
- Regulators
- Media
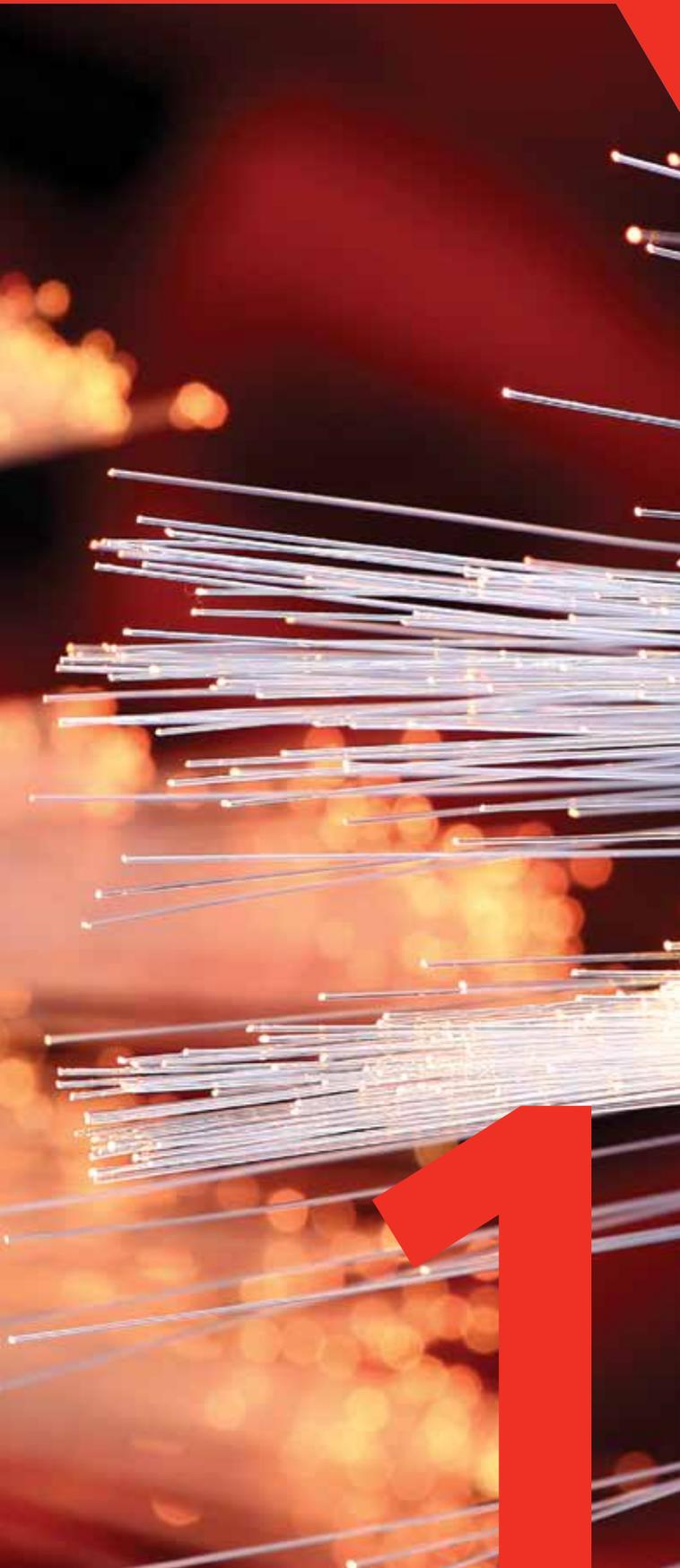
Digital society

Context

Since our launch as South Africa's first mobile network operator 25 years ago, Vodacom has helped to positively transform the lives of millions of people across our markets by connecting them to voice and digital products and services. With access to the internet and data services now an essential part of people's lives, and key to facilitating economic development, we are committed to promoting digital inclusion and democratising data. By extending coverage and the quality of network, facilitating access to smart devices, and driving pricing transformation with segmented customer propositions, we are unlocking opportunities and transforming lives in our markets.
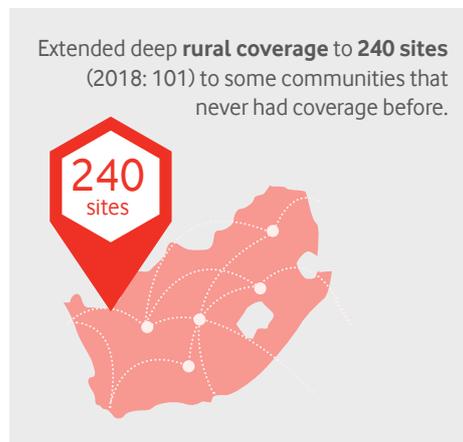
As part of our vision to be a leading digital company that empowers a connected society, we are using technology to transform our business model and enable a customer-centric and digitally-connected world. Through connectivity, the Internet of Things (IoT), robotics and mobile financial services, we have developed innovative, smart technologies to make the lives of our customers easier, healthier and smarter.

1

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Enabling digital inclusion

Rural coverage acceleration programme

Vodacom is committed to driving inclusive connectivity, particularly in rural areas where many live without internet connection. This year, as part of our accelerated rural coverage programme, we have 240 rural network sites in South Africa, providing internet connectivity in villages that previously did not have internet access. In South Africa, our 4G network now covers more than 90% of the population, while 3G covers 99.5% of the population. We now have 4G in all of our markets, and this year we introduced 5G in Lesotho, a first in Africa. In the DRC, our Rural Communication Solution has improved the bandwidth and stability of connectivity in deep rural areas, achieving a 22% penetration rate in remote rural areas.
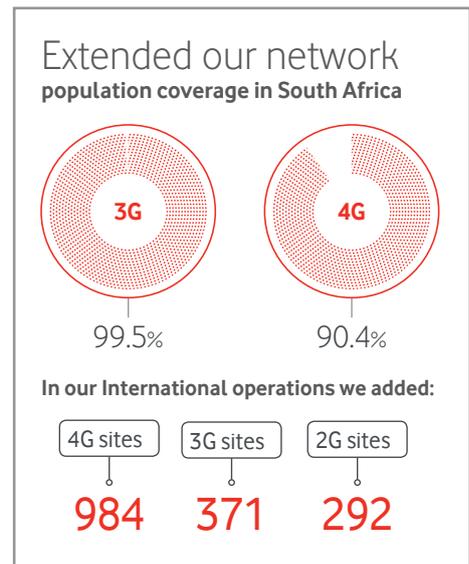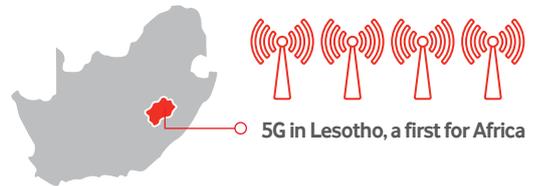
Extended deep **rural coverage** to **240 sites** (2018: 101) to some communities that never had coverage before.

240 sites

Low-cost devices

Certain groups in society are excluded from leveraging socio-economic benefits because they cannot afford internet-enabled devices. According to GSMA, smartphone adoption in Sub-Saharan Africa increased to 44% at the end of 2017, however it remains below the global average of 66%. Since 2014, we have continued to increase smartphone penetration in Sub-Saharan Africa by providing our own low-cost smartphones known as Kicka. A third of smartphones on our network are low-cost devices. In 2019, we have sold approximately 400 000 low-cost smartphones. We have significantly reduced the price of our 3G and 4G branded devices in the past two years to R279 and R599 respectively.

Sustainable and low-cost infrastructure

There are various challenges in providing connectivity in rural areas, including the high costs in deploying base stations, lack of access to the electricity grid, and limited revenue opportunities for network providers. We are working to overcome these challenges by using solar energy to power some of our base station sites in South Africa, Lesotho and the DRC, making rural coverage economically feasible and significantly benefitting rural communities. In some communities in South Africa, we are supplying excess renewable energy from solar-powered base stations to provide electricity to rural schools. In the DRC, we have applied a similar approach and have several network sites that are solely dependent on solar and batteries for back-up power.

5G in Lesotho, a first for Africa

Extended our network
population coverage in South Africa

3G

4G

99.5%

90.4%

In our International operations we added:

4G sites	3G sites	2G sites
984	371	292

Enabling digital inclusion continued

Zero rated platforms for digital inclusion

According to GSMA, one of the reasons that people are digitally excluded is the lack of awareness of digital solutions and the absence of relevant digital content. We are addressing this challenge by providing free access to local content on various platforms such as VideoPlay and My Muze.

The Vodacom Siyakha platform introduced in South Africa in January 2017, enables access to education through e-School, access to job sites, access to social media connectivity through Facebook Flex and access to health information through Mum & Baby. The information and tools provided through Siyakha are available at no cost for all Vodacom prepaid customers. To date, the platform has reached over 8.5 million users. In Lesotho, Vodacom has also partnered with Facebook to launch Facebook Flex, enabling communities to engage on social media at no cost.

We have introduced Vodacom Flex, an online offering that gives customers free online access to basic internet essentials at no cost, enabling customers to access these sites even when they have run out of data. These internet essentials include a search feature, local and international news and weather reports.

Improving digital literacy

To promote digital literacy we have experts in all our stores to assist customers in understanding how best to use their smartphones, giving advice on internet browsing, sending emails, using social media and monitoring apps to avoid data loss. Our online platform, Datawyze, also- provides information and tips to customers on managing data more effectively.

Data affordability

Vodacom provides customers with bundles for varying periods of validity at affordable pricing down to 12 cents per MB for a one-hour, 1GB package at R12 in South Africa. We are improving our in-bundle and out-of-bundle smart notifications for customers in line with ICASA's recommendations, and have launched a data refill service to manage out-of-bundle pricing.

The Vodacom Airtime Advance is an initiative that allows customers to loan airtime and repay it in their next airtime recharge. More than 10 million customers are using airtime advance with a total of R8.1 billion airtime advanced to customers to purchase airtime in 2019.

To further drive digital inclusion in the DRC, we have specifically segmented our low-spend prepaid customers by providing affordable price packages to over one million customers though our 'Just for You' platform.

We reduced the effective price per MB

23.3%
In South Africa

DRC	-29.2%
Lesotho	-28.9%
Tanzania	-13.8%
Safaricom	-42.0%

R8.1 billion
airtime advanced to customers

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Digital solutions that transform lives

Digital technologies have the potential to enhance and transform enterprises, government and communities. Core to our business is our contribution to socioeconomic transformation through digital innovation and IoT solutions that enable value-enhancing solutions in the areas of health and wellbeing; agriculture; digitising municipalities; and enterprise empowerment.

Our digital solutions promote good health and wellbeing

Our health and wellbeing solutions enable health workers to be connected to information and diagnostic services helping them to form support networks and communicate with doctors and nurses within clinics and hospitals. Mobile phones allow community health workers to learn and prepare for disease outbreaks, identify patient symptoms, follow established treatment protocols, perform remote diagnostics, access expert support, refer patients to clinics, send patient reminders, record delivery of health services, and receive mobile payments for those services.

Enhancing health facilities with the Stock Visibility Solution (SVS)

The unavailability of medicines due to stock-outs is one of the biggest challenges for healthcare facilities. Given the high prevalence of communicable diseases such as HIV, malaria and tuberculosis in our markets, stock-outs have serious implications. To address inefficiencies in the medicine supply chain, through Mezzanine we have partnered with the National Department of Health in South Africa to develop the SVS.

The SVS helps health facilities to transition from traditional paper-based stock reporting processes to digital data collection and real-time reporting, allowing health clinic dispensaries to report on stock levels through a custom-built mobile application.

Since its launch in South Africa in 2014, SVS has been implemented in over 4 000 health facilities, including in Zambia and Nigeria. As of 2019, over 21 million stock level reports have been submitted through SVS.

Promoting vaccination

21 million

Stock updates received through SVS.

More than

4 000 clinics

in our markets use the SVS

Digital solutions that transform lives continued

in communities

According to the World Health Organisation (WHO), global vaccination coverage has remained at 85% in the past few years. Improving this level could avert up to 1.5 million deaths, particularly amongst children. To address this concern, Vodacom through Mezzanine partnered with GlaxoSmithKline to introduce mVaccination, an electronic health record solution that supports vaccination coverage. By integrating the technology into government information systems, it has transformed the process of registering and managing patient information. mVaccination assists caregivers by creating a support network that allows them to receive reminders about their scheduled vaccinations. Healthcare workers are empowered to better serve their patients and ensure that their records for vaccinations are updated and available for reporting. For managers, mVaccination eliminates the onerous process of collecting and collating multiple paper-based reports from facilities. It also supports improved performance management and health outcomes by improving vaccination services. mVaccination has increased coverage and clinical management for immunisation programmes in Nigeria, Mozambique and Tanzania, with more than 95 000 children registered. Gavi Alliance, a public-private health group referenced mVaccination as an innovative solution that could increase vaccine coverage in the world. Through mVaccination, more than 95 000 patient records have been created and more than 315 000 immunisations administered.

315 000 immunisations

administered in Mozambique, Nigeria and Tanzania

95 000 children

registered through mVaccination

Providing community care through Aitahealth

To address rising demands for healthcare and the challenge of limited resources and increasing inequalities in health, we have partnered with Mezzanine in developing Aitahealth, a vital health care planning tool for communities. Aitahealth enables community health workers to collect health-related information, and link it into the broader health system referral and management structures. Through Aitahealth we have registered and assessed more than one million individuals for health risks. In South Africa, since the launch of Aitahealth in 2014, more than 2 000 community health workers have used the application and more than 300 000 households and 985 000 individuals have

been registered and screened on the platform in three provinces. More than 358 000 follow-up visits have been scheduled for 'at risk' individuals. Through the North West Provincial Department of Health, Vodacom is expected to implement Aitahealth to over 7 000 community health workers.

1 073 636 citizens

assessed through AitaHealth

Stimulating agricultural productivity through digital solutions

Agriculture is a critical sector for the African economy, with a significant potential to mitigate poverty. The sector accounts for 65% of the continent's employment and 75% of domestic trade. In Africa, the digitisation of the agricultural value chain offer significant opportunities to boost productivity and to empower particularly small-scale farmers. Our solutions for the agriculture sector aggregate various data streams from various sources, and assist commercial and subsistence farmers to perform business transactions on their mobile devices.

Vodacom through Mezzanine partnered with Agritechnovation to develop MyFarmWeb, a mobile and web-based solution aimed at leveraging geo-spatial mapping and 'IoT' sensor features to assist farmers in data-driven planning and decision making. A total of 3 600 farmers use the platform in South Africa to drive efficient decision making for profitable and sustainable farming. Through MyFarmWeb, 950 000 hectares of commercial farming has been mapped in South Africa.

We also developed a software solution available to corporations and governments called eVoucher. This is a mobile and web-based solution to issue beneficiaries with personalised inputs or subsidies, enabling cashless value distribution to beneficiaries. Governments in Kenya and Nigeria are currently using the eVoucher solution.

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Digital solutions driving efficiency in government

Digital technology has an important role to play in facilitating social interactions and citizen engagement with leaders through social media and networks that enable communication. The increase in smartphone penetration in our markets demonstrates that society is ripe for such digital technologies.

Improving citizen engagement in municipalities

Vodacom is committed to supporting government to efficiently manage service delivery matters and enhance active communication between government and citizens by using innovative digital solutions. In South Africa, our digital platform Thetha Nathi ('talk to us') facilitates conversations between citizens and the municipality enabling citizens to report service delivery issues, request municipal services and track progress, while also notifying the respective local government using data analytics. More than 580 community members are actively using Thetha Nathi in South Africa with more than 13 000 issues having been raised and resolved through this platform.

In South Africa, we also collaborated with the Ekurhuleni municipality to digitise government services and promote active citizenry interaction through the My Ekurhuleni app, implemented in 2019. Similar to Thetha Nathi, this application enables municipalities to connect and engage with citizens to report service delivery matters.

In Ghana, we have partnered with numerous government agencies to develop a citizen engagement and flood monitoring application. The application provides information on weather and climatic events and conditions, warnings, advice and emergency contacts in cases of emergencies. In 2020, the application is expected to include broader citizen engagement on community issues that include service provision and road traffic accident reporting.

Smart Utilities Management Services

Smart metering systems support various aspects of electricity and water distribution management, consumption monitoring and billing. In recent times, government has been considering such systems to improve grid reliability and revenue management, reduce electricity and water losses; ensure billing and credit control management and promote water and energy efficiency.

We are transforming the utilities industry through the Smart Utilities Management Service. These solutions are reshaping and digitising municipalities by installing electricity and water smart meters that improve revenue collection, customer satisfaction and the adoption of IoT solutions in the municipal space. In South Africa, five provinces are using this service, with 42 972 active water and electricity smart meters in use. In future, Vodacom plans to increase the roll out of smart meters to other markets.

More than

42 900 active

water and electricity smart meters
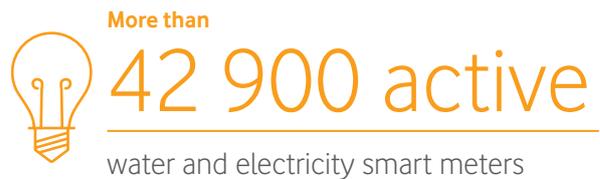
Beneficiary management – Digital identity

To plan responsive and accountable service delivery, programme managers require information about the beneficiaries they support. Traditional paper-based systems create inefficiencies and risks for managing sensitive information, while a digital profile assists citizens and beneficiaries to access social services. Vodacom, through Mezzanine, has partnered with Africonnect, funded by the World Food Programme and United Nations International Children's Emergency Fund (UNICEF) to develop and implement a mobile tool that enables the Zambian Social Welfare Programme to register and assess over 700 000 households and 2.2 million individuals. The application also supports programme administrators in creating a digital profile for beneficiaries, ultimately empowering them to deliver targeted, effective services, as well as effective service ecosystems.

Other digital solutions that empower citizens

In the DRC, Vodacom has implemented a unique USSD platform (Vodacom EYANO) that provides citizens with useful information aimed at improving wellbeing and health, driving agriculture productivity, financial management, protection of citizens' rights and weather services. The service ensures that citizens have useful information on government services and is mainly targeted at the youth and women.

Digital solutions that transform lives continued

Internet of Things: Smart Asset Management

In partnership with Mezzanine and EMS Advisory, we have developed the Smart Asset Management Solution that provides a cost effective way for enterprises to monitor and track critical assets remotely using Internet of Things (IoT). The IoT solution focuses on addressing three main challenges in the fleet management industry: safety and productivity, fuel price volatility, and cost reduction. LiveTrack tracks vehicles in real-time, providing notification of speed and movement, location detection and tax compliance through the tax logbook. It enhances responsible driving through real-time information on speed, preventing accidents while also increasing efficiency and reducing carbon emissions.

Digital solutions empowering enterprises

In the DRC, we partnered with the mining and banking sector to help solve some of the challenges faced by these two sectors. The main objective of this partnership is to drive socioeconomic growth by providing digital solutions that help enterprises to address challenges related to health and safety, efficiency and productivity. These solutions streamline communications, facilitate trade and optimise resource management that will boost the country's economic activity.
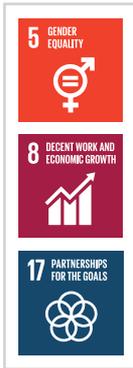
To support enterprises operating in the tourism sector in South Africa, Vodacom introduced the Hospitality Solution NightsBridge aimed at small to medium sized guesthouse and bed and breakfast accommodation services. The front desk digital solution manages real-time bookings and provides guests with internet connectivity. Our interest in the tourism sector is motivated by the fact that this sector has immense value in promoting socioeconomic upliftment as it creates jobs, drives exports and generates prosperity.

Vodacom World mall, Africa's first-ever digitally connected retail space

Vodacom World opened its doors in 1998, to showcase the latest in cellular products and services with Original Equipment Manufacturers partnering in the space to complete the full range or technology available in the marketplace. With the launch of the Walk-in Customer Care environment as well as Repairs, it became the ideal place to resolve any challenges related to communication and formed the blueprint for our retail channel. In line with our Vision 2020 strategy to become a leading digital company, Vodacom World has undergone a digital transformation, which has repositioned it as the destination of choice, evolving from a one-stop cellular mall to a digitally connected world. Vodacom World offers cutting-edge and tailored propositions to our customers, underpinned with the latest in technology and IoT solutions, bringing to life what a digital society entails.

Digital society

Enabling digital
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Digital solutions that
transform lives
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Financial
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Financial inclusion

The proliferation of mobile phones and enhanced internet access has been invaluable in increasing access to low-cost financial services such as payments, savings, transfers, insurance and others. According to the World Bank (2018), the number of unbanked people has reduced from 2.5 billion in 2011 to 1.7 billion. Access to the financial system nonetheless remains a developmental challenge. Mobile money provides a gateway into huge and largely untouched markets, driving financial inclusion, which is key in empowering people and communities and driving economic growth.

Our financial services is made up of insurance, payments and lending. Our payment service provides payment options for customers through Vodapay. More than 285 000 customers are utilising Vodapay digital wallet and express recharge platforms for direct recharges.

Our lending service focuses on empowering SMMEs by providing a lending solution using Big Data.

In South Africa, Vodacom has implemented various mInsurance solutions that focus on improving access to insurance and addressing insurance needs. Our existing segmented mInsurance portfolio covering life, funeral and various short-term insurance offerings has grown over the past year, with 1.3 million policies accessed by customers.

M-Pesa

Our M-Pesa financial services offering is transforming lives and driving financial inclusion in Kenya, Tanzania, the DRC, Mozambique and Lesotho, providing access to money transfer, utility and bill payments, local and international remittances, mobile savings and loans.

Since launching in 2007, M-Pesa has grown to provide the largest reach of any financial services provider on the African continent, with more than 36.1 million customers and processing over 11 billion transactions annually, making it Africa's biggest payments platform. The growth of M-Pesa has extended beyond personal transactions to include enterprises, financial services and mobile commerce with over 348 000 M-Pesa agents, 25 000 enterprise entities, 130 000 retail and online merchants, now accepting financial transactions through M-Pesa.

In Tanzania, individual customers that use M-Pesa are able to process local and international remittances, pay water and electricity bills,

save money, access loans and make payments to registered merchants across the country. For Tanzania, where over 90% of all payments are traditionally in cash, M-Pesa provides the solution to prevent inefficiencies, security risk and lack of transparency in financial transactions. This year, we launched Africa's first Virtual MasterCard in Tanzania, enabling M-Pesa customers to purchase from a range of international merchants and content providers. In Mozambique, we partnered with BCI Bank to enable our customers to pay at any one of 16 000 domestic points of sale. In the DRC, Vodacom launched a foreign exchange product enabling fully registered M-Pesa customers to seamlessly exchange the dual local currencies, Congolese francs and US dollars.

M-Pesa has contributed to the creation of hundreds of thousands of jobs directly and indirectly, further supporting the success of entrepreneurs by enabling them to run their business more efficiently.

M-Pesa processed over

11 billion

transactions making it Africa's biggest payment platform in 2019

Through products like M-Pawa (Tanzania), M-Shwari and KCB M-Pesa (Kenya), developed in partnership with Banks, our customers are able to access secure savings accounts, earn interest on their savings and access instant, affordable loans. Through M-Pesa, Vodacom Tanzania has partnered with Technoserve and the USAID to provide training on the use of M-Pawa and financial literacy education to over 50 000 farmers. The training programme has been enhanced through digitising the curriculum into an interactive mobile learning platform that has reached over 70 000 farmers.

In South Africa, Vodacom has implemented various mInsurance solutions that focus on improving access to insurance and addressing insurance needs. Our existing segmented mInsurance portfolio, covering life, funeral and various short-term insurance offerings has grown over the past year, with 1.3 million policies accessed by customers.

Inclusion for all

Context

Access to mobile technology offers potentially transformative benefits for people in vulnerable communities, including in particular women and the youth. Owning a mobile phone can enhance an individual's physical and economic security, provide access to education, skills and employment opportunities, and support good health and wellbeing.

Through our ICT solutions, we are bridging the digital divide in our markets. In addition to connecting communities through our rural coverage programmes, and our low smartphones and platforms such as Siyakha we have developed digital solutions that are connecting women and youth, promoting education, health and wellness, and preparing the youth for the digital society.

These solutions are further supported by the activities of the Vodacom Foundation, which has invested R153 million in CSI projects across all our markets to boost the impact of access to education, health and wellbeing, gender equality and community initiatives.

Inclusion for all

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Democratising education

Education is a fundamental building block for economic growth. In Sub-Saharan Africa, there is an estimated 32.6 million children of primary school age and 25.6 million adolescents not in school according to Unicef. Digital technology can enhance both the quality and access to education and learning, while reducing the cost of delivery. Vodacom is democratising education through technological solutions that include e-Learning, open access courses and access to e-books.

Digitising education through e-Learning and e-School

Vodacom e-Learning solution enables learners to access curriculum-aligned content and educators' learning materials on an interactive platform, on their smartphones, tablets, digital boards or personal computer browser, making learning interactive and simpler for learners and educators. Educators have access to over 35 000 e-curriculum-aligned content resources, with a focus on maths and science.

In South Africa, the government is advancing digital learning as a priority to prepare the future generation for a digital economy. In alignment to this approach, Vodacom e-School provides quality digital education by providing zero-rated digital content to learners. The platform provides curriculum-aligned materials for grade R to grade 12 learners in almost all school subjects. At the end of March 2019, the Vodacom e-School platform had reached over 627 583 learners.

11 800

school management application implemented in South Africa and Nigeria

School management platform

Effective management of information is critical in ensuring the efficient and successful management of schools. To this end through Mezzanine, we have implemented a school management application in 11 800 schools in Nigeria and South Africa. The application enables electronic incident reporting and communication on key statistics such as textbook availability, school needs assessments, school feeding, enrolment and attendance, between schools and management structures supporting them. The electronic school management system has made the account management process in schools simple and convenient. The platform also helps teachers to monitor individual learner needs and customise learning accordingly. The application has improved resource availability, effective management and overall governance in schools.

7 million

learner attendance captured on the school management application in South Africa and Nigeria

Solution to support the National School Nutrition Programme

The Department of Education in South Africa implemented a National School Nutrition Programme, that aims at enhancing learning capacity by providing learners with a healthy meal in schools. In many schools the programme improved learner punctuality, attendance, concentration and wellbeing. Vodacom has supported this programme by developing a mobile application that enables school authorities to monitor whether learners have received their meals, using their mobile devices. An alert or notification is sent to the relevant school management when a learner has not received a meal.

Democritising education continued

Democratising education: Our social investment initiatives

Vodacom Foundation education ecosystem in South Africa

In 2019, Vodacom Foundation South Africa launched its education ecosystem. In supporting government's comprehensive approach to delivering on its Education Vision: 2030, our education ecosystem supports the provision of quality education through six focus areas. Our approach covers all levels of education from early childhood development (ECD) to adult education, and encompasses the learners, teachers, parents, communities, adequate learning material, infrastructure and nutrition. Our goal is for communities and parents to participate in the ecosystem and assist in safeguarding school infrastructure. In many of the marginalised and rural communities, educational institutions and facilities are poorly resourced, the infrastructure is in poor condition, and there is no access to technology. Through the education ecosystem, we will be addressing some of these socioeconomic challenges faced by communities. We currently have 12 education ecosystems across the country. At the centre of each ecosystem is a school of excellence, identified in partnership with the Department of Basic Education and established by the Vodacom Foundation in 2019. Each school is located close to an ECD centre, teacher centre and youth academy. Vodacom Foundation aims to improve the quality of education in the schools of excellence, to promote improved digital literacy and matric results in the long term.

The six pillars of our education ecosystem:

» **Pillar 1 – Early Childhood Development (ECD) Centres:** Vodacom Foundation has committed to upgrading and renovating 15 ECD centres; to date, six ECD centres have been upgraded and renovated and provided with an ICT equipment and mobile library.

» **Pillar 2 – Infrastructure and ICT:** We have provided each of our 12 schools of excellence with a computer centre and security. We respond to infrastructure related needs that could impact the delivery of quality education.

» **Pillar 3 – Teachers and school leadership:** We collaborate with partners to train teachers on the integration of ICT in the classroom. In 2019, we spent over R12.7 million in providing unlimited connectivity in 92 teacher centres and provided more than 92 centre managers with digital skills training.

» **Pillar 4 – Communities:** These teacher centres also serve as technology hubs where communities can access the internet. In South Africa, at these centres, more than 400 female farmers have received ICT training. We also provide free access to course material through portals at 19 universities in South Africa.

» **Pillar 5 – Partnerships:** Since the year 2000, Vodacom Foundation has invested more than R80 million in 13 Non Profit Organisations (NPOs) and improved the lives of more than 74 000 people through this support. To increase the NGOs' developmental impact, we are streamlining our programmes and activities into two main strategic areas: education and gender empowerment.

» **Pillar 6 – Learning Materials:** Learning materials play a key role in providing effective support to teachers and learners. Vodacom Foundation has partnered with the Department of Basic Education (DBE) to provide free unlimited internet access to quality digital Curriculum and Assessment Policy Statements (CAPS) aligned content through e-School.

See more on the Vodacom Education Ecosystem

Additional social initiatives focused on democratising education

» **Access to education through Instant School:** Vodacom's Instant School portal provides free access to online learning materials to learners in Tanzania, Mozambique and the DRC. The portal curates Science, Technology, Engineering and Mathematics (STEM) subjects. In Tanzania, Vodacom Foundation provided Instant School to over 57 000 learners. In the DRC, Vodacom Foundation has provided Instant School to five refugee camps. In Mozambique, through a partnership with the Hero Project and the Ministry of Education, 12 libraries in eight provinces were equipped with 240 computers, 6 400 books and internet connection. More than 40 000 leaners have access to the portal in Mozambique.

» **Digital educational content:** Vodacom Foundation provided free digital educational content in the DRC through the Vodaeduc platform. More than 5 332 users accessed learning material on this platform. Through Vodaeduc, we sensitised four girl's schools on the importance of STEM subjects using digital content and also provided 50 teachers with digital skills training.

» **Refurbishing infrastructure in school:** In the DRC, Vodacom Foundation donated 150 school benches to assist children that do not grow taller than 150cm on average. At least 450 vulnerable learners benefitted from this initiative. Furthermore, Vodacom Foundation provided more than 300 children with schooling material following a fire that broke in the area of South Kivu in the DRC.

» **Enabling internet access and connectivity in schools:** In South Africa, Vodacom Foundation provided 3 000 schools with ICT equipment and connectivity at no cost. In 2019, we spent more than R12.7 million to enable connectivity in schools. In Lesotho, we partnered with the Lesotho Communications Authority to provide free internet connectivity to 80 rural schools. Our school connectivity programme enabled learners to access online educational material and provided teachers with tools to prepare for lessons more effectively.

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Empowering the youth

Africa has the world's youngest population, with almost 200 million people between the ages of 15 and 24 years. By providing access to digital skills training and jobs for young people, Vodacom is enabling the future generation to participate meaningfully in the digital economy.

NXL LVL Platform to empower the youth

In 2019, we continue to see a positive growth trend in our youth customer base, with the number of young people registered on our NXT LVL proposition now standing above 3.5 million. The NXT LVL proposition is aimed at using connectivity to advance youth under 25, by giving them access to affordable connectivity, skills and lifestyle benefits. Through the NXT LVL platform we provided young people with products and services that are aligned to their needs such as the launch of Future Jobs Finder (FJF), a global digital career expo that exposes and upskills the youth with digital skills and jobs of the future and exclusive data offerings which include the matric class of 2018 celebration bundles; as well as discounted music and gaming subscriptions. As a result, we have maintained our top position in terms of share of endorsement, as measured through the Net Promoter Score (NPS).

Our affinity building communications, mostly delivered through the best value for under 25's campaign, gained significant traction and delivered positive results as evident through improving perceptions on data prices and value for money.

Preparing the youth for a digital future

Learning the language of coding is key in preparing young people for a digital future. Coding is a way of solving problems, sequential thinking and stimulating, creating and designing. We have collaborated with Kids Lab and Think Ahead to introduce Vodacom Kids Lab, an initiative that exposes young people to the language of computers, and coding, and boosts computer science as a possible career path. In 2019, Vodacom hosted the global hour of code initiative at the Vodacom Kids Lab where 36 young people were introduced to the language of coding.

Similarly, in Nigeria, we initiated an Inter-School Robotics training programme to empower children aged 8-9 years with digital skills, particularly on robotics, AI and IoT using real life drones and robots. In 2019, more than 40 learners completed the programme.

Preparing young girls for a digital future

Vodacom invests in digital skills training programmes for young women to narrow the gender digital divide at an early age. The 'Code like a Girl' programme aims to develop coding skills and valuable life skills for girls aged between 14-18 years, and encourages girls to consider the uptake of ICT and STEM subjects. The programme was implemented in South Africa, Mozambique, Tanzania, the DRC and Lesotho with over 755 young girls trained in 2019.

In Nigeria, we have collaborated with the International Telecommunication Union to celebrate the International Girls in ICT Day initiative. This initiative seeks to create a global environment that empowers and encourages young girls to consider a career in ICT. Vodacom celebrated the theme "Becoming an ICT Supergirl" by inviting young girls from 15 schools to participate in activities that included motivational talks by women in the ICT industry.

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Driving youth empowerment: Our social investment activities

Youth Academy Programme

Vodacom Foundation provided skills development and helped in the provision of job opportunities by training young people on digital skills. Vodacom Foundation provided skills development and helped in the provision of job opportunities by training young people on digital skills. Focusing on unemployed youth, the Vodacom Youth academy provides training in ICT-related content material, and transitions selected learners into an entrepreneurship programme. As part of experiential learning, participants at the academy have the opportunity to assist with installing IT equipment and providing computer skills to visitors, at Vodacom's teacher centres and connected schools. Since 2014, 1 333 young unemployed young people have been trained. In 2019, 368 unemployed youth received in Cisco and Microsoft accredited ICT skills training programmes. In promoting the employment of the graduates, the alumni of the youth academy account for more than 90% of the academy's instructors. In March 2019, Vodacom Foundation partnered with Google to provide digital resources that include coding and cyberbullying. Vodacom Foundation is also engaging Kaizer Chiefs to establish a Kaizer Chiefs youth academy similar to the existing partnership with Orlando Pirates.

For the first time since the inception of the Youth Academy programme, 32 IT entrepreneurs graduated with certification in business management and entrepreneurship alongside the ICT skills graduates. This is a partnership between the Vodacom Foundation and the innovator trust, an SMME development agency established by Vodacom in 2014. Vodacom Foundation offers this qualification to learners who wish to advance as entrepreneurs, following the completion of their NQF level 4 and 5 courses in the ICT skills programme.

368
unemployed youth trained in ICT skills

Youth Volunteering programme

Our youth volunteering programme provides unemployed young volunteers with work experience. The programme changed substantially to become more impactful and cost effective. Currently, the volunteers are placed with Vodacom-sponsored non-profit organisations (NPOs) after acquiring ICT skills training. They provide much needed ICT support to these NPOs and gain work experience in the process. In 2019, 20 young unemployed volunteers were placed at NPOs across the country.

Empowering youth continued

Driving youth empowerment: Our social investment activities – continued

Incubator and Accelerator programme

In Lesotho, Vodacom Foundation runs the Vodacom Innovation Park, a technology-based business incubator programme that supports the development of sustainable start-ups and social enterprises. The programme provides a dynamic and supportive environment to accelerate the growth of innovative enterprises. Since its launch, Vodacom Innovation Park has trained entrepreneurs in sectors that range from agriculture to e-commerce and potentially contribute to Lesotho's socioeconomic development and job creation. In 2019, 12 businesses were empowered to run their businesses through this programme.

Partnerships with government to improve the lives of young people

In Lesotho, Vodacom Foundation partnered with the Correctional Services to educate four young offenders that demonstrated a desire to change their lifestyle and contribute positively to their communities.

Meet Yoliswa Dlamini, a beneficiary of the Vodacom Youth Academy Programme

Yoliswa matriculated in 2013 with a University Entrance. Having always been passionate about science and technology, she applied for the ICT training programme at the Vodacom Youth Academy and was accepted. She completed the programme and was selected for an internship at the academy. This experience enabled her to train communities in basic computer skills and hardware repair and management. During her internship, she received a stipend and used it to build a three-roomed house for her family. In recognising Yoliswa's capability and skills, Vodacom appointed her as an IT specialist. Yoliswa further used her skills to establish a new project called 'KS project', that involves developing African animations for storytelling and developing maths and science material into animations that are suitable for children.

BEFORE

AFTER

Vodacom Rising Stars Youth Empowerment Programme

Bridging the gap between senior schooling and entering the working environment is a challenge for many young South Africans. The Vodacom Rising Stars Youth Empowerment Program was introduced in 2014, to support stakeholder engagement programmes such as the International Cape Town Jazz Festival. When launched, Vodacom recruited students from hospitality institutions to assist in the hosting of these events. However, in 2015 Vodacom changed this approach and recruited young people from higher education institutions with the objective of providing them with work experience through an informal executive programme that is anchored by influencers who provide training on various themes such as entrepreneurship, life coaching, event etiquette and protocol. In 2019, Vodacom tapped into the Vodacom Youth Academy and Innovator Trust programmes to expose the students to the corporate world by reskilling and upskilling them during the Cape Town International Jazz Festival. This programme enables thought leadership beyond the academic environment. It inspires future business world leaders, instilling values of global citizenship for aspiring world changers and educating young people about the world of work, entrepreneurship and responsible global citizenship.

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Empowering women and promoting diversity

One of the most challenging aspects of the global digital divide is the increasing digital gender gap. The digital gender gap is the belief that women have less access to connectivity and technologies and are consumers rather than producers of technology. According to the Organisation for Economic Co-operation and Development, (2018), there are approximately 327 million fewer women than men with a smartphone and access to the internet, and in Africa women are 34% less likely than men to have a smartphone. Our goal is to use our technology to enhance the quality of women's lives by enabling access to solutions related to financial inclusion, health and wellbeing, education, skills and entrepreneurship.

Digital platform to advance the health and wellbeing of women

Research indicates that access to accurate and reliable health information plays a crucial role in reducing maternal and infancy illness and mortality. In response to this, Vodacom developed the Mum & Baby service and launched it in 2017. Mum & Baby provides our communities with a free-of-charge mobile health (mHealth) intervention with maternal, neonatal and child health information, informed global best practices and standards. Information is disseminated in the preferred language of each user, through weekly SMS messages. Additional health related content is available on the online platform. Mum & Baby has 1.4 million registered users across South Africa. Surveys to assess the effectiveness of the solution in 2019 indicated that more than 95% of users found the SMS received from Mum & Baby extremely useful.

Survey done in 2019 found that

98%

of the respondents had taken actions to improve their child's health because of Mum & Baby

Meet Hlengiwe Ximba, enthusing about our Mum and Baby service

Hlengiwe, a mother from Soweto, Gauteng, subscribed to Mum & Baby when her child was three months old. Upon reflection, with a healthy two year old, she says that Mum & Baby made her feel like she had a personal nurse in her hand that was readily available. The service enabled her to get through difficult times in her pregnancy. She appreciated the convenience of information during the term of her pregnancy.

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Our social investment initiatives: Empowering women

❯ **Nokaneng Digital Application:** Vodacom Foundation has partnered with the Ministry of Gender and Youth, Sports and Recreation, Gender Links and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to harness the potential of technology in preventing gender based violence (GBV) by introducing the Nokaneng application. The Nokaneng app provides information on forms of violence, human rights and available services to help curb gender-based violence. The app further enables users to alert others when at risk of violence and to access expert advice. It is available in Sesotho and English and is free to all Vodacom subscribers. The app was launched in January 2019 and has been piloted with over 100 female users in Lesotho.

❯ **Gender-based violence prevention programme:** In South Africa, where gender based violence occurs frequently, the gender-based violence Command Centre (GBVCC) is an invaluable contribution towards addressing this social ill. The GBVCC is managed by approximately 40 trained social workers and provides support, counselling and immediate assistance when a woman's life is in danger. Vodacom Foundation invested more than R4 million in ICT infrastructure for the GBVCC. In 2019 Vodacom embarked on an awareness campaign to raise awareness on the Centre. Subsequently the number was advertised on the 'please call me' service and a national radio station. During December 2018, the Centre received 70 000 calls up from 3 500 callers a month. In 2019, some 426 survivors obtained training in ICT skills in South Africa. Vodacom Foundation also hosted the second edition of its Gender Based Violence Walk event in support of 16 Days of Activism Campaign against Gender Based violence. This year some of our stakeholders and partners such as the Nelson Mandela Foundation, UN Women and Global Citizen supported the event.

❯ **Training female farmers in ICT skills:** Women play a key role in the agricultural sector, food security, job creation and contributing to the economy of South Africa. Vodacom partnered with UN Women and South African Women in Farming to train female farmers in Limpopo in relevant ICT skills. The training enables the farmers to access information on how to market their produce online, access services and communicate with farmers across the world. Thus far, 450 female farmers received ICT training. The ultimate goal is to use technology to link female farmers to markets and assist them to participate meaningfully in the economy.

❯ **Treating obstetric fistula:** In Tanzania, Vodacom Foundation provides treatment to women who develop obstetric fistula, an injury caused by difficult childbirth. To date, 4 000 operations have been performed in Tanzania. Vodacom Foundation also participated in advocating and lobbying government to adopt obstetric fistula curriculum into their service delivery in hospitals in Tanzania. Since 2011, Vodacom Foundation partnered with Comprehensive Community Based Rehabilitation in Tanzania (CCBRT) in providing support through a text messaging service that uses M-Pesa mobile banking system money to provide funds for women to travel to health facilities for treatment. This year, we supported the treatment of 20 women suffering from obstetric fistula in the DRC.

❯ **Empowering women with family planning information:** In Tanzania, Vodacom Foundation partnered with the Population Service International to provide sexual reproductive health information and services to women. To strengthen the programme's impact, community education and service delivery is linked to a mobile platform referral system, that enables peer educators, interpersonal communicators, to reach adolescent girls and women through their mobile phones and refer them to clinics to access family planning services. As a result, 68 204 young girls and women accessed family planning services in Tanzania.

❯ **Mobile technology for health information:** To empower communities on maternal healthcare through mobile technology, the government of Tanzania implements an SMS-based platform known as Healthy Pregnancy, Healthy Baby. We supported the Ministry of Health in Tanzania by zero-rating the SMS service to Vodacom subscribers. The information sent is based on the prevention of chronic diseases, blood donation, and nutrition to children below the age of 5 years, targeting mothers with children. To date, the SMS platform has over 1 200 000 registered users with 250 795 active users. Vodacom Foundation also uses a network of over 100 taxi drivers, paid through M-Pesa, to efficiently respond to emergency calls, transporting pregnant women on what is often a three-hour journey to reach the nearest hospital.

Testimony of mobile technology for health information

Testimony of mobile technology for health information 2

Our social investment initiatives: partnerships to empower women and children

» **Smile week:** The Smile Foundation is a South African NGO that collaborates with hospitals to provide free corrective facial reconstructive surgery and treatments for children with facial deformities. We collaborated with the Western Cape Government Health Department to facilitate life-changing plastic reconstructive surgery since 2007. To date we donated over R19.2 million and assisted over 570 children to get treatment. In the 2019 Smile Week, 10 children with severe burn wounds were assisted with medical care. This included surgeons performing a ground-breaking procedure on Clayton Luciano, a victim of a house fire who lost parts of his hands. A pioneering eight-hour procedure successfully resulted in his right toe being transferred to become his left thumb. This was only the second paediatric toe-thumb surgery to take place in South Africa.

» **Technology to eradicate malaria in Mozambique:** In Mozambique, malaria is the number one cause of health problems, causing widespread socioeconomic challenges. Vodacom partnered with Good Bye Malaria and the Ministry of Health to implement a malaria spraying campaign that is supported by a mobile application which registers households that requires spraying and provides information on malaria prevention. We provided 2 000 smartphones with internet connectivity and distributed these to field workers. The initiative helps in preventing the spread of malaria infections in households

» **William Scott Hospital:** In Lesotho we committed R12 million to rebuild and renovate the William Scott Hospital Operating Theatre, which will include the purchase of medical equipment. This project will benefit more than 8 000 people in Lesotho.
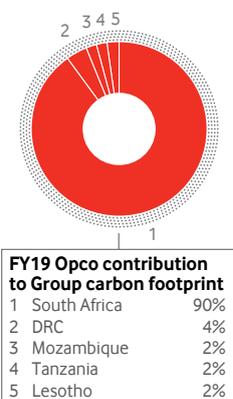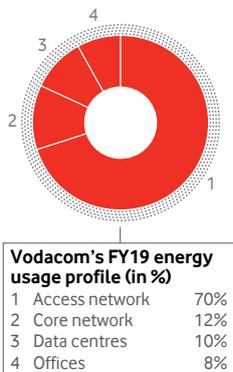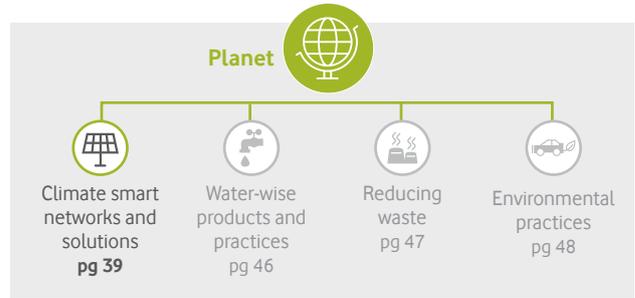
Planet

Context

The combustion of fossil fuels such as coal, natural gas, and oil for electricity and heat is one of the largest single sources of global Greenhouse Gas (GHG) emissions.

We believe that business performance should not come at a cost to the environment. Vodacom's most material environmental impact is from the use of energy to power network sites, with a carbon footprint of 640 926 tonnes CO_2e in 2019. To mitigate the impact we consistently explore alternative energy sources through an energy mix that includes own generation and independent power producers (IPPs) through power purchase agreements (PPAs). The proportion of renewables in our energy mix is 13%.

Through our investment in renewable energy and energy efficiency, our water-wise initiatives, and our activities to reduce waste, we are working to reduce the environmental impact of our activities. In addition to mitigating our own environmental impact, we are providing innovative technologies and digital solutions that enable our individual customers, government and enterprises to reduce their impact, save costs, and facilitate a transition towards a low-carbon future.

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Climate smart networks and solutions

It is estimated that, by 2030, the ICT industry will account for approximately

2%

of total global GHG emissions, comparable to the aviation industry

ICT solutions such as IoT could reduce GHG emissions by

15% ↓

in 2030

In November 2016, the Paris Agreement on climate change came into effect, with the aim of keeping a global temperature rise this century well below 2 degrees celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees celsius. In line with this ambitious agenda, we have conducted an in-depth examination of our energy and climate change impacts. We track and regularly report Vodacom's energy consumption across four departments – access network, core network, data centres and offices

Vodacom's Risk Management Committee oversees the identification, assessment and mitigation of principal risks faced by the business in all our markets, including environmental risks. Each market is responsible for identifying their respective risks and implementing control and mitigation actions. Vodacom's climate change risks and opportunities are reviewed in our CDP report.

Our contribution to greenhouse gas (GHG) emissions is predominantly from the use of energy to power our base station sites, data centres, switches and remote hubs. Currently, Vodacom's primary source of energy is from the electricity grid in each of our countries of operation. The energy mix from the grid varies by region, operation, unit and activity. The electricity sourced from the grid is supplemented by electricity generated from diesel, solar panels, fuel cells, batteries and generators mostly owned and/or managed by Vodacom. In South Africa, we have recently experienced an inconsistent supply of electricity due to load-shedding negatively impacting operational costs as a result of increased diesel consumption and new batteries. The South African Government has also recently introduced a carbon tax that will further increase the operating costs of running our network sites.

Vodacom's FY19 energy usage profile (in %)
1	Access network	70%
2	Core network	12%
3	Data centres	10%
4	Offices	8%

FY19 Opco contribution to Group carbon footprint
1	South Africa	90%
2	DRC	4%
3	Mozambique	2%
4	Tanzania	2%
5	Lesotho	2%

2019 Energy and carbon results

In 2019, we consumed 474 GWh of electricity, predominantly from grid power and diesel and petrol. Our carbon footprint was 640 926 tonnes of CO_2e (2% increase from 2018), predominantly as a result of growth in our operations from additional network sites.

South Africa, as our largest operating market, accounts for approximately 90% of Group emissions, with more than 13 000 base station sites. Vodacom's International markets in the DRC, Tanzania, Mozambique and Lesotho make up the remaining portion at approximately 10% with over 7 500 sites.

Vodacom applies the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard to disclosure our emissions into the following 3 categories:

Our electricity consumption in the Group remains the main source of emissions at 81% with fuel consumption at 8% and emissions associated with supply chain activities at 12%.

1

Scope 1
Direct emissions from Vodacom owned facilities, equipment and vehicles, including from diesel consumed in generators, fuel consumed by company vehicles and fugitive emissions from refrigerant gasses.
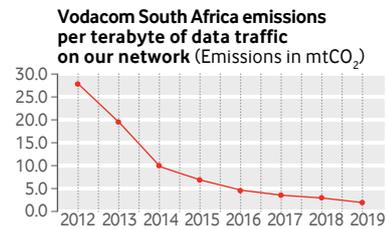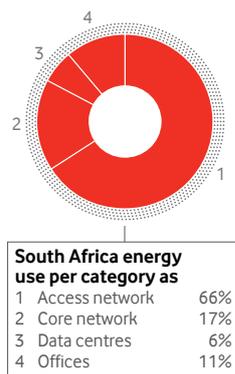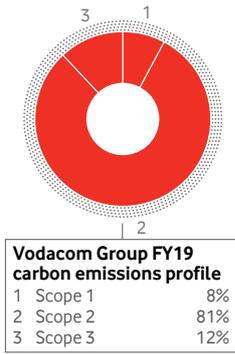
2

Scope 2
Indirect emissions from the electricity the company purchases from the national grid or an independent power producer.

3

Scope 3
Indirect emissions incurred from upstream and downstream activities from Vodacom's suppliers and service providers, including from business travel, courier services and paper consumption.

Vodacom Group FY19 carbon emissions profile
1	Scope 1	8%
2	Scope 2	81%
3	Scope 3	12%

South Africa energy use per category as
1	Access network	66%
2	Core network	17%
3	Data centres	6%
4	Offices	11%

Vodacom South Africa emissions per terabyte of data traffic on our network (Emissions in $mtCO_2$)

Vodacom Group carbon footprint 2019 (number in $mtCO_2$)

Scope 1

Group
Stationary fuel	Fugitive emissions	Mobile fuel	Total scope 1
43 332	422	5 020	48 774

South Africa
Stationary fuel	Fugitive emissions	Mobile fuel	Total scope 1
9 126^	-	1 869^	10 995

International
Stationary fuel	Fugitive emissions	Mobile fuel	Total scope 1
34 206	422	3 151	37 779

Scope 2

Group
Purchased electricity	Total scope 2
516 600	516 600

South Africa
Purchased electricity	Total scope 2
499 213^	499 213

International
Purchased electricity	Total scope 2
17 387	17 387

^ ■ Indicates number assured by PwC. Refer to page 70 for the Independent Assurance Report.

Scope 3

Group
Office paper	T&D[1] losses	Third party vehicle fleet (upstream distribution)	Third party vehicle fleet (downstream distribution)	Waste	Business travel rental cars	Business travel flights	Business travel accommodation	Employee commuting	Total scope 3
269	47 541	16	6 307	675	82	5 577	1 134	12 721	74 322

South Africa
Office paper	T&D[1] losses	Third party vehicle fleet (upstream distribution)	Third party vehicle fleet (downstream distribution)	Waste	Business travel rental cars	Business travel flights	Business travel accommodation	Employee commuting	Total scope 3
105	45 276	–	6 307	623	67	4 172	610	9 978	67 138

International
Office paper	T&D[1] losses	Third party vehicle fleet (upstream distribution)	Third party vehicle fleet (downstream distribution)	Waste	Business travel rental cars	Business travel flights	Business travel accommodation	Employee commuting	Total scope 3
164	2 265	16	–	52	15	1 405	524	2 743	7 184

1. Travel and disbursements.

	Total scope 1, 2 and 3	Base stations
Group	639 696	21 432
South Africa	577 346	13 851
International	62 350	7 581

In 2019, we conducted an external assurance on systems and processes of network and non-network operations contributing to the Group's energy and greenhouse gas profile across our South African operations. In the previous year our external assurance included the DRC, however, in 2019 we reviewed the assurance process and made a decision to implement an internal management review in the DRC and other markets to ensure that processes and systems are in place for an external assurance in future.

Climate smart networks and solutions continued

Our Investments in energy efficiency and renewable energy to reduce GHG emissions

With customer demand for data growing at a rapid rate, we are striving to optimise power-intensive infrastructure. We have introduced smart meters in our network to optimise generator runtimes, improve the accuracy of energy billing and identify and respond quickly to instances of diesel theft. In 2019, we introduced lithium ion (Li-Ion) batteries to radio sites, as these have a longer life-expectancy than the previously used lead-acid batteries.

We are working closely with our equipment vendors to ensure that increased demand for our services and our own business growth do not significantly result in increased electricity demand. In 2019, we made energy efficiency a key consideration in purchasing equipment from our vendors. We have drafted an internal information booklet of the most energy-efficient products and services, and we have reviewed our suppliers' product and service development plans to ensure they take our energy efficiency requirements into account.

Total GHG avoided/reduced in 2019

135 510 mtCO$_2$e

Power optimisation is an important aspect of the design specification for new infrastructure, ensuring that each new generation of equipment is more energy-efficient than the equipment it replaces. We have begun to introduce a range of new smart power management technologies across our networks.

Our energy efficiency projects and initiatives include the following:

» installed highly efficient single radio access network (SRAN) equipment, which allows multiple technologies to be run from a single piece of radio hardware within the base station;

» installing free air-cooling technology as an alternative to air conditioning at 90% of our base station sites. Free air cooling reduces energy requirements by 2 000–3 500 kWh per year per site;

» deploying hybrid solutions – a combination of diesel generators and batteries that cut diesel use by up to 70% per site; and

» The majority of new sites are single A/C outdoor cabinets since 2016.

Vodacom's property portfolio has consistently decreased its energy consumption since 2012, saving over 34 GWh. This saving has been achieved by implementing building automation and process optimisation; installation of energy efficient technologies; introduction of renewable energies and property rationalisation. The replacement of fluorescent lighting with individually controlled LED panels within offices has resulted in a 25% reduction on lighting load, saving 88 MWh per annum. Upgrades to the building management system have resulted in the automation of processes, resulting in better control of energy demands, accurate energy measurements and enhanced energy decision making.

Total electricity saved in 2019

13 259 MWh

Although we do not own or lease a large fleet of vehicles, we nevertheless monitor the fuel use and we have trained our drivers to adopt more fuel-efficient driving practices.

We also monitor and report on our air travel even though it is not a material contributor of our GHG emissions. We encourage our employees and service providers to use digital solutions and video-conferencing to reduce our carbon footprint from travel.

Key performance results include:

Total energy costs saved	GHG emissions reductions	Cumulative GHG reductions and avoidance since 2017 (year in which we started calculating savings):
R137 million	**135 510 mtCO$_2$e**	**286 730 MWh of electricity**
(R127 million in 2018). The increase is due to energy savings from free cooling and energy optimisation technologies	this is due to energy efficiency initiatives implemented	These have resulted in over R300 million in financial savings since 2017 (unaudited).

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Some of our network cooling systems and air conditioning systems in our offices and shops use refrigerants. We have phased out the use of chlorofluorocarbons (CFCs) in most buildings. There is a plan to phase out the use of R22 gas. Free cooling, which substantially reduces the energy consumed by air conditioners, has been implemented at 840 further sites during the year.

Our energy management approach focuses on realising efficiencies, and reducing our energy consumption, while switching to alternative energy sources where possible, for both our infrastructure and offices.

2019
Signing Power Purchase Agreement with renewable energy Independent Power Producer

2019
Randburg Base Station Controller

2014
DRC Ultra low costs sites

2018
Lesotho head office

2012
Lesotho green base stations

2012
Century City offices solar installation

2010
Community power project

2011
6 Green star Innovation Centre

Vodacom has implemented various projects in all our markets over the past 10 years to mitigate our carbon emissions, notably the following:

Buildings

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.

Our office in Century City in Cape Town, has one of the largest **single-roof photovoltaic solar array installations** in Africa, which generates more electricity than the building requires.

In the office environment, energy reduction initiatives include retrofitting of LED lighting, HVAC optimisation and redesigning offices.

Changes to air-conditioning systems at our Vodacom Century City offices has significantly reduced the need for evaporative cooling.

Replaced fluorescent lighting with individually controlled LED panels; achieved an approximately 71% saving in energy consumed by lighting.

Infrastructure

» To date we have installed 4 712 **smart metres**. Roll out of smart metres is planned and in progress at our International operations;

» We have also introduced IOT enabled **'smart base stations'** in our network to allow for better oversight of energy consumption and smart controls which can detect false alarms reducing the need for call outs;

» To reduce our reliance on carbon intensive energy sources, we promote the use of **small-scale renewable energy** to power our network;

» We have implemented **innovative energy solutions** such as fuel cells, flow batteries, DC power cooling and energy data management solutions to reduce energy consumption;

» Core network **energy efficiency initiatives** include heating, ventilation, air conditioning (HVAC) system optimisation, humidity control set-point changes and lighting optimisation;

» Our **supply chain** has now included energy efficiency requirements for all equipment as part of the request for proposal (RFP) process;

» Extended the useful life of network equipment by re-introducing more than 170 tons **of network equipment** into the network;

» In our data centres, cooling loads were removed from evaporative cooling systems and are being supplied by **air cooled chillers**; and

» Retrofitted our base station sites with **free cooling solutions.**

Customers

Our **IoT solutions enable objects or devices** such as cars, traffic or streetlights and buildings to send and receive real-time information via our network. This information enables our enterprise and business customers to gain insight into how their resources are being used. This in turn can help them to cut costs and carbon emissions by reducing their energy and fuel use and improving the efficiency of their operations.

We provide **technology solutions** for monitoring water and energy consumption, which highlights wastage through excessive or abnormal usage combined with intervention indicators.

Our **diesel tank monitoring** solution provides early warning of possible leaks enabling enterprises to act timeously to limit the loss and avoid the environmental impact of diesel flow into the ecosystem.

Energy and climate risks and mitigation, and opportunities

Vodacom's Risk Management Committee oversees the identification, assessment and mitigation of principal risks faced by the business in all our markets, including environmental risks. Each market is responsible for identifying their respective risks and implementing control and mitigation actions. Vodacom's climate change risks and opportunities are reviewed in our CDP report.

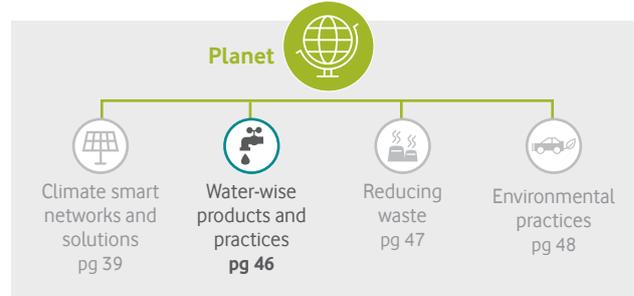The PPA covers

36 base station sites

and has the potential to reduce GHG emissions by 15% on an annual basis in the region

Power Purchase Agreement

Vodacom signed a Purchase Power Agreement (PPA) with an Independent Power Producer (IPP) to facilitate the supply of renewable energy to power Vodacom infrastructure and facilities in South Africa (Nelson Mandela Bay). The PPA covers 36 base station sites and has the potential to reduce GHG emissions by 15% on an annual basis in the region. The sources used to generate energy through this PPA include a variation of wind and solar energy.

Optimising heat ventilation and air-conditioning at our Midrand Campus

Vodacom has replaced inefficient air-conditioning chiller plants at the Midrand Campus in South Africa and upgraded HVAC systems to increase energy efficiency. The new air conditioning system has been implemented in five of the campus buildings and are centrally controlled as part of the overarching building management system. This enables each building to customise its cooling requirements, which has significantly reduced energy consumption for cooling purposes. The new system has achieved an estimated 5% saving on energy consumed by the HVAC system per building irrespective of increased occupancy levels.

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Water-wise solutions and practices

In some of our operating markets, we have experienced an uneven distribution of rainfall and alternating periods of droughts and floods, which has affected water availability. This trend is expected to increase as a result of climate change risks.

Water efficiency initiatives

Although Vodacom has a relatively low water footprint, as a business we are keenly water conscious. We have invested in various water-wise practices and initiatives in all our markets to reduce water consumption and increase efficiency. These include: installing rainwater and ground water harvesting at our offices; introducing changes to the water reticulation system in our offices; and planting water-wise and indigenous plants at our facilities.

South Africa has been experiencing serious drought since 2015, with associated crop losses, water restrictions and impacts on food and water security. In an effort to address water scarcity challenges in South Africa, Vodacom has partnered with government in the following initiatives:

In response to the water shortages experienced in the Western and Eastern Cape in 2019, Vodacom Foundation spent R6 million on alleviating water shortages in schools. A total of 165 159 bottles of water were delivered to more than 90 Vodacom supported schools in Eastern Cape and Western Cape;

We worked closely with the City of Cape Town in developing an IoT water dispenser for communities in anticipation of day zero as a result of the drought experienced in the province;

We partnered with the Water Research Council to send water savings SMS notifications encouraging responsible water use and promoting water saving to over 6 million customers in the Western and Eastern Cape regions;

We implemented water boreholes at four schools and one ECD centre and we provided a Smart Utilities Management Service through IoT that helps municipalities to monitor and manage water leakages.

In the DRC, Vodacom partnered with a local NGO to acquire an osmosis unit to purify a water well, facilitating access to drinking water in Tshiamilemba camp and surroundings in the DRC. Communities in the area were denied access to drinking water as the subsoil was affected by mining activity. We used a digital osmosis unit to provide fresh drinking water to households, benefitting more than 8 000 community members. Vodacom also rehabilitated a water borehole in the DRC enabling 9 000 people in disadvantaged community to have access to potable water.

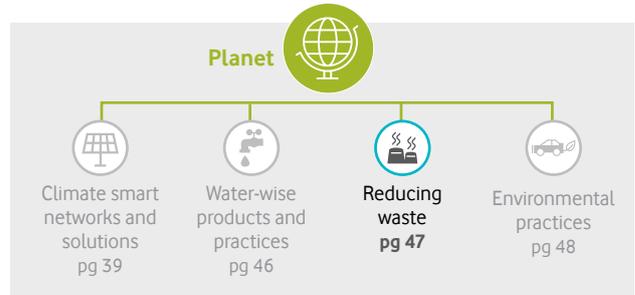## Water efficiency in our Cape Town offices

The Western Cape has been experiencing drought for the past few years, however in 2019, the province experienced a real threat whereby dams had reached very low levels of water with a possibility of reaching day zero (drying of all water supplies). In responding to this, Vodacom partnered with Bidvest Facilities Management to implement various projects to reduce water consumption and explore alternative water supplies through the following initiatives:

- Retrofitting urinals in the bathrooms;
- Installation of short cycle aerators for bathroom taps;
- Internal awareness campaigns on water savings and efficiency;
- 60% of HVAC load was transferred from an evaporative system to an air-cooled system; and
- Established a Water Crisis Steering Committee 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.

For the provisioning of alternative water supply to offices, we introduced a ground water harvesting project at Century City and sunk a borehole at Techno Centre. The water collected is extensively filtered to drinking water standard.

Key outcomes:
- The HVAC project delivered the most significant savings with a daily savings of 17 kilolitres (kl);
- The Century City ground water harvesting project reduced our daily municipal consumption from 17kl to 2kl per day; and
- The Techno Centre borehole project reduced our average daily consumption from municipal supply from 30kl to 2kl per day.

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Reducing waste

The ICT sector is a significant source, both directly and indirectly of electronic-waste (e-waste) including mobile handsets and electrical accessories, network equipment (such as air-conditioning units, batteries, generators, and other 'mixed-waste') and end-of-life ICT equipment. We have embedded the principles of reduce, reuse and recycle across our operations and we engage across our value chain to identify opportunities to improve efficiencies and reduce e-waste and general waste.

What we do to reduce e-waste

Vodacom's Group policy on waste management prioritises the reuse or recycling of e-waste in a safe and responsible manner. All our local markets are required to keep records of their e-waste equipment and to use strictly selected and audited recycling suppliers.

As we continue to promote digital inclusion and move into the fourth industrial revolution, the volume of e-waste is expected to increase. Responsible e-waste collection and management provides a valuable opportunity for income generation associated with the collection, recycling and re-use of materials.

Key outcomes of e-waste collection and management initiatives:

364 tonnes

(97% network equipment; 3% scrap mobile phones) of e-waste has been collected, extracted for valuable components and disposed of in a safe and responsible manner in 2019.

203 tonnes

203 tonnes of e-waste materials have been recycled and re-sold at a low cost in an attempt to bridge the digital divide in 2019.

Through our ongoing e-waste management in South Africa, we have partnered with three SMME e-waste handlers in 2019.

596 tonnes

batteries disposed of in a safe and responsible manner in 2019.

Vodacom becomes the first Telco in South Africa to ban plastic bags in stores

As part of efforts to combat environmental pollution and reduce our environmental impact, in 2019 Vodacom became South Africa's first telecommunications company to ban the issuing of plastic bags to customers in stores. We replaced plastic bags with brown paper bags, which are comparatively less harmful to the environment. Plastic is not biodegradable and typically ends up at a landfill where it is buried, leaching out harmful chemicals into the soil and ground water, or in the ocean where it harms marine life.

What we do to reduce general waste

In 2019, we prevented 38 tonnes of waste being sent to landfill by implementing a polystyrene baling operation at our head office in South Africa. This involves compressing used polystyrene containers to reduce the volume. This material is then repurposed for various applications. We also convert food waste from canteens into compost; 34 tonnes of waste from our canteens was composted this year and used to fertilise our gardens.

Plastic is becoming one of our planet's greatest environmental challenges, causing escalating harm to our oceans, livestock and food chain. Vodacom is committed to reducing our contribution to this plight; in 2019, we have focused on removing single use plastic in our offices through the following initiatives:

- implemented a no straw policy by removing all straws in our sitting and eating areas;
- replaced plastic stirrers with biodegradable alternative wooden stirrers; and
- agreed with our suppliers to change the take away polystyrene containers to boxes.

In the retail space, Vodacom has phased out plastic bags in stores and replaced them with paper bags.
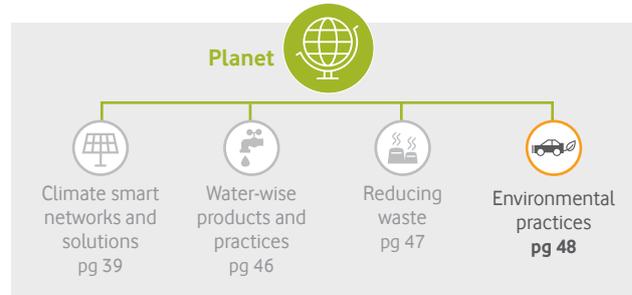
Environmental practices

Environmental management

Vodacom's material environmental impacts are mainly from the consumption of energy resources for operating the business. We affect the environment through the operation of technical and non-technical infrastructure, facilities, equipment and office resources. Vodacom is compliant to all laws and regulations related to environmental management. Accordingly, none of our operations were prosecuted for any environmental fines or offences in 2019.

In 2019, we adopted the Vodafone Redlovesgreen programme to support our efforts to involve employees in our sustainability initiatives. The main objective is to develop a culture in the organisation of reducing the consumption of natural resources in the office environment and at home. Through the Redlovesgreen programme, our sustainability champions hold peer-to-peer discussions with employees across the organisation on sustainability-related issues. We engage with our employees through various initiatives such as the "lunch and chat sustainability" forum to encourage them to actively reduce their carbon footprint.

In the DRC, we have implemented various initiatives to drive employee involvement in environmental management. These include raising general awareness through workshops and internal communication and training on sustainable farming.

Environmental Management System (EMS)

In 2019, we set operational targets and continued to implement Environmental Management Systems (EMS) across our markets. The EMS outlines our processes for identifying environmental risks and implementing action plans to mitigate the environmental impacts of our activities. This approach has ensured that we reduce costs through increased efficiencies, improve environmental compliance, reduce costs associated with monitoring our performance, energy usage, and waste disposal. Our internal audit process assesses compliance with the requirements of our environmental management standards. During 2018, Vodacom started transitioning from ISO14001:2004 certification standard to the new ISO14001:2015 standard. Bureau Veritas, an external organisation, verified the ISO14001:2015 certification obtained by Vodacom South Africa.

Compliance with environmental legislation

We regularly monitor review all new and proposed environmental legislation, regulations and policies to assess the potential impact on our business and operations. This year we witnessed the promulgation of a number of new and amended regulations in terms of relevant Acts. We assess the impact of these legislative changes on our business activities and identify the most significant impacts through our internal compliance system and external audits. Our legal compliance team established a compliance system for flexibility to address or promptly respond to new mandates and legislations. This year, none or our operations were prosecuted for an environmental fine or offence.

Electromagnetic fields (EMF)

Vodacom has been developing and improving mobile technology since the very first mobile phone call over 25 years ago. Protecting the health and safety of our customers and the public has always been a priority. Mobile devices and the masts that make them work operate well within guideline safety limits. According to the World Health Organization (WHO), there is no evidence that suggests that these pose any risk to human health. Following thousands of scientific research studies on this issue over several decades, public concern has diminished. Nevertheless, we recognise that some people remain concerned and we continue to monitor, support and publish links to the latest scientific research.

Good practice and reporting

The Carbon Disclosure Project (CDP) is an investor-led initiative that focuses investors, companies and cities on taking urgent action to build a truly sustainable economy by measuring and understanding their environmental impact. Since 2010, Vodacom Group has been reporting annually to the CDP and been recognised consistently over the years as a leader in the telecommunications sector in South Africa. This year, Vodacom scored a B, one level down from an A last year. Vodacom retains the leader position in the telecoms environment despite the level decline.

Vodacom reports to the FTSE4Good index series on an annual basis. The FTSE4Good index series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Following the December 2018 index review, Vodacom Group remains a constituent of the FTSE4Good index series.

Partnering to promote environmental 'good'

» In South Africa, we rolled out waste separation bins at four Vodacom Foundation supported schools and one early childhood development centre in Limpopo in support of the Department of Environmental Affairs' ThumaMina Good Green Deeds programme;

» Our employees in the Eastern Cape were involved in the cleaning campaign during the launch of the ThumaMina Good Green Deeds;

» In the DRC, we promote environmental education for learners in schools by organising visits to Texaf Bilembo, a space museum in Kinshasa that offers educational workshops on sustainable development and the environment;

» In Mozambique, we partnered to encourage schools to include environmental management lessons as part of their curriculum. We further provided learning material on environmental management in the schools and also train the teachers on environmental protection; and

» In the DRC, we sponsored the publication of a scientific review book on Geographic Information System (GIS) remote sensing modelling and geoscience in partnership with a University centre of climate change research in DRC. The scientific journal aims to promote climate change mitigation and adaptation measures.

Social investment in disaster relief – Mozambique Cyclone Idai

In March 2019, the tropical cyclone Idai caused catastrophic damage in Mozambique, Zimbabwe, and Malawi, affecting more than 3 million people and leaving more than 1 000 people dead and thousands missing. Mozambique was the most affected by this storm; 1.85 million people were left displaced, with more than 800 deaths and more than 1 600 injuries recorded. Beira in Northern part of Mozambique, was especially affected; approximately 90% of the city's infrastructure was destroyed by the storm, affecting health and education facilities and thousands of acres of crops, which will significantly affect food security in the country. Vodacom with Vodafone contributed US$1 million towards Mozambique relief efforts that will assist in the restoration of infrastructure in that country.

Our people

Our success as a business is underpinned by a capable and engaged workforce that adheres to Vodacom's values and code of conduct. To realise our vision of becoming a leading digital company, we foster a high performance culture that embraces innovation and opportunity, agility and teamwork, and inclusivity and diversity. Our operating model and skills development initiatives are designed to support agile business transformation.

Engaging with our employees

Vodacom implements action plans that promote employee engagement around the brand, our business, products and services, and help us to improve our understanding and response to employee issues of concern and interest.
We undertake an annual survey that collates insights on employee engagement and measures job satisfaction. In 2019, 78% of Vodacom employees participated in this study.

Vodacom retains Top Employer certification

In 2019, all our operating markets; South Africa, the DRC, Lesotho, Mozambique and Tanzania were recognised as Top Employers. In addition, Vodacom was certified as continental employer earning the Top Employer Africa accolade. In 2019, the certification led to an improvement in our ranking to number 6, up from number 9 in the previous year; as well as rising up as industry leader in the ICT sector.

Our workforce performance indicators	2019	2018
Number of full-time permanent employees	7 746	7 554
Engagement Index – People Survey (%)	78	78
Employee turnover[†] (%)	8	9
Women representation in senior management[†] (%)	32	35
Black representation in senior management* (%)	59	56
Ratio of average basic salary of men to women* (times)	1.3:1	1.3:1
Total training spend (Rm)	544	287

* Vodacom Group and Vodacom South Africa only.
† Vodacom Group (South Africa, Tanzania, the DRC, Mozambique and Lesotho).

Employees

Year	Total
2019	7 746
2018	7 554

Contractors

Year	Total
2019	3 932
2018	1 750

Total

11 678

9 304

Developing skills and leadership

In preparing our employees for a digital future, we are introducing advanced technologies to transform the way we work, digitising processes in the workplace that facilitate rapid learning and improved outcomes, promoting a high performance culture and an engaging digital customer experience. This is central to delivering excellent customer service with 'simplicity' and 'trust'. We engage our workforce in interactive innovative learning exercises that promote creativity and agility in solving business challenges and realising opportunities.

Empowering our employees with digital skills

Across the Group, we are aligning the development of digital capabilities and leadership skills with our Vision 2020 business strategy. In 2019, we provided digital skills training for employees through the following principal initiatives:

» **Digital business essentials** – this is an online course for employees that is delivered through Vodafone University, comprising six modules on digital business; in South Africa, 68.3% of our workforce complement have completed the programme;

» **Digital skills and learning culture** – this online course focuses on agile training; in 2019, more than 5 000 employees completed this course; and

» **Data science** – we have invested R3 million in training employees on coding, data analytics and data science; in 2019, 20 employees completed the eight-week programme.

Accelerating skills and a learning culture

In seeking to attract, develop and retain talent, the following are key initiatives.

» **Discover graduate programme:** We appoint the best young talent from universities across all markets to participate in this two-year programme, which is designed to nurture the future generation of Vodacom leaders. This year, we appointed 112 graduates. We align the graduate appointments with strategic skills sets that include data analytics, Cloud, IoT and digital marketing amongst others;

» **Columbus graduate programme:** This global two-year programme within Vodafone provides our graduates with working experience and placement opportunities in markets outside their local markets. This year, one graduate moved to Turkey in the field of Technology;

» **Interns, learners and bursars:** This year we invested R11.5 million on training 164 young people, including 50 disabled youths who are currently employed by Vodacom as interns and learners. In 2019, 45 learners secured employment. We also invested R12 million on student bursaries for 120 external students. In DRC, through our EXETAT scholarship programme we supported 50 students with their university studies;

» **International development programme:** The International Development Project is a global programme that integrates a number of short-term programmes into one consistent global approach. Participants, who are primarily senior managers and professional staff, are given the opportunity to travel to another Vodafone operation across the globe;

» **Rotation programme:** We offer employees 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. This year, we had 100 rotation assignments in South Africa;

» **Cross-functional talent forum:** We have established a cross-functional talent forum that convenes annually. This new Vodacom initiative demonstrates our integrated approach to talent management; and

» **Career connect:** To promote awareness among our employees on career opportunities within Vodacom, we host additional career exhibitions which involves significant business unit participate.
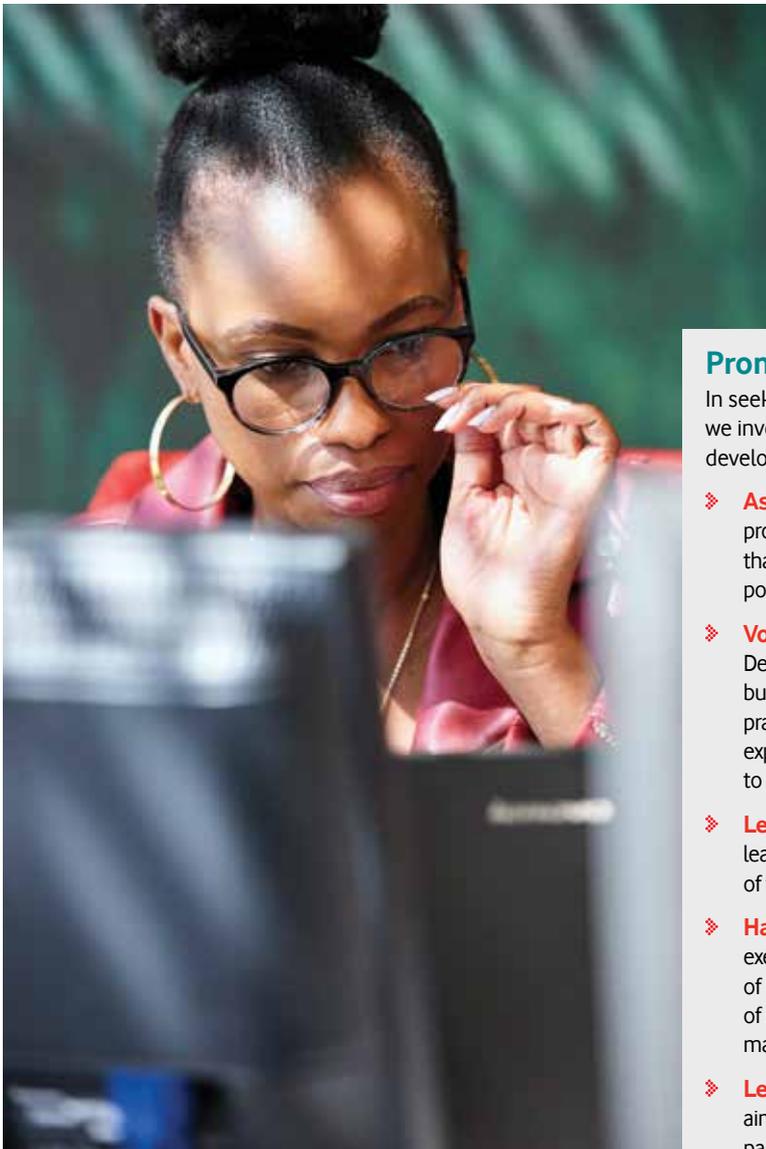
Total training spend
R544 million

Promoting leadership development

In seeking to increase our leadership capabilities, in 2019 we invested R27 million in our various leadership development courses.

» **Ascend:** Aimed at middle management, this programme provides participants with knowledge, skills and techniques that will equip them to assume management and leadership positions within Vodacom;

» **Vodacom advanced executive programme (VAEP):** Designed to improve talented employees' leadership, business and innovation skills through both theoretical and practical experience, VAEP promotes the sharing of experiences and development of a network of empowered to strengthen our business;

» **Leadership essentials:** This initiative provides all people leaders across the business with a common understanding of the roles and responsibilities expected of them;

» **Harvard senior executive programme:** Aimed at senior executives and delivered in partnership with Gordon Institute of Business Science, this programme explores the practices of successful business leaders in local, regional and global markets;

» **Leading in a digital economy:** This programme is also aimed at selected senior executives and delivered in partnership with Gordon Institute of Business Science. It includes a visit to top digital organisations in Silicon Valley; and

» **Servant leadership:** In 2019, Vodacom trained 144 employees on servant leadership – a leadership philosophy in which the main goal of the leader is to serve – which is key in delivering our digital strategy.

Creating a diverse and inclusive working environment

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Vodacom is committed to creating an inclusive work environment that respects, values and celebrates people's unique traits. Our ambitious approach focuses on promoting gender equality and developing a pipeline of diverse talent. In promoting inclusivity, Vodacom supports lesbian, gay, bisexual, and transgender (LGBT) people in the workplace.

In South Africa, we continue to promote transformation and improve our employment equity performance. In 2019, Vodacom's skills development expenditure on black employees totalled R370 million, of which R153 million was on black female employees. Vodacom also invested more than R10 million in the development of black young people living with disabilities. Black representation in the workforce in South Africa is 76%, with 59% at senior management level and 67% at Executive committee level.

Employment Equity Performance against ICT Sector Code for SA	2019	2018	Target
Black senior managers	1.12	1.05	2
Black middle managers	1.17	1.14	2
Black junior managers	0.71	0.67	1
Disability	2.00	1.23	2
Employment equity score	6.56	5.56	6

Promoting gender equality in the workplace

Vodacom's commitment to promoting gender equality in the workplace is reinforced by our membership since October 2017 of the 30% Club – a group of Chairs and CEOs committed to better gender balance through voluntary action. The representation of women remains a challenge for our business and for the broader telecoms sector. In South Africa, women account for 43.4% of our workforce, with 35.6% at senior management level.

Representation of women in senior management	2019	2018
South Africa	**34.6%**	33.2%
Mozambique	**36.2%**	38.6%
DRC	**17.9%**	17.0%*
Tanzania	**41.2%**	42.9%
Lesotho	**28.6%**	25.0%
	31.7%	31.3%

* DRC 2018 women representation percentage incorrectly stated as 35% instead of 17%.

Vodacom aims to increase the representation of women at all levels in the business by implementing initiatives that promote gender diversity. In 2019, 48% of our graduates placed in permanent positions were female and of the graduates appointed in technology related positions, 21% were female.

In 2019, Vodacom's gender empowerment drive was recognised amongst the best at the sixth Annual Gender Mainstreaming Awards. Vodacom received the following awards:

2nd place

- » Women on Boards;
- » Mainstreaming Gender and Disability Category;
- » Women Empowerment in the Workplace; and
- » Empowerment of Women in the Community.
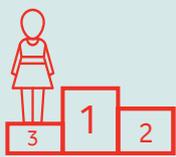
3rd place

- » Women on Executive Committees in Multinationals

Overall winner

- » Investing in young women; and
- » Diversity and Transformation.

Vodacom implements training and development programmes aimed at supporting and empowering women in the workplace. The key initiatives and outcomes during 2019 are outlined below.

Women in leadership programme

Delivered through the North West University, this programme aims to prepare women for leadership roles. In 2019, 114 female employees completed the programme. To date 10 graduates have been promoted to leadership positions at Vodacom.

Female leaders programme

Develops talented female graduates in the areas of commercial and technology and prepares them for strategic roles. In 2019, 19 graduates were placed in strategic roles.

Reconnect programme

Aims to attract and re-engage talented experienced individuals (male and female) who have been away from the corporate business world for an extended period. In 2019, 19 employees returned to the workplace as a result of this programme.

Maternity support programme

We offer six months fully paid maternity leave, or 16 weeks fully paid maternity leave with an option of working 30 hours per week for six months on return from maternity leave. Since inception in 2018, the programme has reached 118 women.

Maintaining a safe working environment

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Maintaining a safe working environment is one of our most fundamental responsibilities within Vodacom. Vodacom thrives to be a leader in safety standards, practices and performance. Our commitment to safety extends beyond employees to our contractors and suppliers' employees and contractors.

Our safety focus areas and developments

Our safety strategy focuses on the most significant risks for people working in operational roles in our businesses. These risks are related to road risk; working with electricity; working at height; laying cables in the ground; and the management and control of suppliers.

The Vodacom Absolute Rules on safety focus on risks that pose the greatest potential to cause harm to anyone working for or on behalf of Vodacom. In addition, our Supplier Group Policy on Health, Safety and Wellbeing sets out additional safety requirements at an operating level, particularly for high-risk activities.

Road risk remains our principal risk, especially relating to contractors, who accounted for 70% of road incidents reported in 2019. In 2019, we

hosted two supplier forums to educate suppliers on health and safety matters.

The Road Guardian system implemented in Mozambique and Lesotho relies on an online platform to assist in monitoring and managing health and safety incidents. The system now includes a consequence management and incident management system, which has significantly improved driver behaviour. The driver behaviour scorecard is summarised below. We plan to introduce the system at our DRC and Tanzania operations.

	2019	2018	2017
Driver behaviour scorecard	99	84	66

Safety performance

We regret to report the tragic loss of life of a Vodacom contractor who was electrocuted while installing aerial line fibre in Mozambique, on 7 December 2018. To prevent a repeat incident of this nature, we are reviewing our risk assessment and safety procedures for work in proximity of electrical installations.

Any loss of life as a result of our operations is unacceptable. We strive for zero harm in the workplace and are encouraged by the decrease in the number of incidents leading to an injury in FY2019.

In 2019, vehicle incidents accounted for 46% of all safety incidents (2018: 43%), followed by electrical fires (12%) and criminal activity (12%). South Africa accounted for 84% of all safety incidents (2018: 76%), with the other markets making up the balance of 16%.

Safety incidents	2019	2018
Fatalities	1	3
Lost Time injuries (LTIs)	2	1
Major incidents	3	2
HiPO incidents	163	76
Minor incidents	70	38
Near miss incidents	8	1
Lost Time injury frequency rate	0.07	0.03

Promoting employee health and well-being

Vodacom is committed to providing a healthy work environment and implements initiatives that promote the physical and mental health and wellbeing of our employees. The main occupational health risks are stress and overweight. We implement a mental health policy that aims to assist with managing health-related issues faced by our employees. ICAS has been our Integrated Wellbeing Programme provider since January 2018. In 2019, Vodacom launched an interactive and informative app in addition to the ICAS-on-the-Go app called E|Care, which provides access to health and wellness information.

Labour rights and relations

Vodacom is committed to internationally acceptable human rights standards in its employment practices at all of its operations. Ethical best practice and internationally accepted human rights principles are adhered to as a minimum at all times, with considerations to national laws. The Group's management of human rights issues is based on the totality of our efforts as the Group is committed to the highest standards of business integrity, ethical values and professionalism in all its activities. We are committed to protecting employees' right to have their dignity respected. Working conditions and practices do not infringe on the inherent dignity of employees. We condemn harassment in any form, without distinction of any kind. We prevent manifestations of unacceptable forms of harassment whether expressed verbally, in gesture or behaviour. We do not encourage, tolerate or support inhuman or degrading treatment or punishment, coercion and abuse. We condemn unfair discrimination in employment on the basis of race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language, national extraction, social origin and political opinion. Employees are free to form and join associations for protection of their interests and we do not subject our employees to forced labour.

Vodacom encourages freedom of association and labour representation for employees. In South Africa, approximately 349 employees (7.82% of the workforce) are members of the Communication Workers' Union (CWU). Mozambique has an active union regarded as a partner to management, however union participation is quite low at 9.8% of the workforce. The DRC has an active trade union and employee union. Members engage with management on a monthly basis to discuss employee matters and bi-annually to discuss disciplinary matters in the Company amongst others. Lesotho and Tanzania are not unionised.

Responsible supply chain

Managing procurement

8 DECENT WORK AND ECONOMIC GROWTH
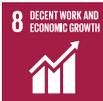
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our purchasing and supplier management are largely controlled centrally by the Vodafone Procurement Company (VPC), which manages most of our spend with global suppliers, supporting the needs of our operating companies and group functions. This centralised procurement approach promotes a consistent supplier management performance across the various Vodafone businesses. We maintain commercial relationships with local suppliers, particularly those involved in service-related procurement, such as merchandising or field operations. Our support for local businesses promotes local economic growth by creating employment opportunities across all the markets.

In 2019, our total procurement expenditure was R46 billion. Network infrastructure and related services accounted for most of this spend, the products we sell to customers such as mobile phones and tablets also account for a significant proportion.

Managing supply chain risks

Vodacom works with more than 7 420 suppliers to meet business and customer needs. In managing our ICT supply chains, our most material risks are: injury to people working in field operations, the harmful effects of working long hours in electronics factories, corruption and human rights abuses in the mining of cobalt or other metals and minerals. We have developed robust systems to ensure that our suppliers share our values and strive to meet our mandatory ethical, labour and environmental standards. Our suppliers are expected to follow our Code of Ethical Purchasing and uphold the Business Principles that are integral to our Code of Conduct.

Vodacom contractually expects all suppliers to be accountable for managing risk in their operations and for ensuring that their own suppliers are accountable to the same standards. Compliance with our policies on health, safety and responsible behaviour forms part of the evaluation criteria.

We conduct a pre-qualification due diligence on all new suppliers to ensure compliance to our requirements. This year, approximately 817 companies qualified as Vodacom suppliers (2018: 652). Our risk specialists assessed all prospective and existing high-risk suppliers. We engage with our strategic network suppliers to produce design specifications for network infrastructure that seeks to minimise any health and safety risks.

Supplier monitoring and management

Vodacom works closely with infrastructure suppliers that supply, install and maintain our networks as well as suppliers that provide branded products and services. We monitor compliance with the Code of Ethical Purchasing in a number of ways. High-risk suppliers, including those operating in industries, sectors or countries with a history of poor standards, are required to complete a detailed evaluation process. We monitor our key suppliers' health and safety and sustainable business performance standards, as well as their commercial, product and service performance, through our Supplier Performance Management Programme.

We regularly undertakes intensive on-site supplier audits on local suppliers. This involves an examination of contractual requirements including written health, safety and quality policies and procedures, site inspections and discussions with managers and employees. Supplier audits are conducted in accordance with the underlying risk profile of each of the suppliers, the outcome of the most recent audit and feedback from management on the supplier's performance to date. In 2019, nine sites were audited (2018: 12 sites). In cases of non-compliance, we engaged with suppliers to develop corrective measures within an agreed timeframe.

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Promoting inclusivity and socioeconomic transformation

Vodacom Group 25 years of Transformation

Our unwavering commitment to BBBEE resulted in Vodacom South Africa achieving a Level 1 BBBEE status. We were also the only telecommunications company to receive the '25 years of Democracy Transformation Champion Award' from Top Media, on 11 April 2019.

Vodacom South Africa exceeded its target and achieved a Level 1 BBBEE status, the highest contributor status on the scorecard, achieved at a direct cost to company of R2.95 billion. Our subsidiary Nexio (Pty) Limited (previously Stortech) retained its Level 1 status, with XLink improving from Level 3 to a Level 2. This resulted in the Group having a significant improvement from Level 4 to Level 2.

BBBEE results for Vodacom Group

We achieved significant improvement this year in scores across all the elements other than procurement, resulting in an overall increase in score of 9.66 points.

Scoring element	Target points	Achieved points 2019	Achieved points 2018
Ownership	25	21.33	16.20
Management control	23	17.39	15.72
Board representation	8	5.83	5.83
Top management representation	5	5.00	4.33
Employment equity	10	6.56	5.56
Skills development	20	23.32	19.55
Enterprise and supplier development	50	43.65	44.79
Procurement	25	19.54	20.55
Supplier development	10	7.11	7.54
Enterprise development	15	17.00	16.70
Socioeconomic development	12	12.00	11.77
Total	130	117.69	108.03

Ownership: On 14 September 2018, Vodacom Group Limited concluded a R16.4 billion broad-based Black Economic Empowerment (BBBEE) ownership transaction. This deal was the largest BBBEE deal in the ICT Sector and resulted in the black ownership percentage increasing from 19.36% to 29.60%.

Management control: The Group exceeded the previous year's score of 15.72, scoring 17.39 from a possible 23. This was as a result of improving the gender profile of our executive committee and driving transformational changes in the occupational levels under employment equity.

Skills development: Our consolidated training spend increased from R248.0 million to R283.4 million, with R12.7 million invested in the development of black youth living with disabilities. This was R4.4 million more than the prior year and represented 6% of our payroll. In addition, 120 of our 161 learners secured full time employment; this resulted in an impressive total score of 19.60 out of 20 points, together with 3.72 out of 5 bonus points for the number of black youth absorbed into employment.

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.

Supplier development realised R164.2 million spend, targeted on developing SMMEs within Vodacom's supplier base; this included investing R17.7 million towards the transformation of our retail franchisee base, which resulted in an additional 27 Vodacom shops changing ownership to black owners during the year. Under enterprise development, more than R351.4 million was invested in developing black-owned ICT SMMEs outside of Vodacom's business. The collective score for this element was 43.65 out of 50.

Socioeconomic development: The Group obtained full points with an investment of R184.4 million.

Empowering black-owned tower companies

In 2017, Vodacom issued a tender to appoint suppliers to deploy (build and own) deep rural coverage sites in South Africa, based on a lease back scenario for 9 years and 11 months. In 2019, Vodacom appointed four suppliers, all SMMEs with 100% black ownership, as "Towerco" entities. The lease back agreements were signed early in 2019 and to date, six sites have been built, creating more than 250 job opportunities.

Promoting inclusivity and socio-economic transformation continued

Empowering and transforming SMMEs

Vodacom is committed to unlocking economic opportunities that will drive inclusive economic growth and sustainable employment, particularly for women, youth and entrepreneurs. We implement customised mechanisms to support SMMEs, which according to the Global Entrepreneurship monitor (2018) create more than 50% of employment opportunities in South Africa.

Our preferential payments mechanisms for small business suppliers mitigates cash flow challenges associated with delayed payments. Approximately 130 Black Owned SMMEs are paid within 1 to 3 days from the date of invoice. In 2019, over R800 million early payments (within three days) were made to black-owned SMME suppliers versus R561 million in 2018 an increase of over R239 million.

To support SMMEs in their emerging phases, Vodacom collaborated with the Department of Trade and Industry in operating an incubator programme to create and upskill companies that will manufacture branded merchandise. To date four companies have been created, employing 28 previously unemployed people in the Ekurhuleni area.

We launched an 'Online Trade Portal' to all existing suppliers of Vodacom. The portal enables SMMEs to market their products and services, and provides access to contract opportunities advertised. The registered member is able to list their products and services

as well as upload information such as company profile, BBBEE certificates and other relevant documents. The portal creates an environment that enables the SMMEs to trade with each other. The portal can be accessed on **www.vodacom-tradedirect.co.za**.

Vodacom identified a health and safety management system that is scalable, customisable and cost effective to be deployed as part of Vodacom's B-BBEE Supplier Development activities to qualifying black-owned SMMEs. This system enables suppliers to digitally submit their health and safety requirements to Vodacom for online approval. This system significantly improves the approval turnaround time. In 2019, 63 SMMEs have benefitted from this system versus 26 in 2018.

Vodacom partnered with the financial and business management platform Fiskl to provide mobile and digital services to entrepreneurs and small businesses. The financial management application is designed to manage daily finances of small businesses, enabling businesses to timeously access an overview of their daily finances and effectively manage their human resources. This application empowers small businesses to digitise small business accounting functions by solving the problem of manual invoicing and payment reconciliations; whilst promoting business and accounting visibility to the owners by managing cash flow, saving time and reducing loss of revenue. Additionally the application caters for 60 languages and 150 currencies.

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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. 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. To meet our high standards we create a culture where employees understand what we require of them, recognise their responsibility to raise concerns and have the confidence to do so.

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.

Raising awareness on business integrity

We provide training and awareness initiatives to employees on the Code, ethical values and ethical decision making through the Doing What's Right and Ethics Along the Way programmes. This year, 1 022 employees attended face-to-face training sessions and induction programmes for new employees and graduates, covering various topics relating to ethics and the Code. We also continued with the rollout of the DWR e-Learning game-based training initiative that comprises five modules: code of conduct, anti-bribery, security, health and safety, and privacy. This training was provided to all permanent staff members, with a 96% completion rate across the Group. On an annual basis, we host a Vodacom Group Chairman's ethical leadership event to raise awareness on ethical behaviours.

Managing conflicts of interest

We continuously raise awareness on our conflict of interest policy through training and awareness campaigns. We have seen a steady improvement in the number and quality of declarations that have been registered. We have also incorporated the management of conflicts of interest as part of the due diligence process of onboarding suppliers and business partners so that potential conflicts of interest can be identified upfront and appropriately managed.

Ethics advice and confidential reporting

In the year, we received and responded to 129 requests for ethical advice from our employees, through our ethics advice line. These related primarily to conflicts of interest, policy clarification, and favouritism in the workplace. All employees and contractors are required to report any suspected breaches of our Code. We provide a confidential whistle blowing hotline called SpeakUp and investigate all reports. In 2019, Vodacom Forensic Services received 56 disputes or allegations for investigation. Common themes or issues related to unauthorised access of customer information, procurement irregularities, fraud, corruption and breach of policy.

Ensuring business integrity continued

Disciplinary process and procedures

All breaches of the Code are fully investigated and where substantiated, applicable disciplinary measures are taken and sanctions imposed as appropriate. In 2019, there were 134 dismissals of internal contract and trade partner employees. Misconduct typically related to unauthorised access to customer information for personal gain, fraudulent sim swaps, dishonesty, procurement irregularities, and theft of company assets. In addition, we made 38 arrests, which included external persons and contractors. Actions taken to mitigate the risk of re-occurrence of these types of misconduct include limiting users' access rights on impacted systems; internal awareness campaigns; implementation of control measures in affected business areas; and engaging and educating dealers, service providers and vendors.

Monitoring our performance

Vodacom periodically measures the Group's ethical performance on a number of dimensions through our ethics, reputation and people culture survey. Annually, we review our compliance with policies that support our business principles and Code across the Group. Management is held accountable for taking the necessary corrective actions, which are tracked and monitored by the Group Audit, Risk and Compliance Committee.

In alignment with the corporate vision 2020 strategy, digital tools are utilised to facilitate the effective monitoring of controls. Some of these tools include the gift and hospitality mobile app; the due diligence automated screening systems, the legal compliance monitoring tool and the policy compliance review tool.

We recognise that the 'tone at the top' and leading by example is critical to creating a sound ethical culture. This year, we conducted a gap analysis of our practices which affirmed that they are aligned with King IV recommendations as relates to ethics management. On an annual basis, we host a Vodacom Group Chairman's ethical leadership event. This year, we combined this event with the people manager's event, with a focus on the importance of ethical leadership with more than 800 managers attending the event.

This year, Vodacom achieved the top ranking in the Vodafone Doing What's Right Leagues table. To further create awareness and test knowledge of the Code we have used a short interview tool, to engage with randomly selected members of staff. Through this initiative, we have identified the need to strengthen our efforts to create awareness of our Code to contract employees who make critical decisions for our business.

Ethical advertising

Vodacom subscribes to the codes and guidelines issued by the Advertising Regulatory Board (ARB) of South Africa. We are committed to ensuring that our communication on our products and services is clear and ethical and supports our customers, colleagues and communities to connect for a better future. When we advertise our products and services, we always act with integrity, are sensitive towards society and respectful of human rights, to ensure that we continue to build trust with our customers, business partners and the communities in which we operate. During this reporting period, we have had no infringements of the advertising codes of practice. However, we have had challenges made against Vodacom at The Advertising Standards Authority and challenged by Cell C to stop using the term SuperCharge in our communications, which we also complied with.

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Promoting best customer experience

In line with our vision of becoming a leading digital company, we are digitising the customer experience to substantially enhance the quality of service we provide, with the aim of leading in net promoter score (NPS) in each of our markets.

Our approach to optimising the customer experience is guided by our **digi-CARE initiative**, an ambitious programme across the Vodafone Group that focuses on four key areas:

Connectivity that is smart and secure

❱❱ Vodacom's chatbot, 'TOBi', has been rapidly scaled up since its launch in July 2018, with more than 2.3 million chats offloaded from our call centres, delivering a significant improvement in our ability to resolve customer queries without a live agent;

❱❱ We have expanded our network coverage in 2G, 3G and 4G across all our markets, and introduced 5G in Lesotho, the first in Africa; all our operating markets are now live with 4G; and

❱❱ We invested R13 billion this year in infrastructure, modernising the network and performing capacity upgrades in order to improve the overall customer experience across all our markets.

Always excellent value

❱❱ We have driven the uptake of our award-winning MyVodacom app allowing customers to view balances, buy bundles and manage accounts, free of charge. We have further improved our in-bundle and out-of-bundle smart notifications for customers across our markets.

Real-time relevant rewards

❱❱ We have run various promotions and campaigns across our markets to reward long-time loyal customers, incentivise new customers, and encourage the uptake of MyVodacom app.

Easy personal and instant access

❱❱ We have delivered improvements in first call resolution rates across our markets by empowering frontline staff, embedding a digital culture and delivering digital capabilities;

❱❱ We have invested in enhancing our IT platform architecture and Big Data capabilities to improve our customer service offerings and deliver the best digital experience. These capabilities have assisted in reducing customer call volumes by 25%, ahead of our 20% target; and

❱❱ We have run awareness campaigns across our markets to increase penetration of our digital tools, improve the customer experience and deliver enhanced efficiencies.

Delivering leadership on Net Promoter Score (NPS)

To measure the quality of the customer experience, we use the net promoter score (NPS) based on one question: "How likely would you be to recommend Vodacom to a friend, family member or colleague? Vodacom ended the year leading in the NPS in all of our markets, a significant achievement.

Our NPS performance rating

Country	2019	2018	2017
South Africa	1st	1st	1st
Tanzania	1st	1st	3rd
DRC	1st	1st	1st
Mozambique	2nd	1st	2nd
Lesotho	1st	1st	1st

In South Africa we ranked number one in both Consumer and Enterprise NPS, with a 9 and 1 point gap respectively against our nearest competitor. The decline in Enterprise is mainly as a result of the improvement in the competitor's network and strong competition on pricing. With headline NPS of 58, Vodacom Tanzania retained its leadership position throughout the year. In Mozambique our NPS position declined as a result of competitive pricing pressures. In DRC, we achieved an 8-point gap over our nearest competitor, with our network and mobile money services identified as key differentiators.

Protecting our customer privacy and security

At Vodacom, privacy management and governance are the pillar upon which the protection of privacy and the security of personal information is based. We are committed to ensuring that we create products and services that do not compromise the privacy and security of personal information that we process. To this end, we process personal information consistently with applicable laws.

Privacy Legal Regime

The implementation of the General Data Protection Regulation, in Europe on 25 May 2018, has reinforced data protection legislation and created a worldwide refreshed awareness of data protection, data security and the protection of the rights of data subjects. Globally, this new legal regime has strengthened the obligation for all those processing data to do so in a responsible manner and remain accountable for the processing activities undertaken. In implementing our Privacy Management Programme, all our markets are required to adopt and implement GDPR based good practice principles, taking into account applicable local privacy laws.

Management and protection of data

We apply appropriate data management practices to govern the processing of personal information. We carefully select the partners who participate in the processing of personal information and limit disclosures of personal information to such partners to what is described in our privacy notices or to what has been authorised by our customers. We implement appropriate technical and organisational measures to protect personal information against unauthorised access, use, modification or loss. Our Code of Conduct and Doing What's Right Campaign continued to support the creation of a privacy culture that respects the privacy and security of personal information.

Privacy governance

The Vodacom privacy framework defines amongst other things: accountability with clearly defined roles and responsibilities; risk management process to be followed; creation of defined privacy requirements; detailing repeatable ways of solving recurring privacy problems; and privacy by design and assurance.

Privacy, training and awareness

Training and privacy awareness initiatives are being continuously extended beyond the employee sphere to include identified business partners. In South Africa, internally, online privacy training through the Vodafone University e-learning portal extends training to all employees and is monitored. Face-to-face training and workshops are conducted and these encourage debates on the "do's and don'ts" of processing personal information. Equipped with knowledge on our privacy principles and applicable laws, through training, we have empowered our employees to understand and promote compliance with privacy policies, applicable laws in their day to day business activities and therefore able to greatly influence our culture of respecting the privacy and security of personal information.

Privacy impact assessments and privacy by design

We conduct privacy impact assessments of those processes and products identified as high risk within the business. We apply the security and privacy by design and assurance methodology widely across our organisation, to ensure that privacy and security requirements are baked into the design of new products and services. We are now focused on digitising this process in South Africa and incorporating it into our agile operating environment.

Maintaining cyber security

Recognising our responsibility to implement adequate technical and organisational measures to protect the security of information, our technology security strategy is designed to drive optimal security of our systems and products and services. We have implemented data loss prevention solutions across all Vodacom endpoints, to manage and prevent the communication of sensitive, critical or confidential information outside of our corporate network. Globally and locally, in the various territories where we operate, we have observed an increase in cyber attacks and data breaches; the position has escalated with more sophisticated state-sponsored attacks. This has resulted in an increase in the impact and risk associated with cyber attacks.

In response, we rely on the implementation of an established Security Programme, where all key security initiatives are managed and tracked based on five key pillars of our cyber security strategy. Aligned with the cyber security strategy, and based on ISO/IEC 27002, we have developed a capability maturity model with 48 key cyber security controls, which are continually being matured and maintained.

Vodacom cyber code

In addition to the above initiatives, Vodacom Group has established a Cyber Code that is designed to provide all staff and contractors with an easy to understood and follow guide to enforcing and strengthening cyber security within Vodacom. The Cyber Security Code is made up of the seven simple rules, illustrated below, that apply to all Vodacom employees, contractors and third parties.

Always classify, label and protect information you work with.

Never click on the links or download attachments without knowing who its from. Report suspicious behaviour.

Always remove access when staff change roles or leave Vodacom. Secure privileged access and only use it for privileged tasks.

Never share, reuse or write down your passwords. Longer is stronger.

CYBER CODE

No compromise

Always apply the latest security patches, close critical and high vulnerabilities and configure system securely.

Never connect unsupported end of life systems to Vodacom Networks, or release insecure products or services.

Always use two factor authentication when connecting to Vodacom systems that hold sensitive information.

Annual sustainability statements

Sustainability value add statement

The table below indicates Vodacom's sustainability-related business performance in line with some of the local and global standards, protocols and guidelines referenced in this report. The table reflects our quantitative performance over the last two years.

Indicator	Unit	As at 31 March 2019	2018
Investing in our people			
Number of full-time permanent employees	Number	7 746	7 554
Salaries and benefits	(Rm)	6 078	5 553
Employee turnover	%	8	9
Females representatives at Group Board level	Number	2	2
Female representation in senior manager level	%	32	35
Black representation in senior management[1]	%	59	56
Employees equity	Score out of 12	6.78	5.6
Ratio of average basic salary of men to women	Times	1.3:1	1.3:1
Total training spend	(Rm)	544	287
Total number of hours on training of employees	Hours	111 526	156 691
Engagement Index - People survey	%	78	78
Employees receiving performance review	%	100	100
Workplace-related fatalities	Number	1	3
Lost-time injury frequency rate (LTIFR)	Number	0.07	0.05
Driver behaviour scorecard	%	99	84
Product and service responsibility			
Customer NPS (4 out of 5 markets)	Number	1st	1st
Delivering social value			
Customers	Million	77. 8	74.0
M-Pesa customers	Million	13.5	11.8
Investment in infrastructure	(Rm)	12 957	11 594
Total cash tax contribution	(Rbn)	20.1	20.8
Investment in CSI	(Rm)	153	111
Responsible environmental management			
Direct greenhouse gas (GHG) emissions (Scope 1)	mtCO$_2$	48 774	45 652

1. South Africa only.

	Unit	As at 31 March	
Indicator	Unit	2019	2018
Indirect GHG emissions (Scope 2)	mtCO$_2$	516 600	508 755
Indirect GHG emissions (Scope 3)	mtCO$_2$	74 322	74 051
Total GHG emissions CO$_2$ (incl. non-Kyoto Protocol emissions)	mtCO$_2$	640 926	630 371
Access network electricity#	GWh	369	340
Core network electricity#	GWh	64	67
Electricity in buildings#	GWh	42.0	42.3
Fuel consumption (diesel and petrol)#	million litres	4.1	3.9
Network equipment and handsets reused/recycled#	tonnes	545	349
Transformation and Inclusivity			
Black Economic Empowerment (South Africa)	Score out of 130	117.69	108.03
❯ Ownership	Score out of 25	21.33	16.20
❯ Management Control	Score out of 23	17.39	15.72
❯ Board representation	Score out of 8	5.83	5.83
❯ Top management representation	Score out 5	5.00	4.33
❯ Employment Equity	Score out of 10	6.56	5.56
❯ Skills Development	Score out of 20	23.32	19.55
❯ Enterprise and supplier development	Score out of 50	43.65	44.79
❯ Socioeconomic Development	Score out of 12	12.00	11.77
Risk Management and Ethics			
Number of Calls to Tip-offs anonymous lines	Number	145	169

South Africa only.

Independent Auditor's Assurance Report

on the Selected Sustainability Information in
Vodacom Group Limited's Sustainability Report 2019

To the Directors of Vodacom Group Limited

We have undertaken a limited assurance engagement in respect of the selected sustainability information, as described below, and presented in the Sustainability Report 2019 of Vodacom Group Limited (the "Company", "Vodacom" or " you") for the year ended 31 March 2019 ("the Report"). This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected sustainability information, marked with a "^" on the relevant pages in the Report. The selected sustainability information described below have been prepared in accordance with the Company's reporting criteria that accompanies the sustainability information on the relevant pages of the Report (the accompanying reporting criteria).

Carbon emissions category	Selected sustainability information	Unit of measurement	Country
Scope 1 carbon emissions	Tonnes of CO_2 arising from diesel usage in stationary equipment	$MtCO_2e$	South Africa
	Tonnes of CO_2 arising from company owned mobile fleet	$MtCO_2e$	South Africa
Scope 2 carbon emissions	Tonnes of CO_2 arising from purchased electricity	$MtCO_2e$	South Africa

We refer to this information as the "selected sustainability information for limited assurance".

Your responsibilities

The directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the accompanying reporting criteria as set out on page 72 of the Report (the "Reporting Criteria").

This responsibility include:

» the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance, and

» the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability information and for ensuring that those criteria are publicly available to the Report users.

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.

In particular, where the information relies on carbon and other emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work will not include examination of the derivation of those factors and other third party or laboratory information.

Our Independence and Quality Control

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 responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our 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 plan and perform our engagement to obtain limited assurance about whether the selected sustainability information are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected KPI's, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- inspected documentation to corroborate the statements of management and senior executives in our interviews;
- tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- performed a controls walkthrough of identified key controls;
- inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;

- evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected sustainability information; and
- evaluated whether the selected sustainability information presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at the Company.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's selected sustainability information have been prepared, in all material respects, in accordance with the accompanying the Company's reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out in the Subject Matter paragraph above for the year ended 31 March 2019 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matter

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 Vodacom's website.

Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability information to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Herman Zulch
Registered Auditor
Johannesburg
14 June 2019

Limited Assurance definitions report

for the year ending 31 March 2019

Carbon emissions category	Selected sustainability information	Country	Definition
Scope 1 carbon emissions	Tonnes of CO_2 arising from diesel usage in stationary equipment – $mtCO_{2e}$	South Africa	Tonnes of CO_2 arising from diesel usage at the office buildings and generators for the 12 months ended 31 March 2019.
	Tonnes of CO_2 arising from company owned mobile fleet – $mtCO_{2e}$	South Africa	Tonnes of CO_2 arising from petrol and diesel used by company owned vehicles for the 12 months ended 31 March 2019.
Scope 2 carbon emissions	Tonnes of CO_2 arising from purchased electricity – $mtCO_{2e}$	South Africa	Tonnes of CO_2 arising from electricity consumption of access and core network sites, data centres and buildings nationwide for the 12 months ended 31 March 2019. 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.

Glossary

ARB	Advertising Regulatory Board
App	Application
BBBEE	Broad-based Black Economic Empowerment
CDP	Carbon Disclosure Project
mtCO$_2$, mtCO$_2$e	Metric tonnes of carbon dioxide, metric tonnes of carbon dioxide equivalent
CFCs	Chlorofluorocarbons
CSI	Corporate Social Investment
EMF	Electromagnetic fields
EMS	Environmental Management System
GIS	Geographic Information System
GHG	Greenhouse gas; unless indicated otherwise, GHG emissions are made up of CO2, methane (CH4), nitrous oxide (N2O), hydro fluorocarbon (HFC), perfluorocarbon (PFC) and sulphur hexafluoride (SF6). The United Nations has identified these six gases as the main contributors to global warming.
GWh	Gigawatt hours (electricity)
GSMA	Global System for Mobile Communications Association
GBCSA	Green Building Council South Africa
GRI	Global Reporting Initiative
HVAC	Heating, Ventilation, Air Conditioning
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
IoT	Internet of Things
IPP	Independent Power Producer
King IV	King IV Code of Corporate Governance for companies operating in South Africa
kl	Kilolitres
kWh	Kilowatt hour (electricity)
MW	Megawatt (electricity)
NPO	Non profit organisation
NPS	Net promoter score
OECD	Organisation for Economic Co-operation and Development's
SMME	Small, Medium and Micro Enterprises
SMS	Short Messaging Service
STEM	A curriculum based on the idea of educating students in four specific disciplines — science, technology, engineering and mathematics
SRAN	Single radio access network
PPA	Purchase Power Agreement
UN SDGs	United Nations Sustainable Development Goals
WHO	World Health Organisation