

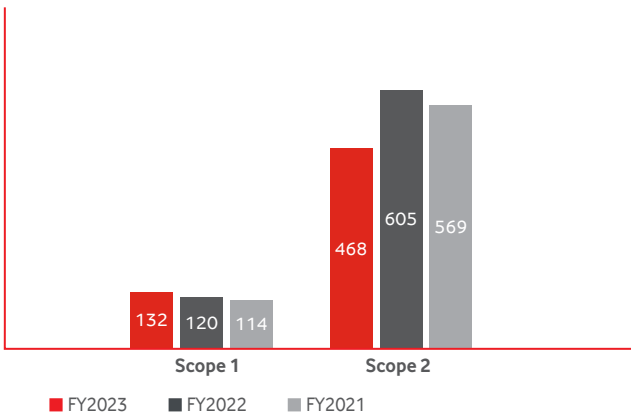
Decreasing scope 1 and scope 2 emissions to reduce our contribution to climate change

As a subsidiary of the Vodafone Group, Vodacom Group plays a notable role in contributing to Vodafone’s achievement of its net zero targets. Our activities to reduce scope 1 and scope 2 emissions focus on driving energy efficiency across our mobile and fixed-line networks, phasing out the use of fossil fuels and increasing renewable sources of energy.

We execute the Vodacom energy strategy and decarbonisation plan, approved in FY2022, through our Group Energy Centre of Excellence. Each OpCo’s energy lead coordinates the localised energy and decarbonisation strategies in accordance with the Group energy strategy.

Our goals are to reach a 50% reduction in our scope 1 and 2 GHG emissions and procure 100% of our electricity from renewable sources by 2025.

GHG emissions (thousand mtCO₂e)



Driving energy efficiencies

✘ Vodacom’s primary source of carbon emissions is our electricity consumption. Our energy powers our access network of base stations (84%), technology centres (13%), buildings (offices and warehouses) (3%) and some of our retail stores.

We spent R3 billion on electricity, a 21% year-on-year increase driven by increased electricity tariffs due to post-COVID-19 economic recovery and the war in Ukraine, and increased diesel use due to unreliable or unavailable grid power.

We invested R33 million in energy efficiency projects, with the potential to deliver annual energy savings of 3.4 GWh (FY2022: R50.5 million, to deliver 9.1 GWh savings). The projects focus on our base station sites and data centres, which account for 96% of our total energy consumption. Egypt has an ISO 50001, with all other markets being certification-ready, with full certification targeted in early FY2024.

- 1.0 energy intensity (MWh per terabyte of data) (FY2022: 1.5 energy intensity).
- Energy consumption increased by 3.0% to 1 194 GWh (FY2022: 1 159 GWh).

Switching to renewables

✔ Our footprint of towers or masts is spread across multiple geographies. As such, onsite solar can be challenging due to limited physical space, site accessibility, theft and vandalism. Despite these constraints, we rolled out more than 200 solar-powered sites in our International markets in the year under review. Onsite renewable electricity is currently 8% (FY2022: 1%) of our overall renewable energy consumption (including renewable energy certificates); however this is expected to shift on the conclusion of various projects outlined below.

✔ We are partnering with Eskom to source electricity from independent renewable power producers. The programme is underpinned by an innovative virtual wheeling platform developed by Mezzanine, a Vodacom subsidiary. This will contribute renewable power to the national grid, closely matching our energy consumption profile, to offset our emissions from electricity. Our virtual wheeling solution presents an opportunity for companies with a similar distributed nature of operations to follow suit. Through this initiative, we believe the private sector can help solve South Africa’s energy crisis.

✔ In South Africa, we have completed the first phase of our Midrand campus solar project with the installation of solar panels. This 6 MWp solar installation is designed to yield of 10.8 GWh/year of renewable energy, saving 11 448 mtCO₂e.

✔ We established a new agreement with the Egyptian government to gain access to renewable power, offsetting a large percentage of our fossil-fuel-based electricity supply.

✔ We are collaborating with partners to develop new innovative solutions for renewable generation, developing proof-of-concept mini-grid solutions in Mozambique and the DRC.

⊖ A portion of our electricity consumption is matched with renewable electricity certificates.

ESG For more information, refer to our ESG report.

Managing diesel use

✘ We used 45 million litres of diesel (FY2022: 40 million litres) mainly to fuel generators at off-grid sites or sites without reliable grid electricity supply. Increased diesel consumption was driven by constrained grid-supplied electricity, particularly in South Africa (impacted by loadshedding) and the DRC.

In the long term, we seek alternatives to diesel including connecting offgrid sites to the grid where possible, fuel cell technology trials and small-scale onsite renewables.

PG For more information on the impact of loadshedding on our manufactured capital, see Page 66.