NC Natural capital

We strive to minimise the climate and other environmental impacts of our direct operations, while encouraging others to reduce their GHG emissions, improve resource efficiency and protect nature.

Our natural capital at a glance

Our key focus areas	Key FY2025 achievements	Strategic pillar affected
Responding to climate change to help build a sustainable future	We evolved our climate and TCFD report to a Climate and nature report	S10
	Deepened our understanding of our climate-related risks and opportunities through a financial quantification exercise	
	Supported flood victims in South Africa and Tanzania, cyclone victims in Mozambique, and issued weather alerts in Lesotho	
Delivering net zero operations	Progressed our Climate Transition Plan (CTP) with a focus on ensuring functional ownership, developing OpCo objectives and metrics, and integrating these into annual performance ratings	S2 S8 S10
	Excellent progress on energy efficiency[1]: • 67% (FY2024: 28% decrease) • 0.04 tCO_2e per terabyte of data down 75% (FY2024: 0.14tCO_2e per terabyte) • Energy intensity to 0.36 mWh per terabyte of data (FY2024: 0.43 mWh per terabyte of data) • R112 million invested in energy efficiency projects (FY2024: R82.0 million) • Scope 2 GHG emissions reduced to almost zero	
Managing scope 3 GHG emissions	Launched workstreams to improve the quality of data sourced from our suppliers	S10
	Supported customers in avoiding 2.7 million tCO_2e (FY2024: 1.4 million tCO_2e) through a range of IoT solutions	
Driving circularity	Achieved our 2025 goal: 100% of our decommissioned network equipment was re-used, re-sold or sent for recycling	S10
	1 445.7 tonnes of hazardous network equipment sent for recycling (FY2024: 1 277.7 tonnes)	
Supporting biodiversity	Conducted a nature impact assessment across our value chain	S10
	Developed a shortlist of water and nature-related risks and opportunities	
	Partnered with more than nine non-profits and other organisations to implement biodiversity projects in five countries	

Note:
1. GHG emissions are measured in tonnes of carbon dioxide equivalent (tCO_2e) and a metric tonne is equal to 1 000 kg.

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The value we create, preserve and erode

Value created | Value eroded | Value sustained

Responding to climate change to help build a sustainable future

According to the World Meteorological Organization, 2024 was the hottest year on record, due to a decade of unprecedented global warming driven by human activities. GHG levels continue to grow to new highs, contributing further to higher global temperatures. In FY2025, many of our OpCos experienced record rainfall and flooding, tropical cyclones, crippling heat and relentless drought. Today's climate change events are our new reality and a forewarning of the future. Mitigating the worst impacts of accelerated climate change while developing climate resilience demands action from governments, businesses and individuals. Climate and nature issues are complex and interdependent. We continue developing our climate and nature competencies while deepening our understanding of their implications for our business and value chain.

At the core of our climate action, we:

- Build climate resilience by understanding the actual and potential impacts of climate-related risks and opportunities on our business strategy, including modelling their financial implications
- Leverage the Group's enterprise-wide risk management framework, which includes identifying, assessing and responding to climate-related risks
- Embed climate change into our governance process

Evolving our climate and nature programme

We evolved our climate and TCFD report to a Climate and nature report to reflect our deepening understanding of our nature-related dependencies, impacts, risks and opportunities. Working with Vodafone, we enhanced our climate scenario analysis by quantifying potential financial impacts and deepening our understanding of how climate-related risks and opportunities could impact our revenue and asset base. This report details our journey towards supporting a lower-carbon economy while engaging with our stakeholders in this transition.

CNR Read more about our climate and nature programme in our **Climate and nature report**

Managing the impacts of severe weather events

In FY2025, we experienced severe weather impacts, including flooding in South Africa and Tanzania, cyclones in Mozambique, and severe out-of-season snowy conditions in Lesotho and South Africa. We take a three-pronged approach to weather disruptions: we act quickly to restore our network; we support our affected customers by providing free minutes and data, and regular weather updates in several OpCos; and, in partnership with government and NPOs, we mobilise humanitarian assistance by making donations and partnering with governments and aid organisations.

Advocating for change

Cooperation and collective action beyond our value chain are essential to addressing the systemic challenges of climate change, environmental degradation and biodiversity loss. We work with global, regional and local partners, including the GSMA and United Nations Global Compact, contributing to discussions and supporting collective action on how businesses can drive climate action, circularity and sustainability. We are a signatory of the UN Global Compact African Business Leaders Coalition's climate change statement, and we partner with NPOs like the World Wide Fund for Nature, the South Africa National Business Initiative and others.

CNR Read more about our partnerships in our **Climate and nature report**

Delivering net zero operations

The ICT sector is responsible for an estimated 1.5% to 4% of global GHG emissions[1]. This is roughly equivalent to the footprints of the commercial aviation or maritime transport sectors. Unless the industry transitions to renewable energy sources, emissions will continue to rise as data traffic volumes increase due to higher internet and AI use.

Our ambition

We seek to achieve net zero GHG emissions from our operations (scope 1 and 2) no later than 2035, aligned with a science-based pathway to limit global warming to 1.5°C by 2100. Our energy management approach, led by our Group technology energy performance centre of excellence, considers energy efficiency, deploying on-site renewables, taking advantage of off-site renewable opportunities, such as power purchase agreements (PPAs), and using various market mechanisms such as renewable energy certificates (RECs).

Powering our network requires around 2 076 gWh of energy per year, sourced from electricity and diesel. Converting our energy to renewable sources is not straightforward due to the highly distributed nature of our infrastructure, which comprises almost 48 000 sites, including Safaricom.

The CTP includes workstreams on:

- Energy efficiency and alternative energy
- PPAs
- Climate-related policy
- Sustainability and circularity by design

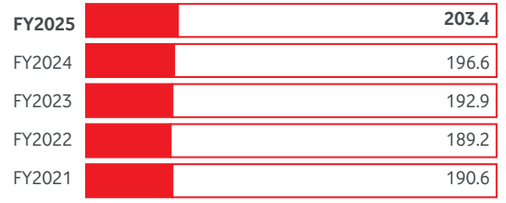
Note

1. World Bank, Green Digital Transformation: How to Sustainably Close the Digital Divide and Harness Digital Tools for Climate Action, 2024.

In FY2025, our total scope 1 and 2 GHG market-based emissions decreased by 67% to 204.3 tCO_2e (FY2024: 618.7tCO_2e). Our scope 2 GHG emissions fell to almost zero.

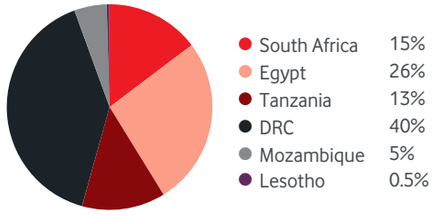
Group scope 1 and 2 market-based GHG emissions (thousand tCO_2e)

Scope 1



Scope 2

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



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Our progress

Driving energy efficiencies

Our energy consumption is split between our base station network (84%), technology centres (12%), office and warehouse buildings (2.5%), retail stores (0.5%) and transport (1.0%). Our primary energy source is grid-supplied electricity; however, due to the limited grid availability in some countries where we operate, we require diesel generators and batteries as the primary power source for base stations. These are also used for backup power across our footprint.

Our energy consumption increased by 8% to 2 076 gWh (FY2024: 1 922.5 gWh) due to continued network expansion. The increase in energy consumption was meaningfully below our traffic growth, reflecting improved energy intensity. Our energy intensity improved to 0.36 mWh per terabyte of data (FY2024: 0.43 mWh per terabyte of data). This is testament to our commitment to energy efficiency. Our GHG emissions per terabyte of data decreased 75%, as we matched 100% of grid electricity purchased with electricity from renewable sources, which has reduced our scope 2 emissions to close to zero. Our energy consumption increased as a result of deteriorating grid availability in some countries, improved reporting, network growth and higher data volumes, while our energy intensity decreased as a result of our net zero plans for our base station sites and technology centres, which account for 96% of our energy consumption.

R112 million
in energy efficiency projects
FY2024: R82 million

These projects can potentially deliver annual energy savings of
17 gWh
FY2024: 24 gWh

Transitioning to renewables, including on-site and renewable electricity purchasing

We aim to transition to renewable energy through PPAs and by replacing diesel generators with alternative technologies, such as renewable fuel sources and green hydrogen. We use RECs as an interim mechanism to achieve our renewable energy commitments while continuously exploring suitable renewable alternatives.

PPAs allow us to purchase renewable electricity from independent power producers, providing cost certainty and a shield against electricity price volatility and unmanageable cost increases. We engage governments to facilitate the development of renewable energy infrastructure and a more accessible market for renewables. Purchasing RECs is part of our net zero strategy.

Our approach for FY2025 included connecting off-grid sites to the electricity grid, continuing solar and battery installations at off-grid sites, and investing further in solar at offices and data centres. We also have existing – and continue to pursue new – power-as-a-service agreements, where partners provide renewable energy infrastructure and capital expenditure in exchange for an agreed monthly consumption.

61%
of our total energy consumption is from renewable sources, including solar energy generated, matched with purchased RECs and PPAs.

Exploring alternative fuels

Our transition requires technological advancement and the availability of renewable fuels and alternative technology to diesel generators. In the short term, we prioritise batteries over diesel generators. In the long term, we seek diesel alternatives, including connecting off-grid sites to the grid, deploying wind and solar where applicable, and exploring newer technologies, including microturbines and hydrogen fuel cells.

Increased diesel consumption increases our scope 1 GHG emissions and impedes our pace of decarbonisation. In FY2025, we consumed 73.2 million litres of diesel (FY2024: 70.0 million litres), mainly in stationary generators at our off-grid sites, or sites with unreliable grid-supplied electricity. This is 4.6% more than the prior year largely due to deteriorating grid conditions and improved reporting in DRC, which offset our reduction in diesel consumption due to significantly less loadshedding in South Africa.

CNR Read more about energy efficiencies in our **Climate and nature report**

Managing scope 3 GHG emissions

Scope 3 refers to indirect GHG emissions that we can influence but not control. Reliable and standardised data from across our value chain is essential to reducing scope 3 emissions.

Enabling customers to reduce their GHG emissions

Digital connectivity has the potential to accelerate the industrial transition. Internet-connected smart technology can help unlock resource efficiencies at industrial scale across all sectors of the economy – including transport and logistics, energy, buildings, agriculture, manufacturing and more. Scaled, these solutions have the potential to contribute almost 20% of net zero trajectories as outlined by the International Energy Agency[1] in the three highest-emitting sectors – energy, mobility and materials – by 2050.

In FY2025, we supported customers to avoid 2.7 million tCO_2e emissions (the equivalent of planting more than 42 million[2] trees) FY2024: 1.4 million tCO_2e). This is a year-on-year increase of 97%.

1. Bhatia et al. (2024) Digital technologies and carbon neutrality.
2. Forestmatic tree converter.

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Driving circularity

E-waste is our second largest environmental issue, so promoting circularity is part of our protecting the planet strategy. Circularity considers a resource's entire life cycle to eliminate waste and reduce its environmental impact. We prolong the life of our resources to maximise our investment, and we recover and re-use materials responsibly. We aim to reduce our e-waste while encouraging and supporting responsible customer behaviour.

Our waste management policy enforces safe and responsible re-use and recycling, and our waste hierarchy embeds sustainable practices throughout our operations and supply chain activities. We have circularity initiatives for our network equipment (radio equipment for fixed and mobile access networks) and electronic devices, including smartphones and other retail devices like routers.

Circularity of network waste

Our resource efficiency and waste disposal management programmes reduce the environmental impacts of network and IT equipment waste. When re-use options (either redeployment or re-sale) are exhausted, we use certified local service providers to dispose of end-of-life telecommunications equipment. In FY2025, we achieved our goal of 100% of decommissioned network equipment being re-used, re-sold, or sent for recycling.

Circularity of devices

We support customers in prolonging the longevity of their devices by making high-quality devices more affordable through contracts of up to 48 months. We collect, refurbish and re-use fixed-line equipment (such as broadband routers) to reduce e-waste and unlock cost savings. In South Africa and Egypt, we support and participate in Vodafone's WWF "1 million phones for the planet" campaign, raising consumer awareness of e-waste and encouraging customers to return their devices for trade-in, donation or recycling. In South Africa, the Eco Rating on devices supports customers to make more eco-conscious decisions while encouraging suppliers to reduce the environmental impact of their products. The label highlights five key aspects for mobile device sustainability – durability, repairability, recyclability, climate efficiency and resource efficiency.

CNR Read more about our circularity initiatives in our **Climate and nature report**

Supporting biodiversity

Biodiversity is broad and complex, encompassing all life forms on our planet and the finely tuned ecosystems they inhabit. Global biodiversity loss is occurring at an alarming rate, with profound implications for people and businesses. In December 2022, 188 governments adopted the Kunming-Montreal Biodiversity Framework with the aim of reversing the loss of nature by 2050. We recognise the need for a sustainable nature approach and we continue to review our impacts, including those within our value chain.

Although our operations' direct effect on the environment and biodiversity is limited in FY2025, we conducted a nature and water assessment to understand our nature-related dependencies, impacts, risks and opportunities. The outcome of this assessment will see Vodacom integrating nature risks and opportunities into our enterprise risk management framework; developing Group-level nature-related standards (including nature considerations into reviews for priority sites); building nature considerations into our procurement activities, and importantly, delivering programmes in partnership with our customers where digital technology will support nature and biodiversity.

We partner with conservation agencies to explore how technology can minimise biodiversity loss on land and at sea. This support combines programme funding, connectivity and innovative technology solutions in conservation efforts.

CNR Read more about our nature impacts and opportunities in our **Climate and nature report**

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