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Natural capital

As a responsible corporate citizen, Vodacom strives to minimise the climate and other environmental impacts of our direct operations. In line with our protecting the planet purpose pillar, we also encourage others to reduce their GHG emissions, improve resource efficiency and protect nature.



Our key focus areas

Responding to climate change to build a sustainable future

Delivering net zero operations

Managing scope 3 GHG emissions

Driving circularity

Supporting biodiversity

Our natural capital at a glance



Key FY2026 achievements

- Refined our climate transition plan to enhance our initiatives and identified resources to execute the plan
 - Collaborated with a technology provider on a diesel management solution, participated in an industry-wide working group and explored alternative impact financing solutions
 - Supported snow victims in Lesotho, flood victims in South Africa and Mozambique, and flash flood victims in Egypt
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- Supported climate resilience through our top management-supported climate transition plan, with a focus on the objectives, targets, actions and resources required to lower our emissions
 - Excellent progress on energy efficiency¹:
 - GHG emissions per terabyte of data decreased by 22% to 0.026 tCO₂e (FY2025: 0.033 tCO₂e per terabyte)
 - Energy intensity improved to 0.27 MWh per terabyte of data (FY2025: 0.34 MWh per terabyte of data)
 - R78.7 million invested in energy efficiency projects (FY2025: R111.6 million)
 - Maintained our commitment to match 100% of grid electricity purchased and used in our operations with electricity from renewable sources through power purchase agreements (PPAs) and RECs
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- Embedded our supplier procurement evaluation processes, which include up to 20% weighting for environmental, health and safety, and diversity criteria
 - Supported customers in avoiding 3.59 million tCO₂e (FY2025: 2.67 million tCO₂e) through a range of Internet of Things (IoT) solutions
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- Undertook a comprehensive review of our network equipment recycling processes to improve the quality, consistency and coverage of data received from recycling partners
 - 1 293.59 tonnes of network equipment sent to certified recyclers (FY2025: 785.74 tonnes)
 - We saved R1.47 billion by redeploying our network equipment
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- Partnered with non-profits and other organisations to implement biodiversity projects in four countries
 - Collaborated with conservation agencies to leverage technology to reduce biodiversity loss on land and at sea
 - Completed a spatial biodiversity and water risk mapping exercise across our markets to identify priority sites within or near protected and biodiversity-sensitive areas

Note:
1. FY2025 GHG emissions and energy data has been restated due to improvements in accounting methodology for network sites.

Strategic priorities affected

- S1 S2 S6
- NPS leadership in all markets
- Market leader in connectivity
- S1
- Beyond mobile services contributing towards 30% of service revenue

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The value we create, preserve and erode

Responding to climate change to build a sustainable future

The World Meteorological Organization ranked 2025 as one of the top three warmest years on record¹, continuing the Earth's long-term warming trend. While 2024 remains the hottest year on record, 2025 followed closely behind, with temperatures in the first half of the year frequently breaking monthly records, even with the shift from warmer El Niño to cooler La Niña conditions. Climate change poses risks to our operations, value chains and customers in our operating countries. In FY2026, several OpCos experienced extreme weather conditions, including flooding, heavy snowfall and overall warming.

As a society, we need to take necessary action to slow climate change and mitigate its worst effects while building climate resilience to adapt to a warmer world. We are deepening our climate and nature competencies and response to manage systemic risks and capitalise on new market opportunities.

At the core of our climate action, we:

- Foster climate resilience by assessing our climate-related risks, opportunities and impacts through scenario analysis and financial modelling to understand how these may shape our business strategy and financial outcomes
- Leverage the Group's enterprise-wide risk management framework, which incorporates the identification, assessment and response for climate-related risks
- Embed climate change into our governance process

Executing our climate programme

In FY2026, we began updating our climate scenario analysis, which supports us in understanding how climate-related risks (physical and transition) may affect our financial performance and position. On completion of this project in FY2027, we aim to provide quantified insights into the potential financial impacts on our revenue and asset base.

Read more about how our climate programme supports our climate and energy transition in our **Climate and nature report**

Managing notable severe weather impacts

In FY2026, we experienced significant weather impacts, including heavy snow in Lesotho, severe flooding in Mozambique and South Africa, and periods of unstable weather in Egypt marked by flash floods, sudden temperature drops and strong winds.

We respond to weather disruptions by:

- Restoring our network
- Assisting our impacted customers by offering free minutes, data and frequent weather updates
- Supporting governmental and non-profit organisations with donations and other support as required

Advocating for change

Collective action to prevent climate change, build climate resilience and address environmental degradation and biodiversity loss is essential to drive systemic, large-scale change. We collaborate with international, regional and local partners, such as the GSMA and UNGC, to encourage cooperation and contribute to discussions on how business can promote sustainability, circularity and climate action. We also collaborate with non-profits such as the WWF, the South Africa National Business Initiative and others. We signed the UNGC African Business Leaders Coalition's climate change statement.

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

Note:

1. World Metrological Organization press announcement (2026).

Delivering net zero operations

The ICT sector accounts for an estimated 1.5% to 4% of global GHG emissions¹. In 2024, total lifecycle emissions were approximately 750 million tCO₂e – down from 780 million tCO₂e in 2020 – reflecting increased investment in renewables by ICT companies and reduced reliance on fossil fuels for electricity production. However, the pace of reduction is slowing, with year-on-year emissions falling just 1% from 2023, and renewable investment growth moderating.

Looking ahead to 2030, electricity usage across the sector is forecast to rise, driven largely by AI development and adoption². Investment in renewables and grid infrastructure is expected to temper this growth. This underscores AI's dual role: enabling energy efficiency gains while also driving greater data and processing demands and higher emissions. Investing in resilient power and expanding rural connectivity supports service continuity but increases upfront costs and can create short-term reliance on diesel power where grid and renewable sources are not yet available.

Our ambition

We focus on continuously reducing our GHG emissions, with the objective of achieving net zero scope 1 and 2 GHG emissions from our operations by FY2035. This commitment aligns with a science-based pathway to limit global warming to 1.5°C by 2100. Achieving this ambition requires addressing the complexities of our extensive network, which requires around 2 057 GWh of energy annually, sourced from both electricity and diesel. The transition to renewable sources is not straightforward given our highly distributed infrastructure, encompassing over 39 000 sites.

To navigate this and deliver on our net zero ambition, our climate transition plan is structured around the following key workstreams:

- PPAs
- Climate-related policy
- Sustainability and circularity by design

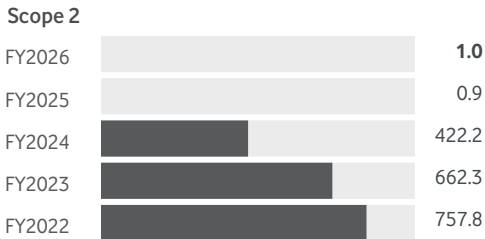
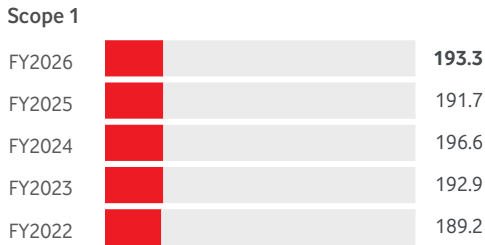
Notes:

1. World Bank; ITU. "Measuring the emissions and energy footprint of the ICT sector", 2024.
2. Ericsson, Mobility Report, "Decrease in ICT's carbon footprint slows down", 2025.

Value created Value eroded Value preserved

In FY2026, our total scope 1 and 2 market-based GHG emissions increased by 1% to 194.29tCO₂e (FY2025: 192.66¹ tCO₂e).

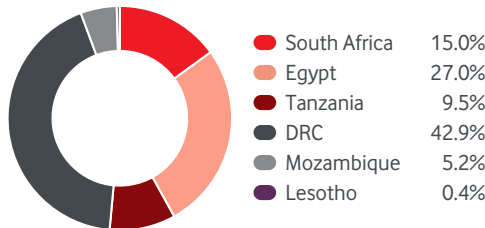
Group scope 1 and 2 market-based GHG emissions (thousand tCO₂e)



Note:

1. FY2025 GHG emissions and energy data has been restated due to improvements in accounting methodology for network sites.

Scope 1 and 2 market-based GHG emissions by OpCo (tCO₂e)



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Our progress

Driving energy efficiency

Our energy consumption is broken down by our base station network (84%), technology centres (11%), office and warehouse buildings (2.8%), retail stores (0.5%) and transport (1.1%). While grid-supplied electricity is our primary energy source, we require diesel generators and batteries as the primary power source for base stations due to restricted grid availability in some of our operating territories. We also use diesel backup power across our footprint.

Our energy consumption increased by 4% to 2 056.74 GWh (FY2025: 1 981.9 GWh¹), driven by ongoing network growth. However, our higher energy consumption was materially lower than our traffic growth, continuing a trend of improved energy intensity. Our energy intensity improved to 0.27 MWh/TB of data (FY2025: 0.34 MWh/TB of data¹), underlining our commitment to energy efficiency. Our GHG emissions per terabyte of data decreased 22%, as 100% of our grid electricity purchased is matched with renewable energy sources.

Our energy costs increased by 11% to R5.48 billion (FY2025: R4.95 billion) due to higher energy prices in the OpCos and an increase in our energy consumption as a result of growth (i.e. new sites). Pleasingly, the impact was softened by the energy efficiencies we have achieved.

R79 million
invested in energy efficiency
projects
(FY2025: R112 million)



1 294 tonnes
of network equipment waste
sent to certified recyclers
(FY2025: 786 tonnes)



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

We are transitioning to renewable energy through PPAs and by replacing diesel generators with alternative technologies, including renewable fuels. We use RECs as an interim mechanism within our net zero planning to support the achievement of our renewable energy commitments while we continue to explore viable renewable alternatives.

PPAs enable us to procure renewable electricity from independent power producers, providing long-term cost certainty and protection against electricity price volatility and unmanageable cost increases. We engage with government stakeholders to support the development of renewable energy infrastructure and promote a more accessible market for renewables.

In FY2026, we continued to connect off-grid sites to the electricity grid, installed solar and battery at off-grid sites, and invested in further solar installations. We continued to explore additional power-as-a-service agreements, where partners develop and maintain renewable energy infrastructure in exchange for an agreed monthly consumption.

RECs enable us to match the grid electricity we purchase with electricity generated from renewable sources, which is added to the same or an interconnected grid. This helps us reduce scope 2 GHG emissions in areas where we rely on the grid, as on-site renewables cannot yet be deployed. We purchase RECs in our operating countries. However, not all countries have local REC issuers or sufficient RECs available for purchase. In these cases, we purchase RECs from countries with grids that connect to those serving our OpCos.



63%
of our total energy consumption
(scope 1 and 2) is from renewable
sources including on-site, PPAs
and RECs

Exploring options for alternative fuels

Low-carbon alternative fuels are intended to reduce emissions and pollution compared to traditional petrol and diesel. While these fuels are promising, further technological advancements are required for widespread adoption. In the short term, we will prioritise batteries over diesel generators as well as solar where feasible. In the long term, we seek alternatives to diesel, including connecting off-grid locations to the grid, continuing to expand solar and wind power where appropriate, and exploring other newer technologies.

A higher reliance on diesel increases our scope 1 GHG emissions and limits our pace of decarbonisation. This year, we consumed 69.08 million litres of diesel (FY2025: 68.86 million litres¹), mainly from using stationary generators at our off-grid sites or sites with unreliable grid-supplied electricity. Our consumption was just 0.3% more compared to FY2025, due to an increase in the number of network sites, an increase in traffic and the rollout of 4G and 5G. It is important to note that the increase would have been much higher in the absence of our diesel reduction initiatives.

We are replacing diesel generators with renewable energy solutions. On-site solar is not always viable due to space requirements, site accessibility, theft, vandalism, maintenance and other OpCo-specific challenges. This means that renewable energy at base stations is a small proportion of our total renewable energy consumption. New rural base stations are solar-powered or use a combination of solar, grid power and diesel (where feasible). Significant technological advancements are required to deploy on-site renewables at scale. In FY2026, we introduced the first standalone solar flower at one site in Egypt. The implementation of this technology is being delayed by a lengthy approval process.

CNR Read more about energy efficiencies and how we are harnessing AI solutions in our Climate and nature report



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Managing scope 3 GHG emissions

Scope 3 GHG emissions represent the indirect emissions generated across an entity’s value chain, including both upstream suppliers and downstream customers. For TelCos, scope 3 GHG emissions are the most significant contributing category, yet they are also the hardest to measure accurately¹. Effective reduction of scope 3 GHG emissions requires consistent and reliable data. To address this, our scope 3 reporting is aligned with the GHG Protocol. We are actively committed to enhancing our data quality and refining our estimation approach, leveraging the latest advancements in industry standards and emission factors.

Key supplier engagement

- Through continuous engagement, our procurement and supplier selection process evaluates supplier climate ambitions, plans and performance, ensuring that we partner with like-minded suppliers to align climate ambitions and accelerate decarbonisation plans. Beyond selection, we encourage suppliers to participate in the CDP and establish formal targets for renewable energy and GHG emission reductions.

ESG Read more about our approach to supplier engagement on climate, emissions and circularity in our ESG report

Enabling our customers to reduce their GHG emissions

- Digital technologies hold significant potential to accelerate the transition to a net zero, climate-resilient future, with estimates suggesting they could cut global GHG emissions by up to 20% by 2050². In FY2026, we supported customers to avoid 3.59 million tCO₂e emissions (FY2025: 2.67 million tCO₂e). The year-on-year increase of 35% is due to a combination of expanded deployment across use cases and more mature tracking of benefits across our markets. Notably, South Africa contributed approximately 9% of overall global carbon savings for the year, demonstrating the growing impact of digital solutions in supporting emissions reductions in this market. Fleet management continues to be the most significant contributor to carbon savings. This is largely due to its scalability and the direct efficiency gains associated with route optimisation, fuel management, and vehicle utilisation improvements.

Notes:
1. GSMA Mobile Net Zero State of the Industry on Climate Action (2024).
2. Bhatia et al. (2024) Digital technologies and carbon neutrality.

Driving circularity

E-waste is our second most material environmental issue, and embedding and promoting circularity principles is a core element of our protecting the planet strategy. Circularity is an economic and environmental model designed to eliminate waste and pollution by keeping materials, products and resources in use for as long as possible. It focuses on repairing, reusing, recycling and refurbishing to create a closed-loop system. By prolonging the life of our resources, we maximise our investment and ensure the responsible recovery and reuse of materials. We will reduce our e-waste while supporting responsible customer behaviour.

Our waste management principles (captured within our environmental management standard) promote safe and responsible reuse and recycling, and our waste hierarchy embeds sustainable practices throughout our operations and supply chain.

We have circularity initiatives for our network equipment¹ (radio equipment for fixed and mobile access networks) and electronic devices, including smartphones and other retail devices such as routers. These encourage more resource-efficient choices, increased longevity of devices and responsible recycling.

Circularity of network waste

- Our approach prioritises reuse and resale wherever technically and commercially feasible, extending asset lifecycles before materials enter end-of-life treatment. Equipment that cannot be reused is systematically directed to certified recycling streams, with a strong focus on avoiding landfill and incineration.
- Our policy is to avoid sending e-waste (non-hazardous or hazardous) from our network equipment directly to landfill or incineration. At the end of its useful life, our decommissioned electronic and electrical equipment is sent to responsible and authorised recycling partners.

Circularity of devices

- We support customers to prolong the longevity of their devices by making high-quality devices more affordable with contracts of up to forty-eight months. We collect, refurbish and reuse fixed-line equipment (such as broadband routers) to reduce e-waste and unlock cost savings.

We actively engage in industry-wide initiatives to accelerate the industry’s circularity transformation. We partnered with the GSMA to develop an approach to standardise energy labelling for refurbished smartphones, demonstrating our commitment to driving industry-wide progress on circularity and carbon reduction.

Since FY2022, through a Vodafone-led initiative in partnership with the WWF, South Africa and Egypt collect used mobile devices to contribute to the “One Million Phones for the Planet” campaign. Through this campaign, the mobile devices were reused, recycled or donated. Since its launch in FY2022, Vodafone successfully reached one million collected devices. Following this achievement, we now measure the number of devices received through our trade-in programmes each year to track our progress in scaling up one of our key device circularity initiatives. This year, we collected 1 189 devices through our trade-in offering, contributing to the reduction of e-waste.

Note:
1. Excludes hazardous network waste (e.g. batteries).

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

Supporting biodiversity

Environmental risks are expected to deteriorate most significantly over the next decade, with biodiversity loss and ecosystem collapse ranked among the most severe long-term risks¹. Biodiversity encompasses all Earth’s life forms and the intricately balanced ecosystems they inhabit. Global biodiversity loss (the ongoing decline in the variety and abundance of species in ecosystems) is occurring at a startling rate, with research indicating that over the past 50 years – 1970 to 2020 – the average size of monitored populations has shrunk by 73%².

Biodiversity loss has profound direct and indirect impacts on businesses across diverse sectors. We continue to assess our biodiversity impacts within our operations and value chain and acknowledge the importance of developing a sustainable nature approach.

- In FY2026, we advanced our biodiversity approach by applying a structured process to locate, evaluate and manage nature-related risks and opportunities across our operations. We completed a spatial biodiversity and water risk mapping exercise across our markets to identify priority sites within or near protected and biodiversity-sensitive areas. This provided a clearer view of our potential impacts and dependencies on ecosystems, and informed priority strategic actions to embed nature criteria into property, network and infrastructure planning. Building on this foundation, we expanded our environmental impact assessment guidelines to incorporate biodiversity-sensitive planning guidance, and clear decision thresholds to support avoidance, minimisation and mitigation of impacts at site level. This work marks a shift from exploratory analysis towards systematic management of biodiversity-related risks, supporting improved decision-making, stronger governance and enhanced readiness for emerging climate and nature-related disclosure expectations.

We collaborate with conservation agencies to leverage technology to reduce biodiversity loss on land and at sea. Our support includes programme funding and harnessing connectivity and innovative technology solutions to protect nature.

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

Notes:
1. World Economic Forum, Global Risks Report (2025).
2. WWF, Living Planet Report, 2024.

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