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Doing **more** with our stakeholders

Our objectives

- More leadership on industry matters
- Work with governments on health and education
- Work with distribution partners to make every customer smile
- Partner with our suppliers to drive innovation, efficiency and sustainability
- Build a reputation for being a company all our stakeholders want to deal with



Change
the World

In 2011 Vodacom in partnership with Sunday Times gave nine ordinary South Africans the opportunity to dedicate themselves to a charity for an entire year. With their salaries taken care of by Vodacom, each volunteer was freed up to be able to make a real difference and quite literally change the world for the people they were helping. The results were fantastic, with each of the volunteers using social media to keep people up to date on their progress. One volunteer was so touched by the children she worked with that she even adopted a 16-year old boy who was abandoned at birth. This year we have another 10 volunteers who are already hard at work changing the world.

Scan the code for the full story.



Our 2014 goal

To maintain the No.1 position in all countries in our Reputation Survey.



Why this is so important to us


Our operations impact directly on our stakeholders, and they in turn impact directly on everything we do. As the people that keep us in business one way or another, they're all vitally important to us. We continue to deepen our engagement with our stakeholders, to understand what matters most to them and take the lead on tackling issues of concern to them. Some of our commitments are to form partnerships with governments in support of social challenges and take the lead in assisting them to create more sustainable operating environments. We are also committed to becoming the industry champion for health, environmental and social responsibility issues.

How we measure our performance


The yearly Reputation Survey we conduct across all our key stakeholder groups in all our mobile operations asks what our stakeholders think of us on a variety of issues. We use the Reputation index measure to track our progress and benchmark it against our competitors and other leading brands.

How we've done in our Reputation index



 **The good**

- Involved in various partnerships to inform policymaking and development of the ICT sector.
- Signed the South Africa ICT industry competitiveness and job creation compact.
- Made good progress rolling out education projects using mobile technology in South Africa and Tanzania.
- Second Reputation Survey conducted.

 **The not so good**

- Reputation Survey shows only slight lead on competitors, which indicates little differentiation between players in the sector.
- Slow progress on health initiatives.

SKA

In 2003, the Department of Science and Technology and the National Research Foundation added South Africa to the list of countries competing to host the world's largest radio telescope. **The Square Kilometre Array ('SKA')**, of which two-thirds of the project has been awarded to South Africa is projected to be 50 to 100 times more sensitive than any other radio telescope ever built. It's expected to help answer fundamental questions in astronomy, physics and cosmology.

The majority of the SKA will be built in the Karoo – a sparsely populated area with extremely low levels of radio noise. The challenge for Vodacom is that against such a quiet background, even the low level radio emissions from our base stations were detectable. Given that many Karoo residents rely on cellular communications, we needed to reduce emissions from the various base stations that face the SKA site while still providing coverage.

Vodacom's **Dr Gordon Mayhew-Ridgers** and **Paul van Jaarsveld** took up this unique challenge. Together they designed a special antenna which Vodacom has patented. The antenna has since been tested and performs extremely well – even receiving praise from the Honourable Minister of Science and Technology, Naledi Pandor.



More leadership on industry matters

Vodacom partnered with the LINK Centre at the University of the Witwatersrand, Research ICT Africa and the University of Cape Town Business School to host public-interest seminars on "Making Broadband Accessible For All". Co-funded by Vodafone, the seminars were the 12th instalment in a series of studies on the socioeconomic impact of mobile technologies. Our aim was to create awareness, encourage discussion on the key findings and contribute to the information available to South African policymakers and information and communications technology ('ICT') sector role players.

Vodafone issued a report on the potential impact of mobile on agriculture. It showed that mobile communications could help to meet the challenge of feeding an estimated 9.2 billion people by 2050. They could also cut carbon dioxide emissions by approximately five mega tonnes ('Mt') and reduce freshwater withdrawals for agricultural irrigation by 6%, with significant savings in water-stressed regions. These benefits assume around 549 million mobile connections to relevant services in 2020. The report aims to stimulate the necessary engagement between mobile operators, governments, NGOs and businesses to act on these opportunities and explore others.

Scan the code to download the Vodafone Connected Agriculture report.



As part of our stakeholder engagement programme, we launched the South Africa Future Agenda Seminar Series aimed at creating an objective platform for discussions on the future and growing importance of mobile technologies. The initiative, modelled on Vodafone's global Future Agenda programme, provides an open forum for discussion about how to address the major challenges society faces over the next ten years.

Vodacom signed the South Africa ICT industry competitiveness and job creation compact, which sets out to reach 100% broadband population coverage and create one million new jobs by 2020.

Work with governments on health and education

In partnership with the Department of Basic Education, Microsoft®, Cisco and Mindset Learn we launched the Vodacom Mobile Education Programme, which makes use of mobile technology to provide teachers throughout South Africa with better access to quality instruction resources and ICT.

As part of the initiative, nine ICT resource centres were created, one in every province, each serving up to 200 schools. The centres serve as the district teacher training hub and are fitted with computer classrooms with 50 terminals and an internet café. The programme's objectives are to use mobile technology to help the Department of Basic Education meet its objective of exposing more learners to ICT and upgrading the quality of instruction by giving teachers around the country, in rural and urban areas, access to the highest quality teaching resources.

Work with distribution partners to make every customer smile

Our distribution partners provide one of our most important touchpoints with our customers. We are busy rolling out our customer knowledge interface to our business partners in our franchise stores. This will empower store owners with the necessary customer intelligence to manage the customer experience better. We are also developing online training for store employees. This will enable store owners to train employees without incurring the cost of transporting them to our regional offices and taking more time out than absolutely necessary from servicing customers.

Partner with our suppliers to drive innovation, efficiency and sustainability

Health and safety has been a major focus area during this year. As part of this, our suppliers are contractually obliged to implement our six absolute rules on safety.

We engage with our suppliers at least quarterly in our supplier forums. Core to our current procurement process is to include a code of ethical practice in our supplier contracts. The code commits our suppliers and us to the highest ethical standards. These include prohibiting child or forced labour and ensuring for workers proper health and safety practices, freedom of association and no discrimination.



for our code of ethical purchasing go on vodacom.co.za

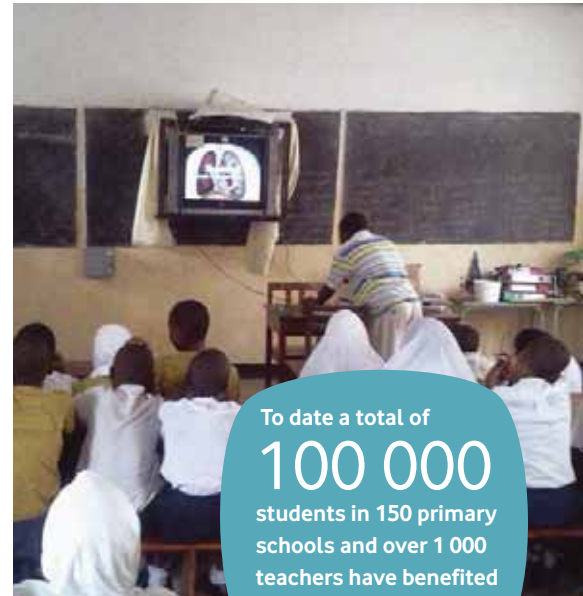
Build a reputation for being a company all our stakeholders want to deal with

In early 2012 we conducted our second Group-wide Reputation Survey to track material issues and measure reputation performance relative to the benchmarks set in the 2011 study. Independent research companies engaged with our key stakeholder groups.

The Reputation Survey measured how people perceive our performance in relation to our competitors and other large companies. It showed that in all our countries we were rated ahead of our competitors and other leading non-telecoms brands, but only slightly in some cases. This is concerning as it indicates a lack of differentiation between players in our sector.



The survey helped us identify focus areas that will guide management decision-making and action in the year ahead. Clearly we need to differentiate ourselves more from our competition, and we will be working hard on improving customer service as one of the ways to do this as well as being more proactive in positioning our competitive advantages such as network quality.



To date a total of
100 000
students in 150 primary schools and over 1 000 teachers have benefited from the project.

In **Tanzania** we partnered with the

International Youth Foundation,

an NGO focused on improving the quality of education and student performance scores in mathematics, science and life skills through the innovative use of mobile technology, to rollout Bridge IT. Vodacom's contribution to the initiative includes providing 540 gigabytes of bandwidth and 150 SIM cards, plus rack space to house the Bridge IT server. This allows teachers to download educational videos on Nokia phones and, via a connection to a TV screen, teach students.

