

CORPORATE COMMUNICATION AND SOCIAL RESPONSIBILITY



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General

Every year, the shareholders of the Vodacom Group allocate a budget to the Vodacom Foundation, for the purposes of complementing government efforts in providing a better life for the citizens of the countries in which the company operates. In this way, the various communities are able to share in the Group's success.

The Foundation prioritises its projects so that the bulk of their funding is directed in specific areas for maximum impact. The areas of education, health and safety and security have been identified as focus areas for such funding. A smaller budget has also been set aside for ad hoc donations.

The activities of the Foundation are communicated by the Group's Corporate Communications Division, to the various stakeholders in business, civil society and government.

Vodacom's corporate social responsibility covers the following three focus areas: corporate social investment, occupational safety and health and the environment.

Corporate social investment

During the 2006 financial year, the Foundation implemented projects in the areas of education, health and welfare, safety

and security and various others, both in South Africa and the other African countries in which Vodacom operates.

Education

South Africa initiatives

Open Bursary Scheme

Vodacom continues to allocate bursaries, at tertiary level, to students pursuing careers in accounting, electrical engineering and information technology. Approximately fifty university and technikon bursaries are allocated on an annual basis, to needy students who demonstrate academic excellence. Altogether, 580 bursaries have been allocated through this scheme, since 1995. Over 250 recipients are now employees within the Group.

Vodacom CEO Scholarship Award

A prestigious award aimed at the country's top three matriculants across all disciplines, was launched during the 2006 financial year. The first three recipients are following careers in medicine, accounting and actuarial science. Only academic merit is used to decide on who benefits from this new scheme. The bursaries awarded through this scheme are larger in value than those offered under the Open Bursary Scheme.

Postgraduate scholarships

In collaboration with the Nelson Mandela Metropolitan University, Vodacom continues to provide masters and doctoral scholarships to disadvantaged postgraduates, as its contribution to creating a pool of future lecturers and professionals.

School initiatives

The Cangci Comprehensive Technical High School, which was built by Vodacom in 2000, continues to impress with its matric results as a result of the investment made in teacher-enrichment programmes and better study methods. The school has been able to improve pass rates from the levels of 19% in 2003 and 54% in 2004 to 84% in 2005.

Vodacom joined hands with the National Education Ministry in their Masifunde Sonke School Library project, which provided computers to some 450 schools country-wide.

Vodacom also embarked on a Matriculation Support Programme for Grade 12 learners in the Eastern Cape and Limpopo provinces. The main aim of this programme was to improve pass rates in mathematics and science in these provinces. With support from the Education Support Services Trust, about 6,000 students participated in this programme.

Yebo Millionaires Game Show

Through the Yebo Millionaires Game Show, Vodacom has helped eight disadvantaged schools to establish computer laboratories. The package included educator training on the use of computers as well as technical training for trouble shooting.

Democratic Republic of Congo ("DRC") initiatives

School initiatives

Primary schools like Batende (3,000 pupils), Masala (2,000 pupils) and St. Mathias (3,800 pupils) in Kinshasa as well as Liyeke/Mbandaka – Equator (1,000 pupils) in the western region, were in desperate need of rehabilitation. Vodacom Congo came to their rescue with contributions ranging from US\$14,400 to US\$30,600 per school.

Additional scholarships were awarded to 12 students in the top 10 high schools in Kinshasa. The total value of the scholarships to these students was US\$190,800.

Lesotho initiatives

Makaonyane Primary School

During the year, Vodacom Lesotho provided much needed and urgent assistance to Makaonyane Primary School in Maseru. Two of their buildings, housing five classrooms, were destroyed by a tornado that struck the area in September 2005. Vodacom Lesotho provided a grant of R300,000 to the school for renovations, repairs and roofing to the damaged structures.

Mozambique initiatives

Albasine Primary/Secondary School refurbishment

Vodacom Mozambique undertook a project to refurbish Albasine Primary/Secondary School which has 23 classrooms in five blocks. The work done included the painting of all the



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buildings at a cost of more than MZM5.0 billion (equivalent to US\$200,000). Approximately 5,000 learners benefited from this donation.

Encyclopaedias

Full sets of Portuguese encyclopaedias were donated by Vodacom Mozambique to the four main secondary schools in Maputo at a cost of MZM351 million (equivalent to US\$14,000). There are about 30,500 learners who benefited directly from this donation.

Ressano Garcia Primary

This school, the only one in the village, was presented with a full library package. More than 1,000 learners benefit directly from this donation. The local village soccer team also received a full soccer kit. The total cost was MZM108 million (equivalent to US\$4,200).

Xai Xai Library

Full library packages were donated to three primary schools and three secondary schools in Xai Xai. The handover was witnessed

Corporate communications and social responsibility continued

by the Governor of Gaza. About 24,000 learners benefit from this donation. These libraries do not only guarantee a higher level of learning, but empower the educators as well. The total cost was more than MZM1.1 billion (equivalent to US\$42,500).

Health and welfare

South Africa initiatives

Cell Life

This project, which involves an SMS-based reminder system for the monitoring of medication for HIV/Aids sufferers, has now been extended to cover most of the government sites in the various provincial hospitals, across the country.

Feeding schemes

Vodacom continues to fund three feeding schemes, via its relationship with Feed SA, an organisation that secures food products at reduced rates, through its website-based fundraising model. This model has made it possible for 1,600 children and 400 adults to enjoy at least one meal per day for a whole year. As part of our contribution to this programme, a number of communities were helped to start vegetable gardens and various other sustainable projects such as beadwork, glass and card making.

Cleft Lip and Palate Project

Vodacom broke new ground when it extended its earlier relationship with the healthcare group, Netcare, to include cleft lip and palate operations for children born with split upper lips. Thus far, 60 successful cleft and lip palate operations have been made possible through Foundation funding.

Eye care

In yet another unique extension of this relationship, the Foundation, together with Netcare, managed to assist another 712 sightless community members to regain most of their sight through cataract operations.

Cardiac care

In another partnership with Netcare, benefiting children, Vodacom contributed to the funding of 10 heart operations for infants, at the Walter Sisulu Paediatric Cardiac Centre for Africa.

HIV/Aids

Vodacom also supported King Goodwill Zwelithini through its contribution of six vehicles that will be used in taking the gospel of HIV/Aids education to the rural areas of KwaZulu-Natal.

As part of the 46664 HIV/Aids fundraiser, Vodacom offered 46664-branded starter packs that are sold to the public. On every recharge, a portion of funds is donated to the Nelson Mandela Foundation, which channels it towards the fight against the HIV/Aids pandemic.

DRC initiatives

HIV/Aids

Vodacom Congo contributed some US\$50,000 towards the building of an HIV/Aids Information Centre.

Public health

A further US\$10,000 was spent on music equipment that was used as part of a national awareness programme on public health, at hospitals and educational institutions. The Police Camp Lufungula General Hospital, in Kinshasa also received furniture and other renovations to the value of US\$15,800.

Shares and Cares Campaign

As part of Vodacom Congo's Shares and Cares Campaign, US\$55,000 was used for distributing food, clothes and stationery to the elderly, orphans and the disabled during December 2005.

Self-funded projects

Smaller donations were also made to self-funding projects like the Chalk Factory for the disabled and the Soap Factory for HIV positive orphans.

Tanzania initiatives

Drought relief

Vodacom Tanzania handed over a contribution of TSH1 billion (US\$820,000) to the government's National Drought Emergency Fund, which was used towards the drought that crippled the country. This contribution, in response to government's call for

private sector support, went a long way towards encouraging other Tanzanian corporations to provide cash and in-kind support. The total private contribution is presently valued at TSH3 billion.

Rural and peri-urban healthcare

As a means of taking healthcare to the rural and peri-urban centres, Vodacom in partnership with Marie Stopes, provided a bus that is equipped with all the necessary telecommunications capabilities required to keep it in contact with the major health centres. Marie Stopes is an international non-governmental organisation and medical service provider.

Mobile Health Clinic

The Vodacom Mobile Health Clinic completed two pilot exercises on the road to Bagamoyo and Kigamboni regions. The pilots indicate overwhelming support from women and children in accessing clinic services, specifically for vaccinations and contraceptive counselling. The investment value of the initiative is estimated at US\$98,400 annually.

Lesotho initiatives

Ensured Salvation Orphanage

Vodacom Lesotho is a sponsor of the Ensured Salvation Orphanage and assisted the orphanage with R20,000 in December 2005, which enabled them to purchase desperately needed food and clothing. A portion of the donation was utilised to organise a Christmas party and gifts of school shoes and toys over the festive period.

Vodacom SuperTalk FunWalk

This annual event, held in March 2006, is Vodacom's way of identifying with the community by hosting an outdoor social event in Maseru. Attended by over 1,200 people, Vodacom donated the full ticket sales proceeds amounting to R69,000 to the district administrator of Maseru to assist the victims of the 2005 tornado.

Mozambique initiatives

Dhow Boat

Fifty Costa do Sol fishermen were given Dhow Boat sails by Vodacom Mozambique to enable them to improve on their daily



Mozambique Dhow Boat Initiative

"catches" by venturing deeper into the sea. 200 people directly benefit from this venture. The cost of this project was MZM9 million (equivalent to US\$34,000).

Safety and security

South Africa initiatives

Women and Men Against Child Abuse

Following Vodacom's collaboration with the Department of Justice in the funding of the construction of several Sexual Offences Courts and Thuthuzela Care Centres, which made it possible for sexual offences to be handled in specialist courts and the provision of privacy for victims of sexual abuse, respectively, Vodacom proceeded to establish a relationship with the Women and Men Against Child Abuse organisation.

Through this relationship, initial support for the work done at the Boksburg premises developed into the establishment of a similar facility at Alexandra Township. Vodacom is proud to have played a role in ensuring that as many as 5,533 victims have been assisted at both facilities over the past twelve months.

Crime prevention

The Northern Cape Committee for Crime Prevention was the latest non-governmental organisation to join the Vodacom safety and security stable. This committee has been successful in persuading many street children, in the Kimberley area, to join the police in the fight against crime.

Corporate communications and social responsibility continued

Other

Lesotho initiatives

Moriya Arts and Cultural Festival

Vodacom Lesotho is a company that cares deeply about the communities in which it operates. For this reason, Vodacom Lesotho is behind various corporate social responsibility projects that are aimed at helping the disadvantaged, assisting the youth and promoting the arts and culture in Lesotho.

Vodacom Lesotho proudly associates itself with the annual Morija Arts and Cultural Festival by continuing its sponsorship of this major cultural event in 2005, with a donation and sponsorship of R220,000 to the organising committee. The festival, in its seventh year, promotes and supports the development and preservation of Lesotho's culture and heritage.

Occupational safety and health

Safety and health policy and management

Vodacom continues to adhere to the highest international standards applicable to the integrated management of occupational health and safety systems and Occupational Health and Safety Assessment Series ("OHSAS") 18001. We continuously improve and re-evaluate all policies and procedures applicable to ensure alliance with Vodafone's existing policies and procedures.

South Africa initiatives

During 2005 Vodacom South Africa again unconditionally retained OHSAS 18001 re-certification as audited by accredited auditors DEKRA. A very high standard was once again maintained during the audit.

No major incidents were recorded for the year ending March 31, 2006.

Other African operations

As part of the Vodacom Group's drive to ensure good corporate governance, the safety, health, environment and quality division is assisting all other African operations with the implementation of health, safety and environmental systems.

Activities currently in progress in the African operations include a holistic implementation strategy. African operations are at least visited bi-annually to evaluate their existing environmental health services ("EHS") systems and the compliance thereof, and to determine shortfalls and implementations required.

All EHS structures, appointments, training and systems policies and procedures are in place. The focus addresses occupational risks and legal compliance, in terms of local legislation. The strategy for the future is to improve and expand the existing system to ensure legal compliance.

Environment

During the year under review, Vodacom South Africa again unconditionally retained International Standards Organisation ("ISO") 14001 re-certification as audited by accredited auditors DEKRA.

Environment policy and management systems

Vodacom continues to emphasise growing environmental indicators and to ensure continued improvement. Outsourced risk assessments were conducted to monitor and evaluate aspects and impacts as generated by our activities.

South Africa initiatives

The monitoring of key environmental indicators Environmental indicators are in line with shareholder requirements. The economic indicators analysed include the consumption of electricity, water, paper and fuel.

Environmental data

Consumption of resources can be analysed, in respect of the average year to date consumption, as follows:

- Consumption of electricity in respect of the radio network, including Alcatel and Motorola equipment, was 103.1 million kWh, which is impacted by seasonal changes, versus 98.4 million kWh last year;
- Consumption of electricity in respect of facilities was 68.3 million kWh, versus 68.4 million kWh last year;

- Consumption of water in respect of facilities was 171,450 kl, versus 178,620 kl last year;
- Consumption of paper was 122,112 kg, versus 124,020 kg last year;
- Consumption of diesel in respect of facilities was 676,640 litres, versus 882,792 litres last year; and
- Consumption of petrol in respect of facilities was 805,604 litres, versus 695,004 litres last year.

Electromagnetic radiation

To ensure alignment with shareholder aspirations and international best practice, the management of electro-magnetic field ("EMF") risk across the Group's operating companies is now achieved through an auditable entity known as the Vodacom Group EMF Council.

Corporate exposure to EMF risk is multi-faceted in nature and the membership of the EMF Council reflects the decision to manage each component via an identified risk owner. Hence, membership of the Vodacom Group EMF Council extends over the entire range of Group's operating functions.

The paradigm used to manage EMF risk within Vodacom is now being replicated throughout Vodacom's African operating companies to ensure that good corporate governance prevails and all matters relating to health, safety and the environment are managed using criteria on par with our South African operations. This is a process that has now begun in earnest under the heading of the EMF into Africa Project.

The creation of an EMF Council structure for the Group mirrors the model already employed by our shareholder, Vodafone Group, for managing its EMF risk and allows for the dynamic sharing of international best practice via the Vodafone EMF Council group structures and the linkages provided by the EMF Leadership Programme.

The mission of the Vodacom Group EMF Council is to identify, manage and minimise any risk that may result from exposure to

EMF on the part of Vodacom and its subsidiaries, shareholders or the general public at large.

The vodacom.com website provides the public with access to actual EMF measurements, recorded by instrumentation when in the vicinity of selected base station sites within Vodacom South Africa's network. The website also provides the reader with supporting information on Vodacom's Health and Safety Programme as it applies to emissions from base station antennas and, *inter alia*, gives the public hyperlinks to the World Health Organisation's ("WHO") International EMF Research Project and other important scientific sources of information. EMF brochures that explain in layman's terms exactly how networks are deployed and cellphones designed, to meet the stringent guidelines laid down by the International Commission on Non-Ionising Radiation ("ICNIRP") are being widely distributed. A variety of direct engagement programmes are currently being considered, the design of which will encourage public participation in the acquisition cum acceptance processes governing base deployments. This will also provide a wider understanding of how the operation of mobile cellular technology is made compliant with the WHO endorsed ICNIRP safety guidelines.

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