

Vodacom smashes ESG goals, claims top spot in Sustainalytics report

Sustainalytics - the independent provider of Environmental, Social and Governance (ESG) research and ratings - has ranked Vodacom Group as the world's number one telecommunications service company based on ESG performance.



Vodacom group CEO Shameel Joosub. | Source: Supplied.

Indicative of how Vodacom has accelerated its commitment to sustainable development action, the 2021 Sustainalytics [report](#) saw the company improve to first place from second place in 2020 out of 221 companies in the sector. In terms of risk globally, the company has moved from sixth to fourth place out of 12,965 companies.

Vodacom Group CEO Shameel Joosub comments. "We are honoured to receive this first-place ranking as it reflects our efforts in driving digital and financial inclusion while reducing our carbon footprint. While this year's ratings underscore the great strides we've made in meeting our goals, we remain focused on reaching our next set of targets as part of our journey as a purpose-led organisation."

ESG in action

Vodacom says it became the first South African telco to secure an ESG loan when it concluded an agreement with Standard Bank South Africa in 2019. The interest rate Vodacom pays on the loan is directly linked to the company's ESG performance, which is measured against Sustainalytics' international benchmarks.

For Vodacom's ESG measures to succeed in having a positive impact on its operations in the long-term, its goals were embedded into its business strategy. To this end, the company redesigned a key element of its reward programme to appropriately incentivise executives to roll out initiatives that align with the company's purpose to drive a sustainable culture.



Vodacom builds 4G towers for villages without network coverage since the 90s

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Previously, Vodacom's long-term incentive (LTI) structure was influenced by financial measures, and in the 2021 financial year, this LTI structure was reviewed to include ESG measures aligned with the three pillars of Vodacom's purpose strategy.

According to Vodacom, these ESG measures include creating a digital society by connecting people and things to the internet, championing inclusion for all by creating a digital future that's equally accessible to everyone and protecting the planet by reducing the business's environmental impact.

To action these measures, some of Vodacom's ESG goals include reaching 72.6 million financial services customers by 2024, driving up female representation at senior management level to 38,5% and above by 2024 and reducing greenhouse gas (GHG) emissions by 25% cumulatively across all sites in South Africa by 2024.

"We remain committed to delivering socio-economic value across our markets in a way that's environmentally responsible," Joosub concludes.

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