

Live responsibly



Our operations impact the natural environment and will continue to have an impact in the future. For Cassava, living responsibly means reducing our environmental impact by shifting the behaviours of our employees and business partners towards considering the natural environment in the decisions we take and the ways we work, thereby ensuring the wellbeing of our current stakeholders, and protecting and preserving the planet and its finite resources for future generations.

Going beyond regulatory compliance, we work to reduce our environmental footprint, promote resource efficiency, and identify improvement opportunities. This approach also makes good business sense, offering tangible benefits such as cost savings, risk mitigation, enhanced reputation and new business opportunities.

Covered in this section:

- Environmental responsibility.
- Environmental management system.
- Resource consumption.
- Waste management.
- Climate change.

This chapter should be read together with the LISTEN attentively chapter starting on page 92, where we report in detail on how we integrate ESG in our value chain to assess and manage the environmental impacts of our infrastructure development projects.

This section answers issues raised by the following stakeholders:



Highlights for the year

Substantially improved the quantity and quality of our **environmental data** across all subsidiaries.

Calculated a **Group-wide carbon footprint** for the first time.

We are on track to finalise our **three-year climate strategy** in FY25.

Started the construction of a solar farm in the Free State province, South Africa, to power data centres in Cape Town and Johannesburg.

FY24 PERFORMANCE¹

Environmental incidents

0

Environmental audits

25

Purchased grid electricity

179,380 MWh

Renewable energy

6,083 MWh

Water consumption

58,295 kl

Waste generated

15,749 tonnes

Waste recycled or reused

1,816 tonnes

Carbon footprint

199,413 tCO₂e

Scope 1 and 2 emissions

149,586 tCO₂e

Scope 1 (12,655 tCO₂e)

Scope 2 (136,931 tCO₂e)

STANDARDS AND FRAMEWORKS ADOPTED

- ▶ IFC Performance Standards: 1, 3 and 6.
- ▶ World Bank Environmental and Social Framework, 2017.
- ▶ Taskforce on Climate-related Financial Disclosures (TCFD).
- ▶ ISO 14001: environmental management systems.
- ▶ ISO 50001: energy management systems.

UN SDGs



¹ KPIs are being identified as we develop our Group sustainability strategy.

Environmental responsibility

Digital infrastructure and telecommunication have a substantial impact on the environment; from the extraction of raw materials within the value chain to electronic waste (e-waste), greenhouse gas (GHG) emissions and water use. The ICT sector however can also be an enabler of sustainable practices across various industries. We aim to optimise our consumption of natural resources, including energy and water, and implement sound measures to prevent pollution and minimise the waste, wastewater and air emissions we generate. We also comply with all relevant environmental legislation in the countries where we operate and protect the balance of natural ecosystems as far as possible when constructing infrastructure.

Good improvements were made in FY24 to provide a more accurate and complete view of the Group's environmental performance. As such, FY24 will become our baseline against which to measure future performance, develop our climate change strategy and set environmental objectives and targets. The new Group sustainability strategy and climate change strategy, once embedded, are expected to provide further improvements in our data quality, collection and reporting.

How we manage our environmental impact

Responsibility and reporting

Our subsidiary CEOs, regional HSE managers and HSE teams are responsible for implementing the frameworks, policies, procedures and systems to protect the environment. They are also responsible for project screening to identify potential environmental risks. The Group Executive: Environmental and Social Governance provides guidance and support. All environmental incidents and material findings from audits and inspections are reported to HSE committees and/or meetings at operational and regional levels.

When constructing infrastructure, the Group is ultimately responsible for the project's overall environmental performance. The project manager implements an Environmental Management Programme (EMP) – explained on page 64 – and appoints an independent Environmental Control Officer for the duration of the project, who monitors project activities to ensure they comply with the EMP and reports significant environmental incidents and concerns to the HSE manager of the subsidiary concerned as well as the regional HSE manager. Business partners must appoint an Environmental Officer (approved by the Group) who manages the day-to-day onsite implementation of the EMP, and provides weekly reports to the Environmental Control Officer.

[Governance of sustainability: page 45.](#)

[Key frameworks, policies and procedures: page 50.](#)

Performance indicators

Other than for our data centres, where we track power and water usage effectiveness, environmental data is gathered annually across the Group and from relevant business partners. Going forward, data collection will take place quarterly as we strive to improve the comprehensiveness of our environmental data.

WHAT WE CURRENTLY MEASURE

Environmental management

- ▶ Environmental incidents.
- ▶ Internal audits.
- ▶ External audits.
- ▶ Major non-conformances.

Energy

- ▶ Purchased grid electricity.
- ▶ Renewable energy.
- ▶ Electricity intensity.
- ▶ Diesel (stationary, mobile and vehicle rental).
- ▶ Petrol (stationary, mobile and vehicle rental).
- ▶ Liquefied petroleum gas.
- ▶ Short- and long-haul travel.

Water

- ▶ Water consumption.
- ▶ Water intensity.

Carbon footprint

- ▶ Scope 1, 2 and 3 emissions.

Waste

- ▶ General waste disposed and recycled.
- ▶ e-Waste disposed and recycled.

Related indicators reported in other pillars

- ▶ HSE training (employees and business partners): [Page 82.](#)
- ▶ Environmental impact assessments: [Page 98.](#)
- ▶ Business partner audits: [Page 102.](#)

Environmental management system

Our chosen ISO standards – reflected on page 66 – play a key role in ensuring good governance and best practice when managing and monitoring our environmental performance, and support continued improvement, increased management awareness, and regulatory and legal compliance monitoring.

An extension of managing our environmental impact is our collaboration with our business partners to reduce carbon emissions in the value chain and find innovative ways to manage waste. We expect our business partners to comply with all relevant environmental legislation and adopt best practice procedures to protect the environment.



Environmental Management Programme

EMPs are developed for each infrastructure construction project, and place a 'duty of care' on those who cause, have caused or may cause pollution or environmental degradation. The EMP sets out our prescribed methods (which align to legislative and best practice environmental requirements) to provide the best possible environmental protection. They guide the appropriate allocation of resources, assign responsibilities, measure performance and compliance, promote community relations, and set the procedures for incident management and emergency preparedness and response. EMPs apply throughout the planning, design, construction, rehabilitation, operation and maintenance, and eventual decommissioning phases of a project.

The objectives of the EMP are to:

- ▶ Apply a risk averse approach that anticipates and prevents negative impacts on the environment and people's environmental rights, covering pollution, environmental degradation, ecosystem disturbance and loss of biodiversity. Where impacts cannot be prevented, such impacts must be minimised and mitigated.
- ▶ Promote the reuse or recycling of waste and, where this is not possible, the disposal of waste in a responsible manner.

At the end of each project, a Final Environmental Compliance Report is compiled, encompassing compliance with the EMP, all monitoring, performance and communication reports, all environmental incidents and their corrective actions, and all audit findings.

Environmental and social screening of our projects and environmental training and awareness are additional tools used to ensure that our project activities, equipment and infrastructure do not increase community exposure to environmental risks.

Business partner environmental criteria

The Group Contractor Health, Social and Environmental Specification sets out what we require from our business partners in terms of environmental management during a construction project. In summary, we expect our business partners and subcontractors to operate appropriate environmental management systems, submit relevant environmental performance data, and manage the competencies and training needed for all environmental system aspects.

The EMP is legally binding on our business partners and is therefore provided to them during the tender process so that they can accurately price their quotations. Business partners are also provided with our Waste Management Plan and Group Environmental and Social Screening and Risk Categorisation Tool.

[Waste Management Plan: page 70.](#)

An EMP is strictly applied to all projects where environmental authorisation, permits or licences are not required. Where these are required, our business partners must use suitably qualified, registered environmental consultants to meet the legislative deliverables and develop an authorised EMP.

Prior to starting work on a project, our business partners are required to provide the Group with:

- ▶ An environmental method statement.
- ▶ A structure report, including a geo-science technical report, where appropriate.
- ▶ The applicable environmental impact assessments, permits, approvals and registrations required.
- ▶ Their emergency response plans, detailing the procedures to be used should an unexpected or accidental environmental incident occur.

Environmental method statements are submitted to the project manager, HSE team and Environmental Control Officer for approval prior to the start of construction work. They describe the approach a business partner will take to implement the project, and must document the possible risks associated with the project, including adverse community and environmental impacts, and the controls to ensure safe and environmentally responsible activities. The method statement must also include rehabilitation procedures.

During the project, our business partners must maintain weekly environmental monitoring reports, the minutes and record of attendance at environmental meetings, an environmental incident book, register of audits, non-conformances and waste manifests that comply with the Group Waste Management Plan.

 [Business partner vetting and onboarding: page 80.](#)

Environmental incident management

Our risk assessments, incident management and emergency and response plan procedures for environmental issues are the same as those for health and safety and are reported on page 50.

When an environmental accident occurs immediate action must be taken to minimise the damage, and the site secured to prevent further damage until such time as authorisation is given to resume activities. Remedial action to prevent similar incidents must be executed as soon as possible and monitored for effectiveness.

We encourage our stakeholders to report environmental incidents or grievances through our Group Incident Management Procedure and internal and external grievance procedures.

 [Grievance procedures: page 55.](#)




During the FY24 materiality workshops, 81 subsidiary executives received leadership training on environmental management and were made aware of the Group's upcoming climate change strategy.

Training and awareness

Environmental training is delivered to our employees and environmental awareness is driven through our induction training and ongoing communication and consultation with employees on various environmental topics. The materiality workshops held in FY24 provided subsidiary executives with environmental training as well as awareness on the Group's upcoming climate change strategy, with a particular focus on scenario analysis and risk determination.

When undertaking work that has or may have a significant environmental impact, we ensure that all persons (employees, business partners, subcontractors as well as temporary and remote workers) involved in the project have the required environmental training and/or experience. Training may be impact specific, or to meet the requirements relating to our environmental management system and HSE Policy.

All onsite workers must be trained on the EMP and training, at the very least, must cover the management of flora and fauna, waste, equipment maintenance, responsible handling of chemicals and spills, environmental emergency procedures and incident reporting, and the general code of conduct toward interested and affected stakeholders.

 [Business partner vetting and onboarding, including training: pages 80 & 81.](#)

Environmental audits

Internal environmental audits and site inspections ensure that our operations are complying with our environmental policies and procedures, external standards such as the IFC and ISO performance standards, where relevant, and environmental authorisations and legislation. The audit findings are used to identify preventive and corrective actions and make changes to drive improved environmental performance. External audits by authorities ensure adherence to environmental authorisations and impact assessment conditions, and external independent assessors audit our environmental management systems as part of ISO certification.

We also audit the environmental management systems of our business partners as well as their compliance with our environmental requirements and relevant local legislative requirements. In addition to our business partner audits, the Environmental Control Officer conducts audits every two weeks to monitor compliance with the EMP. This process helps to identify any environmental issues early so that mitigation measures can be implemented to keep a project's environmental indicators within their target thresholds. Audits also allow us to assess the efficacy of the EMP and update it, when required.

 [Responsible sourcing: page 101.](#)

 [Business partner audits: page 102.](#)

Environmental management performance in FY24

ISO certifications

The Group maintained the following certifications through a monitoring system of external surveillance and certification audits:

- ▶ **Liquid South Africa:** ISO 14001 (annual surveillance audits by BSI). ISO 14001 certification for the DRC is underway with implementation started for Zambia and Zimbabwe.
- ▶ **Telrad:** ISO 14001 certified in Israel and Chile, with certification underway in Columbia.
- ▶ **ADC:** ISO 14001 (annual surveillance audits by BSI) for all data centres. ADC's Midrand data centre in South Africa is ISO 50001 certified, with certification for Kenya and Nigeria planned for November 2024, and Cape Town and Samrand for FY25.

Environmental incidents and audits

There were no material environmental incidents, grievances or fines as a result of our activities for FY24. A query was raised by the local government in Cape Town, South Africa, about air quality following a concern raised by a neighbour to ADC's facility. Air quality tests were conducted with no adverse findings.

The major non-conformances arising out of the environmental audits for ADC relate to system functionality and have been addressed.

Environmental audits on our employees and facilities

Type	Liquid	Telrad	ADC	DPA	Sasai Fintech	Vaya	Group total
Internal audits	2	4	8	1	0	0	15
External audits	2	3	4	1	0	0	10
Major non-conformance	0	0	25	0	n/a ¹	n/a	25

¹ Not applicable.

More detail on our environmental management system can be found in our subsidiary reports, starting on page 117.

Environmental management objectives for FY25

Top priorities for improved environmental management in the coming year are to:

- ▶ Achieve ISO 14001 certification in the DRC and complete the ISO 14001 implementation for Zambia and Zimbabwe.
- ▶ Increase the number of environmental site inspections and audits on major construction and infrastructure projects.

Resource consumption

MM ✓ To promote the sustainable consumption of natural resources commensurate with our operational needs, our focus will be to ensure that our infrastructure has clean, affordable and continuous supplies of energy and water, and that our new facilities, services and equipment are energy and water efficient. Monitoring regional climate trends, engaging with local communities to understand their energy and water needs, and adhering to best practices in water and energy management, will be integral to building sustainable and resilient operations.

Key resource challenges

- ▶ While power outages in key markets have created demand for solar solutions, the lack of local 'green' solutions means that solar technology equipment and supplies have to be imported, incurring foreign currency costs and making solar systems unaffordable for some business segments.
- ▶ Certain of our operations are located in facilities that share office space and are not metered, making it difficult to understand our energy and water consumption in these operations.

Resource consumption performance in FY24

Energy consumption

Our biggest consumers of electricity are our subsidiaries with energy-intensive digital infrastructure, and the energy-intensive processes to operate cloud services and our digital financial platforms. This will prompt a shift toward sustainable energy sources, energy-efficient technologies and collaborations with technology partners. Projects are already underway to replace inefficient air-conditioning systems in most of our operations – with completion dates scheduled for 2030. Adaptable infrastructure and cutting-edge cooling solutions powered by renewable energy sources, are potential opportunities to be explored.

Purchased grid electricity intensity

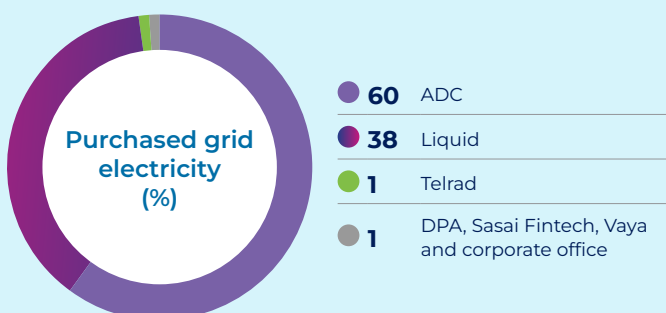
(MWh/employee/365)

Group	0.277
Liquid	0.159
Telrad	0.007
ADC	4.510
DPA	0.002
Sasai Fintech	0.099
Vaya	0.006
Corporate	0.025

Total energy intensity

(total grid and renewable MWh/employee/365)

Group	0.282
Liquid	0.164
Telrad	0.007
ADC	4.568
DPA	0.002
Sasai Fintech	0.099
Vaya	0.006
Corporate	0.025



Our biggest consumers of electricity are our subsidiaries with energy-intensive digital infrastructure, and the energy-intensive processes to operate cloud services and our digital financial platforms.



Providing sustainable energy solutions

In South Africa, DPA achieved a milestone of over 250 high-end solar PV system installations (lithium batteries and inverters) providing much-needed energy security to counteract the power shortages the country is experiencing. It also recently installed a solar roof top solution at Schweppes Zimbabwe's head office in Harare and the Schweppes Juicing Company in Beitbridge. In total, the 1.5MW solar PV solution will provide 1.44GWh of energy annually, removing over 1,000 tonnes of carbon emissions. A further installation of 532kW is planned for the Schweppes Bulawayo plant.

Within our own operations, DPA has power purchase agreements with both Liquid and ADC (see pages 117 and 156).

Energy consumption

	Liquid	Telrad	ADC	DPA	Sasai Fintech	Vaya	Corporate office	Group total
Fuel for stationary items (MWh)								
Grid electricity	68,922	1,082	107,003	33	1,788	7	545	179,380
Renewable electricity	3,328	0	2,755	0 ¹	0	0	0	6,083
Fuel for stationary items (litres)²								
Diesel	497,119	0	1,460,887	0	0	0	0	1,958,006
Fuel for mobile equipment (litres)								
Diesel	946,392	846,659	0	0	0	0	0	1,793,051
Petrol	687,623	235,730	0	0	0	0	0	923,353
Short-haul travel (km)								
Business and first class	88,480	0	6,366	0	4,025	0	442,520	541,391
Economy and premium class	1,822,667	0	400,193	32,516	0	0	331,313	2,586,689
Long-haul travel (km)								
Business and first class	212,052	0	397,247	0	89,979	0	2,763,170	3,462,448
Economy class	1,089,291	0	885,157	16,706	11,887	0	991,891	2,994,932

¹ DPA's solar generation was not monitored for FY24.

² There was no petrol or LPG used for stationary items during the year.

Water consumption

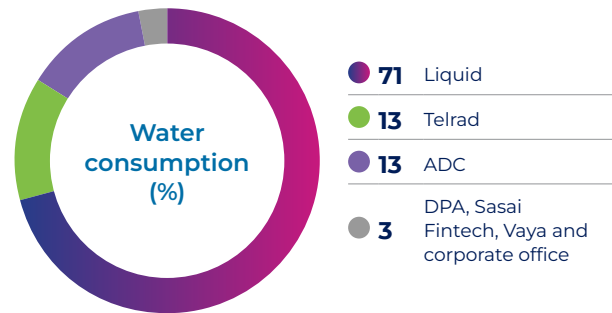
We mainly source water from municipal water systems. Our biggest consumers of water are the cooling systems (chillers) used in our data centres. Other than this, water is not regarded as a material issue at this stage. Given the global increase of water stress and that we mostly operate in arid regions, operational resilience will require robust water management strategies, accurate data collection, and fostering a culture of water stewardship among our employees. Our water risk mitigation strategies and our water consumption targets will need to be tailored to the water stress levels of each country of operation.

While we managed to expand our water consumed data in FY24, shared and leased office spaces still required estimations. Investigations are underway to understand the feasibility of implementing water meters in our owned buildings and where we rent an entire facility.

Water consumption intensity

(kl/employees/working day¹)

Group	0.073
Liquid	0.088
Telrad	0.034
ADC	0.244
DPA	0.019
Sasai Fintech	0.017
Vaya	0.032
Corporate	0.034



¹ Assumed 20 working days a month, totalling 240 working days a year.

Water consumption (kl)

	Liquid	Telrad	ADC	DPA	Sasai Fintech	Vaya	Corporate office	Group total
Municipal water	41,343	7,475	7,624	420	402	46	985	58,295

More detail on our resource consumption can be found in our subsidiary reports, starting on page 117.

Resource consumption objectives for FY25

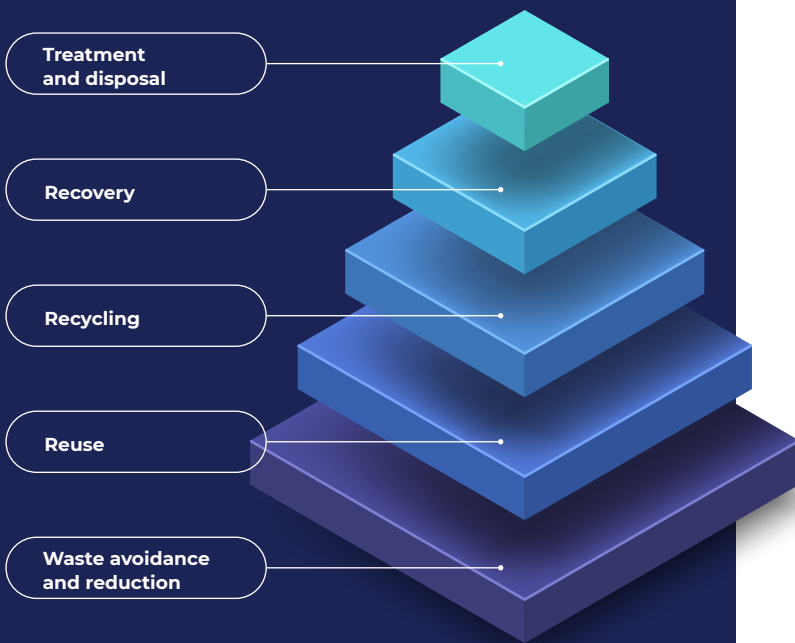
Top priorities for improved resource consumption in the coming year are to:

- ▶ Continue to improve our collection of environmental data – improved datasheets, training the employees directly involved with the data and the implementation of water and energy meters.
- ▶ Set short-term energy and water reduction targets.
- ▶ Raise environmental awareness among employees.

Waste management

The responsible management of waste presents opportunities to recycle and reuse, thereby contributing to a circular economy which not only saves resources, but can also open up new revenue streams and support the increased economic inclusion of local communities across the value chain, creating jobs.

The Group Waste Management Plan outlines the various types of waste that Cassava generates, and the guidelines and requirements to correctly handle, store and dispose of each waste stream. The plan prioritises the avoidance of waste generation, and when this is not possible, the reuse, recycling, and recovery of waste. The treatment and disposal of waste is the least favourable option.



Key waste challenge

- ▶ Lack of adequate, compliant landfills and hazardous waste management facilities in African countries, as well as lack of responsible collection, treatment and disposal of e-waste in all countries of operation.
- ▶ Insufficiently managed and/or enforced product-return schemes¹.

¹ Where producers take back the products that they manufacture at the end of their lifecycles to ensure their safe disposal.

Hazardous waste

The Waste Management Plan sets out the procedures for handling hazardous waste, with a particular focus on e-waste – a waste stream that has a large impact on the environment. The manufacture of computers and other electronic equipment often results in compounds which are toxic and harmful to human health and the environment if not disposed of carefully. Where we can, we aim to prepare this waste stream for donation or return it to the manufacturer. Where our operations struggle to manage and dispose of e-waste, we strive to partner with other organisations and industry leaders to identify waste solutions.

The plan also sets out the specific operational procedures for acid, chemical, poison, air-conditioning gas, asbestos, paint, glass, insulation wool, battery and optic fibre cable waste, as well as items containing mercury and oil contaminated products. The plan is continually updated as more information becomes available on our waste streams and practices, and best practice waste management.

The transportation, storage and disposal of hazardous waste must be according to local occupational health and safety regulations. Hazardous waste is given to suitably accredited disposal sites and registered hazardous waste management companies. We audit these service providers to ensure that our hazardous waste is handled in a legal and environmentally friendly manner. In South Africa, Kenya and Zimbabwe, we are able to manage and recycle hazardous waste through accredited service providers; however, the same approach is difficult to apply in the remainder of our operations.

Internal and external environmental assessments of our projects determine where any superfluous generated waste may enter into municipal sewerage systems or escape from the premises, and barriers are erected as a preventative measure. Depending on the nature of a spill, a trained technician, dedicated cleaner or responsible environmental agency is used to clean waste spills. Where a spill is hazardous, the service provider must have the necessary transportation and handling licences, and use spill kits.

Non-hazardous waste

Mauritius, Nigeria, South Africa and the UK use registered waste disposal companies to reuse and recycle most of their general waste. Our other operations dispose of general waste in registered landfills or rely on landlords for waste disposal. For our construction projects, solid waste must be disposed of at a registered landfill site or nearby waste transfer station with capacity to accept the project generated waste. A waste manifest is kept for auditing purposes.

Our operations produce insignificant amounts of wastewater, which is discharged into municipal sewer systems at all our offices and warehouses.

Waste performance in FY24

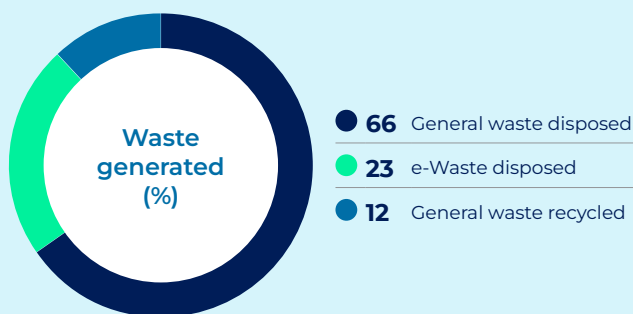
Regrettably, we did not achieve the progress we had hoped for in terms of implementing waste separation systems in our operations as reported last year; however, we did manage to expand our scope of waste data collection, with some work still to do. In the FY25 review of our Waste Management Plan, improving waste management data and waste separation at our facilities will be priorities.

Waste generated (tonnes)

	Liquid	Telrad	ADC	DPA	Sasai Fintech	Vaya	Corporate office	Group total
Non-hazardous waste								
General waste disposed	81	161	10,046	29	9	1	6	10,333
General waste recycled	49	0	1,749	17	0	0	1	1,816
Hazardous waste¹								
e-Waste disposed	27	0	19	0	3,554	0	0	3,600
Total waste generated	157	161	11,814	46	3,563	1	7	15,749

¹ There was no recycling of e-waste in FY24.

More detail on our waste management can be found in our subsidiary reports, starting on page 117.



Waste management objectives for FY25

Top priorities for improved waste management in the coming year are to:

- ▶ Review and update the Group's Waste Management Plan.
- ▶ Set short-term waste management targets.
- ▶ Improve the management of e-waste.
- ▶ Implement waste separation systems, where relevant.
- ▶ Engage with landlords and service providers to provide better waste disposal data, and encourage landlords to implement recycling practices.

Climate change

While we recognise that many climate-related impacts will manifest well into our long-term planning horizon; we believe that action now builds long-term resilience. We are developing a climate change strategy to clearly understand our exposure to climate-related risks and integrate the mitigation of these risks into our strategic and operational planning. Calculating a comprehensive inventory of our GHG emissions is a key first step, which will provide valuable insights on the key contributors to our emissions. This information can then be used to identify improvement initiatives and formulate carbon reduction targets.

In the recent material matters determination process, climate change did not rank highly for the Group; however, infrastructure resilience was identified in the top 15 material matters, where extreme weather events are a key aspect that can lead to infrastructure vulnerability. In these workshops, ADC and DPA identified climate change and adaptation as being key to their business strategies. Other reasons that support a need for a better understanding of our climate change risks include providing our equity partners and customers with robust disclosure on how climate change is expected to impact our operations and how we will mitigate these risks.

The climate change strategy will identify projects and processes to support resilience plans for a range of hypothetical, but plausible, future operating scenarios based on various global temperatures. As we start to better understand the potential size and scope of our climate-related risks, those that are deemed material will be incorporated into our risk registers to prepare the Group for the short to long term impact of climate change.

In the short-term, we will set climate-related goals and targets as part of a three-year strategy, monitored and overseen by NomCo. We will also focus on the physical and transitional risks facing our network infrastructure and data centres. The physical risks likely to have the greatest financial impacts are flooding, impacting both our land and offshore sea cables, and wildfires, impacting our network and telecommunication infrastructure. Short-term transitional risks are likely to be reporting pressures from equity partners and customers, and increasing legislative requirements. To date, regulatory changes pertaining to climate change have not materially affected the Group. In the medium term, all of these risks are expected to intensify, accompanied by increased climate-related taxation.

Currently, our innovative solutions are reactive, driven more by general business needs and efficiency considerations than by a specific focus on climate change impacts and potential risks. Going forward, a formal planning framework for climate-related issues will become an input into financial planning and strategy formulation. The planning framework will apply to our operations and services, the supply chain, acquisitions, and access to capital.

Key climate change challenges

- ▶ Investment in climate-resilience infrastructure will require a significant capital outlay.
- ▶ Additional financial and human capital will be needed to achieve carbon reduction targets from managing and monitoring performance to new systems, processes and equipment. Additional resources will also be needed to meet the additional requirements expected in the future to acquire permits and licences for construction projects.
- ▶ Calculating Scope 1 and Scope 3 emissions for leased offices and warehouses where landlords are not always able to report consumption data.
- ▶ Collecting Scope 3 data from our business partners.

[Governance of sustainability: page 45.](#)



Climate change risks and opportunities

Our encounter with climate-related challenges to date has been infrequent; however, when they have occurred, the financial implications have been substantive. In a recent incident, an increase in water discharged into the Congo River led to the erosion of the seabed off the coastline, causing damage to our underwater cables. When planning new infrastructure, climate-related risks will need to be more carefully considered, particularly in areas where climate-related risks are elevated and the probability of foreseeable future impacts are high. This will require strategic investments in more durable equipment, structural improvements, and revised structural designs to enhance the resilience of critical communication infrastructure.

The material matters workshops included a scenario analysis exercise to assess the Group's resilience and financial performance in three possible future scenarios – the Intergovernmental Panel on Climate Change's Shared Socio-economic Pathways, Shell Scenarios and Business for Social Responsibility. Our initial analysis has broadly identified the physical and transition risks¹ alongside.

International action to limit global warming to below 2°C, as outlined in the Paris Agreement², are expected to reduce physical risks and increase transition risks on a global scale.

- ¹ *Physical risks include extreme weather events and chronic long-term shifts such as droughts. Transition risks include economic, policy, legal, technology and market changes to transition to a lower-carbon economy.*
- ² *An international treaty on climate change adopted by 196 Parties at the UN Climate Change Conference in France on 12 December 2015. The overarching goal is to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."*



When planning new infrastructure, climate-related risks will need to be more carefully considered, particularly in areas where climate-related risks are elevated and the probability of foreseeable future impacts are high.



Physical risks

Over the next 20 to 30 years, temperatures are projected to rise across all our operating regions. Africa and the UAE will experience significant increases in the number of hot days, heatwaves are likely to become more frequent in Central Africa, and sea level rise could impact infrastructure in coastal regions and undersea network cables. Mean annual precipitation is projected to increase across Central Africa, East Africa, UAE, UK, Peru and Colombia, while a general decline in mean annual precipitation is projected across Southern Africa and Israel, exacerbated by existing water scarcity.

Heatwaves, hurricanes, floods and wildfires brought about by these conditions could damage our data centres, communication cables and solar installations, or lead to a loss of power supply, disrupting network connectivity and bringing about service interruptions that negatively impact our customers. This could result in financial losses; higher insurance, adaptation and mitigation costs; and damage to our reputation. Extreme weather events can also disrupt global supply chains, affecting the availability of equipment, components and technology, and potentially creating delays for our upgrade, maintenance and expansion projects.

In regions facing water scarcity or water quality issues, the Group may encounter operational disruptions, regulatory constraints and heightened competition for water resources. Rising temperatures would also require increased demand for energy- and water-intensive cooling in data centres.

Our workforce and customers may also be impacted by unpleasant living conditions without water and rising energy prices, and the workers at our project sites could be exposed to higher temperatures, potentially leading to health issues such as heat exhaustion and dehydration which could lower levels of productivity.



Transition risks

Given our global presence, we must adhere to numerous environmental and climate change policies, regulations and reporting standards across jurisdictions, all of which are likely to intensify in the future. New regulations could, for example, set energy efficiency requirements for data centres or emission reduction targets for telecommunication networks. Compliance may require substantial investment and operational adjustments, and penalties could be levied for high carbon emissions or inefficient practices.

Other transition risks include a growing trend in consumer preference for products and services from environmentally responsible companies, which may require adjustments to our offerings and a transition to eco-friendly technology. Our reputation will be adversely impacted if we fail to respond adequately to stakeholder expectations that we adopt sustainable practices, and new entrants with green technologies could usurp market share. Dependence on non-renewable energy sources is likely to expose the Group to fluctuating energy prices, impacting operational costs.



Opportunities

Climate change also presents a number of opportunities for the Group, for example, we can provide our customers with digital solutions that improve energy efficiency, optimise inventory management and enhance business operations, assisting them in achieving their decarbonisation goals. The ICT sector has already substantively contributed to reduced travel through the rapid improvement in video-conferencing and teleworking. Other opportunities include installing renewable energy at local network locations, the IoT for data-driven insights that help businesses and communities adapt to changing environmental conditions, e-waste recycling programmes, and the efficient management of our data centres.

Methodology to calculate our carbon footprint

Our first formal carbon emissions assessment used FY23 data for Liquid and ADC only, and identified gaps and inaccuracies in our data. We used this insight to resolve a number of issues, allowing us to provide a more comprehensive and Groupwide carbon footprint for FY24. Resolving data collection and management issues, however, is a work in progress.

Given the complexity of the Group's structure and calculating carbon emissions, we appointed a carbon consulting group that specialises in climate change strategies and carbon reduction initiatives to calculate our carbon footprint. In addition to sense checks to identify any inconsistencies or inaccuracies, the data has also been benchmarked against industry trends, providing a robust framework for confirming the reliability of the data in the absence of external verification.

Our carbon footprint is calculated using the operational control approach (all facilities where we have full authority to implement operating policies).

Standards

The following standards were used to calculate the FY24 carbon footprint:

- ▶ The Greenhouse Gas Protocol Corporate Standard as developed by the World Business Council for Sustainable Development and the World Resources Institute.
- ▶ The ISO 14064-1:2018: measuring and reporting of GHG emissions.

¹ All activities and entities that are owned or controlled by the Group.

² A point of presence (POP) is a demarcation point, access point or physical location at which two or more networks or communication devices share a connection.

Assumptions

Where data was unavailable or incomplete, a range of assumptions were made and carefully applied to provide a reasonable estimation of our GHG emissions for FY24. A summary of our assumptions is documented below to aid stakeholder understanding and decision-making.

Floor space

- ▶ Warehouse floorspace for UAE, Kenya and Zanzibar is estimated due to occupied space fluctuating on a daily, weekly and monthly basis.

● Scope 1 emissions

- ▶ For months where data was missing for Liquid's fuel consumption (stationary and mobile) in Botswana, Zimbabwe, Kenya, Rwanda and South Sudan, estimates are calculated using an average of the available data. The same applies to ADC's stationary full consumption in Kenya and Nigeria.

● Scope 2 emissions

- ▶ The Scope 2 emissions (purchased grid electricity) boundary comprises all activities and facilities within the Group's organisational control¹. Leased buildings and POP² sites where electricity was included in the rent are considered to be Scope 3 emissions.
- ▶ As for Scope 1, where purchased grid electricity data was missing, estimates are calculated using the average of the available data.
- ▶ Where purchased grid electricity data for offices and warehouses was not available at all, estimates are based on headcount and we used the relevant conversion factor applicable to the country concerned to provide an estimated value.
- ▶ For Innovation Park (shared by Liquid and ADC South Africa), 75% of both the total solar energy sourced and total purchased grid electricity was allocated to ADC with the balance allocated to Liquid.
- ▶ When estimating electricity consumption using electricity bills, the tariff rates of the specific country's utility provider were used to convert expenditure to electricity consumption.

● Scope 3 emissions

- ▶ **Water consumption:** where municipal bills were received, these were converted to kilolitres using the utility provider's published tariffs. Where water consumption data was not available, consumption was estimated using headcount and an average of 32 litres per employee per day for 20 days a month.
- ▶ **Travel:** for travel claims, the currency values provided were converted to kilometres using Cassava's specified reimbursement rate. For business travel, where kilometres were not provided, distance was calculated based on origin and destination details. Accommodation and vehicle rental are included in the calculations, with various country and exchange rates used to calculate the final emissions.
- ▶ **Waste sent to landfill:** where data was not available, estimates were calculated based on the average office waste of 0.74 kilograms of general waste generated per person per day for an average of 20 days per month.

Point of presence sites

- ▶ Where multiple energy sources (renewable, grid and/or diesel) were specified for POP sites, only grid-purchased electricity was used to calculate emissions based on the annual consumptions provided (mostly due to no diesel or renewable data being captured). If the site was specified to only use generators, then fuel consumption was estimated. The collection of accurate energy data for POP sites is an area of improvement.



Climate-related performance in FY24

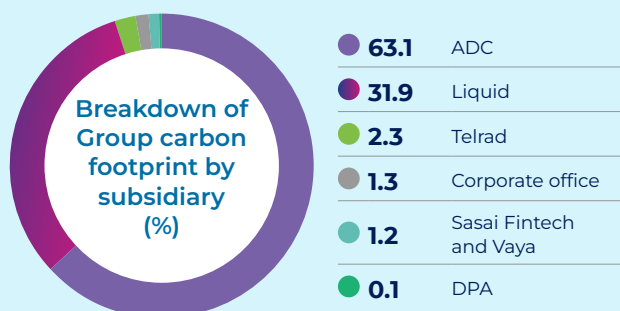
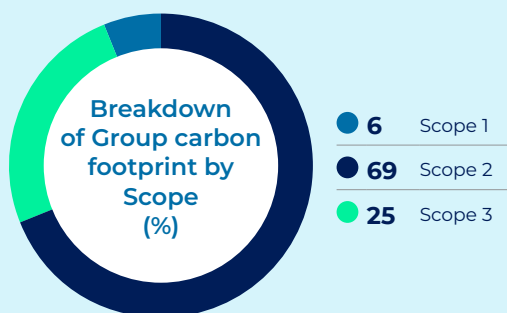
The floor space occupied by Cassava for FY24 amounted to 106,242m², comprising 50 offices (including data centres) and 25 warehouses. As a result of changes in the Group's structure in FY24 (acquisitions and expansion into additional countries) as well as the inclusion of our POP sites and enhanced Scope 3 emissions reporting, our carbon footprint is materially different from last year and therefore not comparable.

For Scope 1, the Group's largest emissions source was mobile consumption at 7,439tCO₂e, with Liquid reporting the largest Scope 1 footprint (39%). Scope 2 emissions account for 69%

of our carbon footprint, reflecting the heavy reliance of our digital infrastructure on electricity for their core operation. ADC's high electricity consumption needed for cooling, lighting, and operating data centre equipment resulted in the subsidiary having the largest Scope 2 emissions footprint (76%). The largest contributors to Scope 3 emissions were fuel- and energy-related activities and upstream leased assets, followed by employee commuting. Liquid had the highest Scope 3 emissions at 57% of the total, followed by ADC at 35%.

FY24 carbon footprint (measured in tCO₂e)

Type	Liquid	Telrad	ADC	DPA	Sasai Fintech and Vaya	Corporate office	Group total
Scope 1 Stationary and mobile combustion and fugitive emissions	4,956	3,029	4,669	0	0	0	12,654
Scope 2 Purchased grid electricity	30,351	804	103,767	31	1,812	167	136,932
Total Scope 1 and 2	35,307	3,833	108,436	31	1,812	167	149,586
Purchased goods and services	841	1	1	46	0	1	890
Capital goods	34	0	0	0	1	0	35
Fuel and energy-related activities	5,278	708	15,393	4	241	14	21,638
Upstream transportation and distribution	156	0	0	0	0	1	157
Waste generated	94	84	76	15	37	3	309
Business travel	1,220	0	609	20	68	2,120	4,037
Employee commuting	5,336	0	375	115	241	326	6,393
Upstream leased assets	15,300	0	1,002	0	0	0	16,302
Downstream transportation and distribution	64	0	0	0	0	2	66
Total Scope 3	28,323	793	17,456	200	588	2,467	49,827
Total emissions	63,630	4,626	125,892	231	2,400	2,634	199,413



It is clear that for ADC our carbon reduction efforts will need to prioritise energy efficiency measures and renewable energy procurement. Liquid, with the largest number of employees and a fleet of 349 vehicles used by technical teams for network installations and maintenance work on distribution points and infrastructure, will need to focus on reducing transportation emissions, enhancing energy efficiency in operations, and engaging suppliers in providing goods with lower embedded emissions. For the corporate office, there is room to reduce business travel, and promote sustainable commuting options and new ways of working for employees.

More detail on our individual carbon footprints can be found in our subsidiary reports, starting on page 117.

Advancing ADC's climate change strategy

ADC has already set carbon reduction targets to achieve net-zero data centres by 2035. Effectively tackling climate change will require innovation, expertise and collective determination. Its 20-year power purchase agreement with DPA, which has a proven track record in delivering high-quality, reliable, sustainable energy solutions across sectors as well as households, is a key first step. Construction is already underway on a solar farm in the Free State province, South Africa. In its first phase, the 12MW solar infrastructure will wheel¹ power to our data centre in Cape Town, and in the second phase, to two data centres in Johannesburg (wheeling agreements with the Johannesburg municipalities are still to be concluded). In addition to using cleaner energy to power our data centres, as high consumers of power we will alleviate the strain our data centres place on local grids. ADC has applied for the capacity to generate more than 10MW of electricity in South Africa in terms of the National Environmental Management Act.

¹ Wheeling allows privately generated power to be transmitted across the national grid to customers who want it, in a willing buyer/willing seller model.



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Climate-related objectives for FY25

We recognise that significant work is needed to embed climate change into our broader pursuit of sustainable, resilient operations, and to meet the reporting requirements of TCFD and the new IFRS S2 Standard. We anticipate that aspects of our climate-related risk reporting will align with the IFRS S2 reporting requirements for climate disclosure over the medium term.

Top priorities for our approach to climate change in the coming year are to:

- ▶ Finalise the climate change strategy.
- ▶ Set short-term emissions reduction targets and finalise longer-term targets using a recognised standard; either the Science-based Targets Initiative (SBTi) or ISO14068.
- ▶ Use the supplier survey and/or workshop with our top business partners to better understand our upstream emissions and foster a collaborative and comprehensive approach to sustainable business practices.

In FY26 we will look to set a net-zero target for the Group, conduct internal assurance and external verification on our GHG emissions, and implement Group carbon reduction schemes.