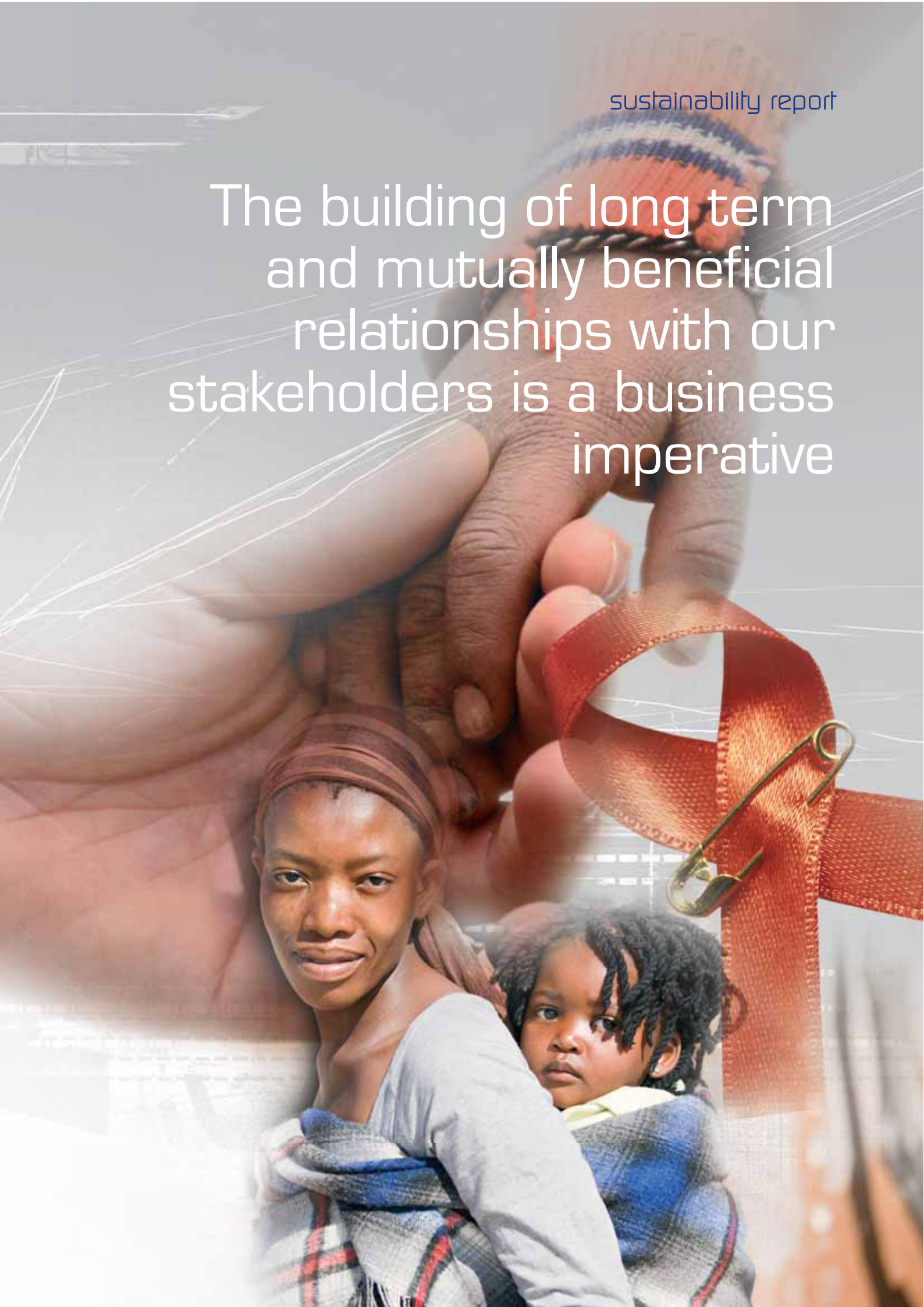


The building of long term
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sustainability report

The founders and management of Blue Label Telecoms have, since the business was established in 2001, been involved in sustainable development initiatives of various kinds, albeit in an informal and unstructured manner. With the listing of the company, the need to formalise and enhance these initiatives has been identified.

Blue Label Telecoms participated in the 2008 JSE Limited Socially Responsible Investment (SRI) Index. The criteria for the index identify issues that companies must address to show that they have integrated triple bottom-line practices across their activities. The final outcome of the SRI Index is expected in November 2008.

This report represents a balanced and reasonable presentation of the economic, environmental and social performance of the group.

Stakeholder relations

The building of long-term and mutually beneficial relationships with our stakeholders is a business imperative. In pursuit of this goal we will interact with our stakeholders in a manner that is beyond reproach.

The guidelines we follow in interacting with our stakeholders are summarised as follows:

Employees

- manage our employees in an equitable, trustworthy and transparent manner;
- value diversity and ensure that the profile of our workforce reflects the demographic composition of South Africa;
- actively care for the safety, health and welfare of all employees; and
- energise our employees to continuously deliver superior performances.

Investors

- adherence to the laws and regulations governing our business;
- benchmarking our operations and processes against international standards;
- provision of regular and comprehensive reports on our operations, financial results and governance processes; and
- share the benefits of our operations in an equitable manner.

Communities

- acceptance of our responsibility to participate in building capacity and alleviate poverty in the areas where we operate; and
- accepting that the sustainability of our host communities extends beyond the finite time frames associated with our operations.

Customers and business partners

- building mutually beneficial long-term relationships through the quality of our products, the reliability of our services and our business integrity; and
- recognising the need to add value throughout the supply and distribution channels.

Governmental bodies

- respect the laws and regulations governing our business in the areas where we operate; and
- support national aspirations and policies aimed at building democratic and prosperous societies.

Media

- acknowledge and respect the media as a primary channel of communication; and
- engage in open and honest dialogue and expect in return, fair, balanced and objective reporting.

Ethical practices

In pursuit of the company's vision to provide world-class prepaid product and service offerings to consumers within the middle and bottom levels of the world's economic pyramid, we are committed to behaving and interacting with all stakeholders in a professional and ethical manner. Our core principles that underpin our interaction with stakeholders include:

- Integrity
- Mutual respect
- Trust
- Honesty
- Accountability

The board is developing a formal code of ethics that demonstrates the company's commitment to organisational integrity and will underwrite the group's standards of ethical behaviour.

