



07

MATERIAL MATTERS

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See icon references on page 02.

Optimise assets through sharing

How this supports our purpose

To transform our business into a leading TechCo, we continue exploring ways to optimise our assets and create exceptional value for our stakeholders. As part of this, we look at sharing opportunities across our portfolio of assets to reduce the cost to communicate while also deepening our rural footprint.

Sharing opportunities

Capturing network sharing opportunities

☰ We continue to explore opportunities for sharing network infrastructure to maximise the Group’s existing capital and operational efficiencies while simultaneously creating opportunities for network expansion through partnerships and roaming.

Our infrastructure sharing principles

Infrastructure sharing	<ul style="list-style-type: none"> ● Sharing existing towers, sites and network platforms ● Enabling access to infrastructure and additional capacity ● Sharing infrastructure operating costs
Co-build or partnerships	<ul style="list-style-type: none"> ● Building new infrastructure via partnerships ● Reducing capital requirements to build new sites ● Enabling infrastructure expansion to underserved areas
Roaming	<ul style="list-style-type: none"> ● Facilitating rapid coverage expansion and capacity acquisition ● Avoiding costs associated with building new infrastructure ● Reducing costs during planning, optimisation and maintenance phases

☰ In South Africa, we are carving out our tower portfolio into a separate TowerCo business. We believe this step will create a strategic asset for the Group, providing opportunities for partnerships with other MNOs. We have over 9 500 owned sites in the country, including towers and rooftops. Once the process is completed, we will continue to capture opportunities to optimise operations, expand our network and strategically grow our business.

- ✓ We continue to explore opportunities to accelerate the deployment of fibre to create a market-leading portfolio. Through our proposed strategic holding in CIVH – whose material operating companies include South Africa’s largest open-access fibre players, DFA and Vumatel – we will take a significant step in diversifying our connectivity offering and optimising our assets. Our capital injection and strategic support will accelerate the growth trajectory of CIVH’s assets, while the contribution of our wholesale FTTH assets will add scale and enhance CIVH’s fibre footprint. Importantly, the conclusion of this deal ensures we continue playing a crucial role in expanding our fibre reach in South Africa and helps reduce the digital divide that continues to exist in our communities.
- ✓ In Mozambique, we are leveraging existing railway infrastructure to reduce the cost of fibre deployment. We have a roaming agreement in place in the DRC with Orange and, at year end, achieved technical readiness for roaming on 70 sites. In Tanzania, we are exploring sharing opportunities with Axian.

Capturing platform sharing opportunities

- ✓ We are rolling out shared IT capabilities across all markets to optimise cost, operational efficiency and speed to market, and increase revenue through standardised shared platforms, infrastructure, processes and people. In this way, we create value by providing access to core capabilities otherwise not available in a specific market. This aligns with our strategy to leverage the “build once, reuse many times” principle, while also offering a standardised customer experience across the markets.
- ✓ We successfully delivered shared services capabilities across seven markets – MyMuze, Mum & Baby, VLive and PlayInc – by leveraging existing lifestyle platforms offered in South Africa. Looking ahead, we will roll out additional lifestyle products and services by leveraging centralised skills and standardised platforms.
- ✓ The Ubuntu programme – a platform-driven approach based on a common digital experience layer data platform – manages user experience across all channels, devices and touchpoints throughout the customer journey across all markets. In line with this, we launched a “Lite” version of the My Vodacom App in four international markets.

✓ Value created ✗ Value eroded ☰ Value sustained



- ✓ We established the Group Big Data and Analytics Centre of Excellence to leverage analytics and ML cases, shared data lake and ocean operation, and monitoring and data engineering capabilities. Big Data is the engine that powers our digital ecosystem and underpins our CVM, loyalty and financial services capabilities.

➔ For more details, refer to "personalisation through CVM and Big Data" on page 54.

Building world-class services in Ethiopia with partners

We are part of a consortium led by Safaricom to support Ethiopia's digital transformation. The partnership also includes Vodafone, Sumitomo Corporation – one of the largest international trading and business investment companies – and CDC Group, the UK's development finance institution and impact investor. The consortium partners are leaders in delivering transformative technology services – particularly those that relate to health, education and agriculture – built on quality telecoms networks. Through this partnership, we will drive economic and social impact in Ethiopia by providing accessible, affordable and high-quality mobile and internet connectivity.

Leveraging global and local supply chain management capabilities

Supply chain management (SCM) is responsible for the Group's procurement and related governance. This governance framework is guided by our code of ethical purchasing, and executed through control structures aligned with our purpose. This alignment is enforced through the measurement of suppliers on a balanced scorecard approach. For additional details on the linkage between procurement and purpose, see our sustainability report.

- ✓ In addition to governance, our SCM function leverages global and local capabilities to drive procurement efficiencies. Global support is provided by the Vodafone Procurement Company (VPC), which also helps ongoing global challenges in the supply chain. Locally, SCM implemented an inventory management tool called NSS to improve sharing capabilities across our markets.

CASE STUDY

Leveraging global, digitalised technology to manage inventory

In March 2022, Vodacom's international markets successfully implemented the NSS, a Vodafone-adopted, cross-platform technology solution that drives best-in-class inventory management in warehouses across our markets. Previously, our international markets were using a legacy system that could no longer keep up with changes to inventory requirements. Now, by adopting the fully automated NSS, we can manage the stock kept in our warehouses from end to end – from the moment a purchase order is recorded to when payment is received. The system ensures constant visibility of stock, which can be accessed by a click of a button, and equips us to better plan for project deployment. This, in turn, ensured better decision-making across the business. The tool also eliminated the use of manual spreadsheets, overstocking and shortages of critical stock in the warehouses, enabling our employees are able to focus on strategic operations in the warehouses.



[Click here to view the video.](#)



Looking ahead

Priorities for FY2023

SHORT-TERM

- Finalise the TowerCo in South Africa, and prepare to roll this out to the rest of the Group.
- Obtain approvals for and integrate the CIVH deal and leverage the power of scale and shared costs to drive down the cost to communicate.
- Develop a group-wide data centre strategy.
- Explore further infrastructure partnership models with global technology companies and developmental finance institutions.

Vodacom Vision 2025

MEDIUM-TERM

- Establish an Africa FibreCo with strategic partners to accelerate fibre coverage across our international markets.
- Evolve our architecture towards TelCo as a service, with a digital cloud-based ecosystem of network and IT capabilities, managed centrally and deployed regionally.
- Build software factories across the Africa region, with standardised tooling to develop and deliver scalable products and services across all markets.