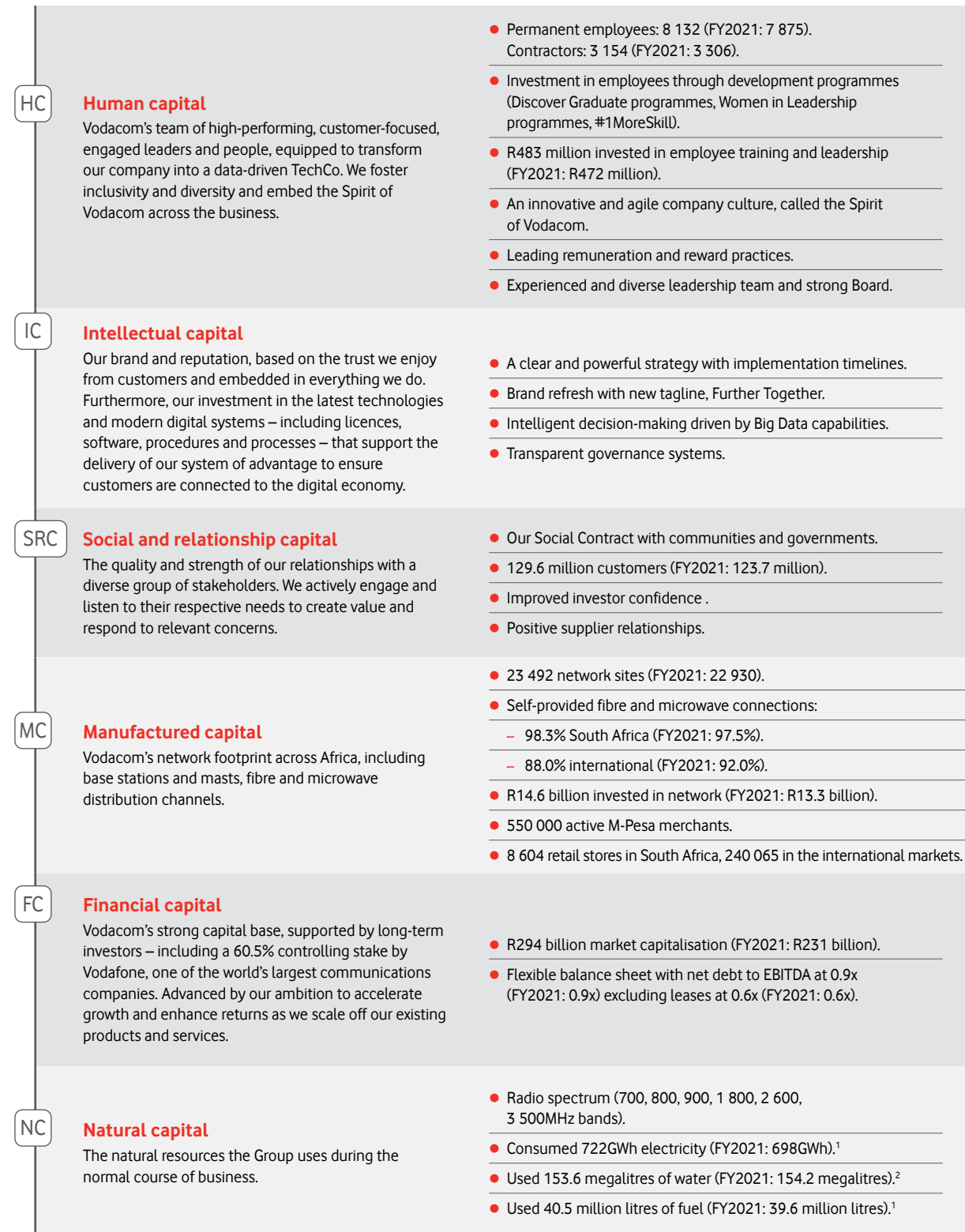


Our business model

Our business model is designed to deliver on our purpose – to connect for a better future. We aim to create sustainable value by delivering on our system of advantage. Accordingly, we need to ensure we effectively manage the resources and relationships available to our business – the six capitals, as referred to in the International <IR> Framework.

Our key inputs

The resources and relationships our business relies on

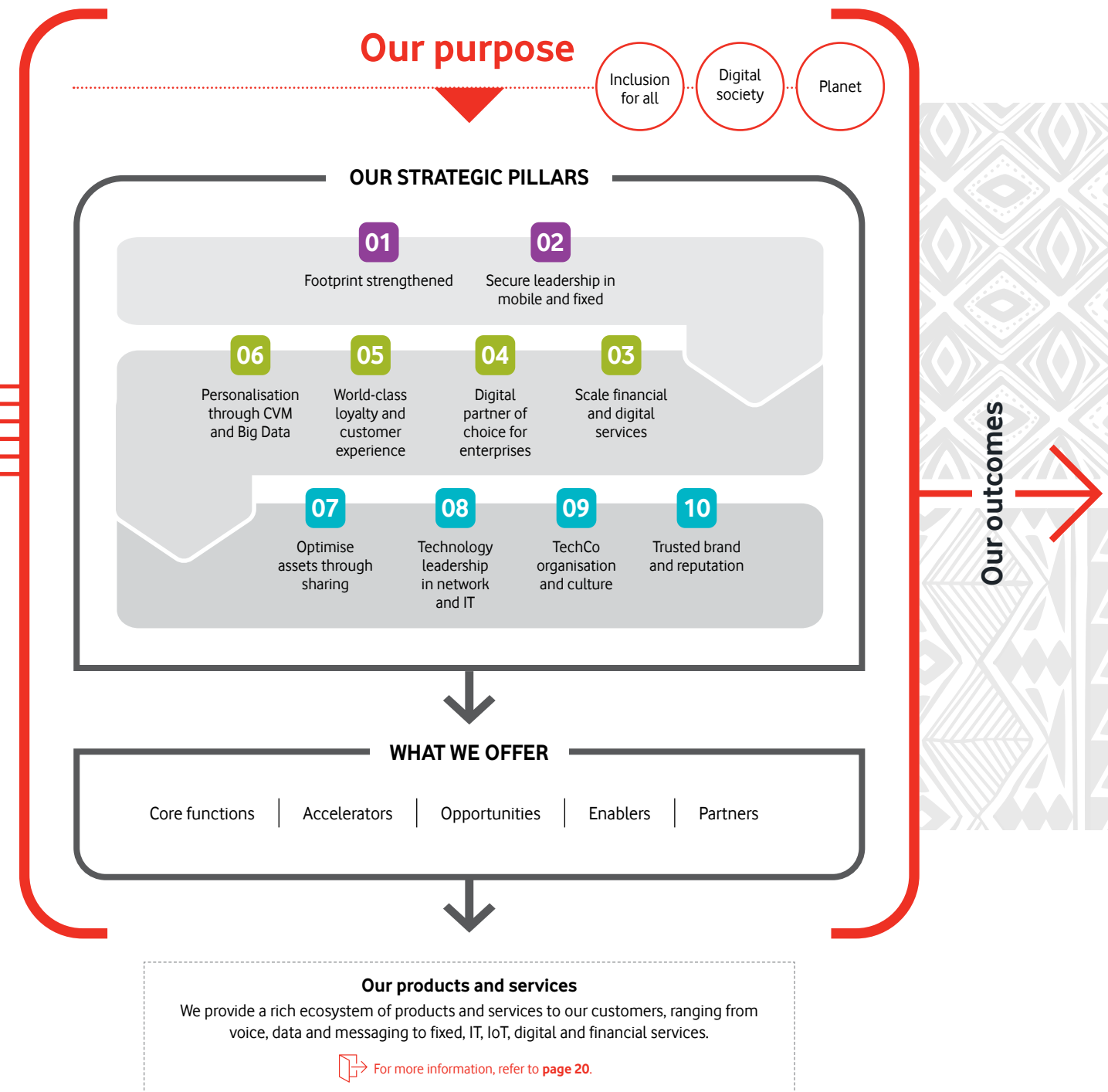


1. FY2021 restated to include energy for TowerCo and other reporting improvements.
2. FY2021 restated for information available after publication.

Our purpose-led model

We deliver on our purpose of connecting for a better future through our system of advantage – three ambitions and 10 pillars that ensure we grow, diversify and differentiate our business.

For more information on our strategic pillars, refer to page 36.




Our business model continued

Our outcomes

How we preserve or sustain value for stakeholders

Human capital	<ul style="list-style-type: none"> ▶ Remuneration and benefits paid <ul style="list-style-type: none"> – Permanent employees: R7.3 billion (FY2021: R7.0 billion and – Contractors: R499.5 million (FY2021: R522.7 million). ▶ 62% black and 37% female representation in senior management in South Africa (FY2021: 62.0% black and 34.3% female). ▶ Received a Gold Tier ranking in the South African Workplace Equality Index. ▶ Employed 257 additional staff. ▶ 6.8% voluntary staff turnover (FY2021: 4.9%). ▶ Recognised as the third top employer in Africa, having been certified in the DRC, Lesotho, Mozambique, Tanzania and South Africa. ▶ 515 616 online training programmes completed. ▶ R483 invested in staff training, development programmes and #1MoreSkill.
Intellectual capital	<ul style="list-style-type: none"> ▶ Invested R5.4 billion in acquiring 110MHz of HDS in South Africa. ▶ Accelerated investment in Big Data and Analytics to power our digital ecosystem, with >50% of bundles sold in South Africa personalised to the segment of one. ▶ Trusted brand and reputation. ▶ Maintained our lead in the IT for Customers (IT4C) independent benchmark exercise. ▶ Vodacom Business became an Amazon Web Services (AWS) Outpost partner.
Social and relationship capital	<ul style="list-style-type: none"> ▶ R87 million pledged to support vaccine rollout in the DRC, Lesotho, Mozambique, South Africa and Tanzania. ▶ Added 5.6 million customers to serve a total of 129.6 million customers across Africa. ▶ 60.6 million financial services customers (FY2021: 57.7 million). ▶ 2.2 million downloads and 1.6 million registered VodaPay users in South Africa. ▶ Processed US\$324.6 billion M-Pesa transactions, including Safaricom, up 29.2% (FY2021: US\$251.1 billion). ▶ Implemented government levies on M-Pesa withdrawals and P2P payments, negatively impacting financial inclusion. ▶ >R400 million in disbursements paid to SMEs. ▶ >22 million ConnectU (zero-rated access) platform unique users. ▶ 1 494 girls trained in #CodeLikeaGirl programme in South Africa, Tanzania, Mozambique and Lesotho ▶ 142 996 small-scale farmers use our Connected Farmer platform in Tanzania. ▶ >1.3 million registered e-School users in South Africa, with 185 446 Instant School users in Tanzania and 146 704 in the DRC. ▶ R22.1 billion contributed to public finances (FY2021: R21.6 billion).
Manufactured capital	<ul style="list-style-type: none"> ▶ Leading in network NPS in South Africa, Tanzania and the DRC. ▶ Our markets cover a population of over 300 million people (including Safaricom at 100%) (FY2021: 296 million people), representing an 1.4% increase in coverage. ▶ 22.8% traffic growth in the year (FY2021: 54.4%). ▶ 1 410 new 4G sites added across the Group (FY2021: 1 883). ▶ 434 new 5G sites launched in South Africa (FY2021: 190). ▶ Rural sites connected increased by 357, with 95 deep rural sites and 61 rural communities previously without any coverage. ▶ 155 903 fibre end points passed (FY2021: 146 401). ▶ R14.3 million in new revenue streams (fixed, IoT and cloud), up 7.6% from prior year.
Financial capital	<ul style="list-style-type: none"> ▶ Revenue up 4.5% to R102.7 billion (FY2021: R98.3 billion). ▶ EBITDA up 1.5% to R39.9 billion (FY2021: R39.3 billion). ▶ Cash generated from operations totalled R41.2 billion (FY2021: R41.1 billion). ▶ R4.2 billion paid to debt funders in interest (FY2021: R4.2 billion). ▶ Dividend per share declared of 850 cents (FY2021: 825 cents). ▶ HEPS of 1 013 cents (FY2021: 980 cents). ▶ ROCE of 23.4% (FY2021: 22.0%).
Natural capital	<ul style="list-style-type: none"> ▶ Ranked first telecommunications company (out of 221 companies) globally in the Sustainalytics ESG Risk Ranking and maintained our MSCI AAA ESG rating. ▶ 14.8% reduction in GHG emissions per terabyte of data (FY2021: 0.75 mtCO₂e) ▶ 715 million tonnes GHG emissions (FY2021: 684 mtCO₂e). ▶ 1 088 solar-powered sites across our markets. ▶ 70 715 consumer devices reused or recycled (FY2021: 63 434). ▶ 96% of network waste reused or recycled (FY2021: 99%). ▶ Reduced water consumption in South Africa by 76% against a 2017 baseline.

<ul style="list-style-type: none"> ● Established a skills transformation team at Group level to accelerate employee development. ● Supported employees financially impacted by COVID-19. ● Hosted two Spirit of Vodacom days, where employees could focus on personal growth and development, well-being and connection, and launched the Spirited Leader Series as the vehicle for future-ready Vodacom. ● Hosted pop-up vaccination sites and held dedicated vaccination drives across the Group. ● Focused on creating an agile, future-focused organisation and accelerating digital skills through a targeted programme called #1MoreSkill. ● Introduced a digital employee experience. ● Enhanced the driver behaviour in all OpCos to reduce work-related fatalities. ● Continued to drive an inclusive employee culture that fosters tolerance and embraces diversity. ● Introduced a gender-neutral parental leave policy in South Africa.
<ul style="list-style-type: none"> ● Showcased our digital platform strategy at an investor briefing in February 2022, which included our advancements in Big Data and AI. ● Engaged with customers through TOBi, which uses the latest AI technology. ● Continued to invest in technology across customer touchpoints. ● Raised the Group benchmark on NPS scoring. ● Implemented the technology resilience programme. ● Implemented the SMART IT programme, focusing on automation and radical simplification.
<ul style="list-style-type: none"> ● Continued to support economic recovery with phase 2 of our COVID-19 six-point action plan. ● Accelerated support to governments with our mVacciNation platform. ● Partnered with the UN Children's Fund (UNICEF) and Africa Centres for Disease Control and Prevention to manage cold-chain technology for vaccine distribution. ● Enabled financial inclusion by launching VodaPay in South Africa. ● Supported digital inclusion with our ConnectU platform in South Africa, and a clear roadmap for acceleration across International markets into FY2023. ● Introduced the V-Hub platform to empower SMEs. ● Enhanced our customer experience model and continued to drive personalisation. ● Ensured regulatory compliance and strengthened cyber security capabilities. ● Launched Easy2Own to enhance smartphone penetration. ● In partnership with Safaricom, built out world-class services in Ethiopia to transform lives.
<ul style="list-style-type: none"> ● Announced a transformational deal with CIVH to help bridge the digital divide in South Africa by investing in fibre. ● Expanded our 3G and 4G population coverage across our footprint. ● Extended 5G presence to all nine provinces in South Africa. ● Recalibrated our NPS scoring to set a meaningfully higher bar for Vodacom. ● Optimised our investments through infrastructure sharing and co-builds. ● Trialled alternative network technologies, including OpenRAN.
<ul style="list-style-type: none"> ● Retained a disciplined capital structure to complement our two transformational M&A deals, including Vodafone Egypt and fibre in South Africa. ● Maintained our market-leading position in the countries where we operate. ● Accelerated revenue contribution from new services. ● Optimised our assets through commercial sharing for better return and value. ● Leveraged Big Data and analytics insights to drive data-led decision-making.
<ul style="list-style-type: none"> ● Concluded a renewable energy agreement to power our head office in Midrand. ● Pursued opportunities for infrastructure efficiencies and sharing with third parties. ● Invested in smart IoT solutions that span across agriculture, medicine and buildings to improve efficiency. ● Materially enhanced the addressable market of IoT.nxt's Raptor solution by its inclusion into Vodafone's Centre of Excellence product suite.

 For more information, refer to our sustainability report.