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

• Permanent employees: 8 132 (FY2021: 7 875). Contractors: 3 154 (FY2021: 3 306). • Investment in employees through development programmes **Human capital** (Discover Graduate programmes, Women in Leadership HC programmes, #1MoreSkill). Vodacom's team of high-performing, customer-focused, engaged leaders and people, equipped to transform • R483 million invested in employee training and leadership our company into a data-driven TechCo. We foster (FY2021: R472 million). inclusivity and diversity and embed the Spirit of • An innovative and agile company culture, called the Spirit Vodacom across the business. of Vodacom. • Leading remuneration and reward practices. • Experienced and diverse leadership team and strong Board. IC Intellectual capital Our brand and reputation, based on the trust we enjoy • A clear and powerful strategy with implementation timelines. from customers and embedded in everything we do. • Brand refresh with new tagline, Further Together. Furthermore, our investment in the latest technologies and modern digital systems – including licences, • Intelligent decision-making driven by Big Data capabilities. software, procedures and processes – that support the • Transparent governance systems. delivery of our system of advantage to ensure customers are connected to the digital economy. Social and relationship capital • Our Social Contract with communities and governments. The quality and strength of our relationships with a • 129.6 million customers (FY2021: 123.7 million). diverse group of stakeholders. We actively engage and • Improved investor confidence. listen to their respective needs to create value and Positive supplier relationships. respond to relevant concerns. • 23 492 network sites (FY2021: 22 930). • Self-provided fibre and microwave connections: MC Manufactured capital - 98.3% South Africa (FY2021: 97.5%). Vodacom's network footprint across Africa, including 88.0% international (FY2021: 92.0%). base stations and masts, fibre and microwave • R14.6 billion invested in network (FY2021: R13.3 billion). distribution channels. • 550 000 active M-Pesa merchants. • 8 604 retail stores in South Africa. 240 065 in the international markets. FC Financial capital Vodacom's strong capital base, supported by long-term • R294 billion market capitalisation (FY2021: R231 billion). investors – including a 60.5% controlling stake by Vodafone, one of the world's largest communications • Flexible balance sheet with net debt to EBITDA at 0.9x companies. Advanced by our ambition to accelerate (FY2021: 0.9x) excluding leases at 0.6x (FY2021: 0.6x). growth and enhance returns as we scale off our existing products and services. • Radio spectrum (700, 800, 900, 1 800, 2 600, 3 500MHz bands). NC Natural capital Consumed 722GWh electricity (FY2021: 698GWh).¹ The natural resources the Group uses during the

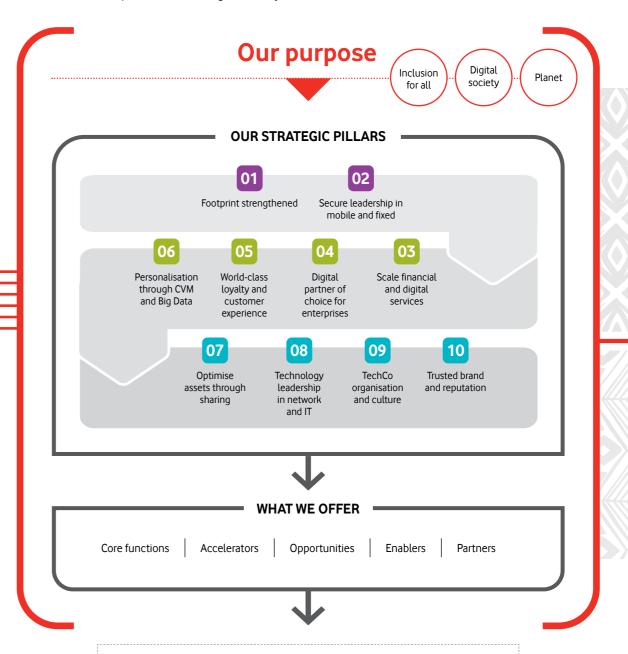
Used 153.6 megalitres of water (FY2021: 154.2 megalitres).²
Used 40.5 million litres of fuel (FY2021: 39.6 million litres).¹

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.

outcomes



Our products and services

We provide a rich ecosystem of products and services to our customers, ranging from voice, data and messaging to fixed, IT, IoT, digital and financial services.

For more information, refer to **page 20**.

 $1. \ \ FY 2021\ restated\ to\ include\ energy\ for\ Tower Co\ and\ other\ reporting\ improvements.$

2. FY2021 restated for information available after publication.

normal course of business.

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Our business model continued

How we preserve or sustain value for stakeholders Our outcomes ► Remuneration and benefits paid ► Employed 257 additional staff. • Supported employees financially impacted by COVID-19. Permanent employees: R7.3 billion ► 6.8% voluntary staff turnover (FY2021: 4.9%). (FY2021: R7.0 billion and ► Recognised as the third top employer in Africa, having - Contractors: R499.5 million (FY2021: R522.7 million). been certified in the DRC, Lesotho, Mozambique, ► 62% black and 37% female representation in senior Tanzania and South Africa. management in South Africa ► 515 616 online training programmes completed. called #1MoreSkill (FY2021: 62.0% black and 34.3% female). ► R483 invested in staff training, development Introduced a digital employee experience. ► Received a Gold Tier ranking in the South African programmes and #1MoreSkill. Workplace Equality Index. • Introduced a gender-neutral parental leave policy in South Africa. ▶ Invested R5.4 billion in acquiring 110MHz of ► Trusted brand and reputation. Big Data and Al. HDS in South Africa. ► Maintained our lead in the IT for Customers (IT4C) • Engaged with customers through TOBi, which uses the latest AI technology. ► Accelerated investment in Big Data and Analytics to independent benchmark exercise • Continued to invest in technology across customer touchpoints. power our digital ecosystem, with >50% of bundles sold ► Vodacom Business became an Amazon Web Services • Raised the Group benchmark on NPS scoring. in South Africa personalised to the segment of one. (AWS) Outpost partner. • Implemented the technology resilience programme. ► R87 million pledged to support vaccine rollout ▶ >R400 million in disbursements paid to SMEs. in the DRC, Lesotho, Mozambique, South Africa >22 million ConnectU (zero-rated access) platform and Tanzania. unique users. • Accelerated support to governments with our mVacciNation platform. ► Added 5.6 million customers to serve a total ▶ 1 494 girls trained in #CodeLikeaGirl programme of 129.6 million customers across Africa. in South Africa, Tanzania, Mozambique and Lesotho cold-chain technology for vaccine distribution. ► 60.6 million financial services customers ▶ 142 996 small-scale farmers use our Connected • Enabled financial inclusion by launching VodaPay in South Africa. (FY2021: 57.7 million). Farmer platform in Tanzania. ▶ 2.2 million downloads and 1.6 million registered > 1.3 million registered e-School users in South Africa, International markets into FY2023. VodaPay users in South Africa. with 185 446 Instant School users in Tanzania and Introduced the V-Hub platform to empower SMEs. ► Processed US\$324.6 billion M-Pesa transactions, 146 704 in the DRC. including Safaricom, up 29.2% (FY2021: US\$251.1 billion). ► R22.1 billion contributed to public finances ► Implemented government levies on M-Pesa (FY2021: R21.6 billion). Launched Easy20wn to enhance smartphone penetration. withdrawals and P2P payments, negatively impacting financial inclusion. ► 434 new 5G sites launched in South Africa ► Leading in network NPS in South Africa, Tanzania and the DRC. (FY2021: 190). ► Our markets cover a population of over 300 million ► Rural sites connected increased by 357, with people (including Safaricom at 100%) 95 deep rural sites and 61 rural communities • Extended 5G presence to all nine provinces in South Africa. (FY2021: 296 million people), representing an 1.4% previously without any coverage. ► 155 903 fibre end points passed (FY2021: 146 401). ► 22.8% traffic growth in the year (FY2021: 54.4%). ► R14.3 million in new revenue streams (fixed, IoT ▶ 1 410 new 4G sites added across the Group and cloud), up 7.6% from prior year. (FY2021: 1 883). ► Revenue up 4.5% to R102.7 billion ► R4.2 billion paid to debt funders in interest (FY2021: R98.3 billion). (FY2021: R4.2 billion). and fibre in South Africa ► EBITDA up 1.5% to R39.9 billion ▶ Dividend per share declared of 850 cents (FY2021: R39.3 billion). (FY2021: 825 cents). Accelerated revenue contribution from new services. ► Cash generated from operations totalled ► HEPS of 1 013 cents (FY2021: 980 cents). • Optimised our assets through commercial sharing for better return and value. ► ROCE of 23.4% (FY2021: 22.0%). R41.2 billion (FY2021: R41.1 billion). ► Ranked first telecommunications company (out of 221 ► 1 088 solar-powered sites across our markets. companies) globally in the Sustainalytics ESG Risk ► 70 715 consumer devices reused or recycled Ranking and maintained our MSCI AAA ESG rating. (FY2021: 63 434). • Pursued opportunities for infrastructure efficiencies and sharing with third parties. ▶ 14.8% reduction in GHG emissions per terabyte ▶ 96% of network waste reused or recycled of data (FY2021: 0.75 mtCO₂e) (FY2021: 99%). ▶ 715 million tonnes GHG emissions ► Reduced water consumption in South Africa by 76% of Excellence product suite. (FY2021: 684 mtCO₂e). against a 2017 baseline.

- Established a skills transformation team at Group level to accelerate employee development.
- 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
- 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.
- Showcased our digital platform strategy at an investor briefing in February 2022, which included our advancements in

- Implemented the SMART IT programme, focusing on automation and radical simplification.
- Continued to support economic recovery with phase 2 of our COVID-19 six-point action plan.
- Partnered with the UN Children's Fund (UNICEF) and Africa Centres for Disease Control and Prevention to manage
- Supported digital inclusion with our ConnectU platform in South Africa, and a clear roadmap for acceleration across
- Enhanced our customer experience model and continued to drive personalisation.
- Ensured regulatory compliance and strengthened cyber security capabilities.
- In partnership with Safaricom, built out world-class services in Ethiopia to transform lives.
- 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.
- 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.
- Retained a disciplined capital structure to complement our two transformational M&A deals, including Vodafone Egypt
- Maintained our market-leading position in the countries where we operate.
- Leveraged Big Data and analytics insights to drive data-led decision-making.
- Concluded a renewable energy agreement to power our head office in Midrand.
- 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

For more information, refer to our sustainability report.

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