The Board’s support of value creation

To our investors, shareholders and other interested stakeholders

This report is our primary communication with our stakeholders, and we are pleased to present it as a reflection of our performance during the financial year ended 31 March 2022 (FY2022). We also discuss what the future could hold for the Group, and provide context on why we believe Vodacom is a sound long-term investment.

Our integrated report demonstrates how we deliver on our purpose – to connect for a better future – and provides the supporting qualitative and quantitative information to confirm our position for success across our markets in an evolving digital and connected landscape.

Over the years, we have built a reputable business across our countries of operation, and our market share provides us with the platform to accelerate our multi-product strategy – called the system of advantage – by launching new initiatives and partnering with leading businesses to transform our customers’ lives. We are in an exciting period of Vodacom's history, one where we achieved several major strategic milestones – including obtaining a mobile licence in Ethiopia, Africa’s second-most populous country, two transformational merger and acquisitions (M&A) deals and the launch of our VodaPay and M-Pesa super-apps. Our goal now is to deepen, diversify and differentiate our offering across our existing digital ecosystem.

In FY2022, we focused on securing our market leadership based on both mobile and fixed networks. In South Africa, we have been able to secure market share growth by providing our customers with the tools and services that are essential to the digital landscape.

This integrated report was prepared under the supervision of senior and executive management, and subject to a robust internal and external review process. However, as the Board, we acknowledge that it is our responsibility to ensure the integrity of this report and, accordingly, interrogated the content thereof to ensure it materially complies with the International Integrated Reporting Council’s (IIRC’s) International <IR> Framework. We believe this report addresses all material matters and presents a balanced and fair account of the Group’s performance in FY2022. It also includes material events between year end and the date on which this report was approved, being 01 June 2022. We confirm it is an accurate reflection of Vodacom’s strategic commitments for the short (less than one year), medium (one to three years) and long-term (beyond three years). We applied our judgment regarding the disclosure of the Group’s strategic plans and ensured these disclosures do not place Vodacom at a competitive disadvantage.

Guided by the Audit, Risk and Compliance Committee (ARCC), the Board approved the FY2022 integrated report and consolidated AFS on 01 June 2022.

This report reflects the Board’s support of value creation through our purpose-led business model.
Introduction

Value eroded

Value sustained

Sustainability report

(FY2021: 73.2% (FY2021: 72.7%) of service revenue and 78.9%

OpCos. Where only data for Vodacom South Africa is available – which

consolidate both the financial and non-financial data of our

succinct overview of our operational performance (page 80) and

our external environment (page 70), material matters (page 04) and

communication about how Vodacom's strategy (from page 36) and

Through our FY2022 integrated report, we aim to provide concise

about our report

31 March 2022 compared with 31 March 2021, unless stated otherwise.

currency basis where applicable, to show a like-for-like comparison of results.

We use * to indicate normalised growth, which represents performance on a

amortisation (EBITDA) – we indicate this with #.

integrated thinking

Our commitment to our purpose is fundamental to how we

manage our business, develop and deliver on our strategy – the

system of advantage – and create sustainable value

for our stakeholders. With this in mind, and by embracing

integrated thinking as a central tenet of our strategy and

purpose-led business model, we can manage the effects of our

business activities on the six capitals (as referred to in the

International <IR> Framework) and deliver on our three

purpose pillars.

The information included in this report relates to our activities at a Group

level, but also includes disclosure relating to our operating companies
(OpCos). We consolidate both the financial and non-financial data of our

OpCos. Where only data for Vodacom South Africa is available – which

represents 73.3% (FY2021: 72.7%) of service revenue and 78.9% (FY2021: 78.2%) of earnings before interest, tax, depreciation and

amortisation (EBITDA) – we indicate this with *.

We use * to indicate normalised growth, which represents performance on a

comparable basis. This adjusts for trading foreign exchange and foreign

currency fluctuation on a constant currency basis (using the current year as a

base), and excludes the impact of M&A and disposal activities, at a constant

currency basis where applicable, to show a like-for-like comparison of results.

All growth rates quoted are year on year and refer to the year ended

31 March 2022 compared with 31 March 2021, unless stated otherwise.

Navigate our report

Throughout the report, we use the following icons to indicate the elements of our business model in terms of the International <IR> Framework:

1. Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.
## Our material matters

Vodacom conducts an annual review of the material matters that could potentially affect the value we create over time and our ability to deliver on our purpose to connect for a better future. In FY2022, we enhanced our process by adopting a double materiality approach to identify and prioritise matters based on their impact on Vodacom’s ability to create value (inward-focused), as well as their impact on society, communities and the environment (outward-focused).

The outcome of this process guided the content of both our integrated and sustainability reports. Below, we provide an overview of the detailed assessment we conducted in FY2022 to identify our material matters.

### Our materiality determination process

1. **Step 1**
   - **Identifying and assessing trends impacting our business context and external environment**
2. **Step 2**
   - **Analysing principal risks and associated opportunities**
3. **Step 3**
   - **Reviewing stakeholder engagement reports**
4. **Step 4**
   - **Interviewing our senior leadership team (SLT)**
5. **Step 5**
   - **Compiling a list of material matters with the potential to impact our ability to create sustainable value for stakeholders**
6. **Step 6**
   - **Discussing and deliberating on potential material matters at executive management level**
7. **Step 7**
   - **Receiving feedback from internal and external stakeholders through an online survey to evaluate the importance of each potential material matter**
8. **Step 8**
   - **Validating material matters, which is done by the ARCC**

Following the above-mentioned process, we identified and ranked the following material matters from highest to lowest based on their impact on Vodacom:

<table>
<thead>
<tr>
<th>Step</th>
<th>Process</th>
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<tbody>
<tr>
<td>1</td>
<td>Identifying and assessing trends impacting our business context and external environment</td>
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<td>Validating material matters, which is done by the ARCC</td>
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</tbody>
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### Material Matters

1. **Accelerating growth while enhancing returns**
   - **Why this is important:** As Vodacom transitions from a traditional telecommunications company (TelCo) to a fully fledged digital TelCo, we must deliver on our multiproduct strategy – what we call the system of advantage – to provide differentiated offerings to customers. As we combine our geographic expansion and product diversification with Big Data analytics, machine learning (ML) and world-class technology, we can distinguish ourselves from competitors and provide superior growth and returns to shareholders.

2. **Complex regulatory environment**
   - **Why this is important:** We operate in an environment characterised by stringent regulatory and compliance requirements. These risks are driven by specific challenges in each market but could impact the Group’s ability to generate profit and grow, scale and deliver quality services.

3. **Competitive environment**
   - **Why this is important:** As we grow our business, our competitive landscape follows suit. We face competition from new entrants and competitors as we enter new markets or industries, all competing for market share amid reductions in disposable income and growth of over-the-top (OTT) and other non-traditional players.

4. **Financial and digital inclusion**
   - **Why this is important:** Driven by technology and connectivity, financial and digital inclusion can create a more equitable society. We recognise that reducing the cost of information and communication technology (ICT) services and providing affordable and accessible data is critical to addressing societal challenges in the countries we operate in. Through our commitment to our purpose and our Social Contract with stakeholders, we can connect people and things to the internet and facilitate a digital future that is accessible to everyone.

5. **Network resilience and climate impact**
   - **Why this is important:** Vodacom’s ability to maintain quality of service, increase the capacity of networks and reduce network disruptions plays a critical role in our growth strategy. We must also consider the impacts of the increasing occurrence of extreme weather events, such as heavy rains and flooding, on the continuity of our services. Accordingly, we focus on preserving our natural resource base, investing in climate-smart, energy-efficient networks and solutions, developing water-wise practices and minimising waste across the value chain. In addition, given the nature of our industry, we face increased cyber security threats, and cyber-resilience is essential to prevent interruption to our service or the breach of confidential customer data. We also need to manage ongoing global supply chain disruptions, while also ensuring we invest responsibly.

6. **Our people**
   - **Why this is important:** To build an organisation of the future, we need appropriately skilled and capable leaders and employees who embrace the Spirit of Vodacom. We focus on fostering a digitally agile, diverse and inclusive working environment to facilitate innovation and enable a digitally connected society.

7. **Economic and political landscape**
   - **Why this is important:** While gross domestic product (GDP) growth rebounded across markets, the impact of the pandemic will persist longer in Africa. Recovery is likely to be slow, with fluctuating foreign exchange and inflation rates, high unemployment rates and reduced consumer spend all contributing to unstable economic and market conditions. The Ukraine-Russia war presents incremental macroeconomic uncertainty, and places pressure on governments, which is likely to result in higher taxation. The changing political landscape also impacts Vodacom’s ability to generate revenue and contain operating costs and capital expenditure (CAPEX).

### Why this is important:

- **Accurating growth while enhancing returns**
- **Complex regulatory environment**
- **Competitive environment**
- **Financial and digital inclusion**
- **Network resilience and climate impact**
- **Our people**
- **Economic and political landscape**
Our value creation in practice

Our commitment to being a purpose-led organisation continues to drive our performance. The past year is best described as a watershed year for Vodacom, and we made significant strides in our transition to a pan-African TechCo.

**Financial capital**

- **Revenue**:
  - Group revenue: R102.7 billion (FY2021: R98.3 billion)
  - Service revenue: R79.9 billion (FY2021: R77.6 billion)

- **Capex**:
  - R14.6 billion (FY2021: R13.5 billion)

- **Operating profit**:
  - R28.2 billion (FY2021: R27.7 billion)

- **Distributed**
  - R15.2 billion (in dividends to equity shareholders, FY2021: R15.1 billion)

- **Debt service**
  - R4.2 billion (paid in interest to debt funders, FY2021: R4.2 billion)

- **Total shareholder return (TSR)**
  - 35.8% (FY2021: 35.2%)

- **Headline earnings per share (HEPS)**
  - 1,013cps (FY2021: 980cps)

- **Ordinary dividend per share**
  - 850cps (FY2021: 825cps)

**Manufactured capital**

- **Vodacom Group sites added**
  - 434 (5G sites added in South Africa, FY2021: 190)
  - 4G sites: 1,410 (FY2021: 1,883)
  - 3G sites: 519 (FY2021: 885)
  - 2G sites: 441 (FY2021: 787)

- **Number of rural network sites increased to 9,637 (FY2021: 9,280)**

- **M-Pesa transactions were processed in the year, including Safaricom**: US$324.6 billion (FY2021: US$251.1 billion)

**Natural capital**

- **Vodacom ranked the first telecommunications company (out of 221 companies) globally in the Sustainalytics ESG Risk Ranking, and maintained a MSCI AAA ESG rating**

- **14.8% reduction in GHG emissions per terabyte of data**

- **96% of network waste reused or recycled**

- **76% reduction in water consumption in South Africa since 2017**

**Human capital**

- **Paid**
  - R7.3 billion (FY2021: R7.0 billion to 7,875 employees)

- **Invested**
  - R483 million (in employee skills development across all our markets, FY2021: R473 million)

- **Encouraging diversity in South Africa**
  - 78% of our employees are black (FY2021: 77%)
  - 62% of our senior managers are black (FY2021: 62%)
  - 56% of our ExCo members are black (FY2021: 67%)
  - 37% female representation in senior management (FY2021: 33%)
  - 44% of our employees are women (FY2021: 44%)

- **3.8% increase in our black workforce**

**Social and relationship capital**

- **Customers**
  - 129.6 million (up 5.9%, including Safaricom)

- **Enhanced public finances**
  - R22.1 billion (tax paid as our total economic contribution to public finance, FY2021: R21.6 billion)

- **Contributed to vaccination rollout across Africa**
  - R87 million pledged with Vodafone to provide logistics support and cold-chain technology to deliver COVID-19 vaccines to underprivileged and rural communities

- **Promoted digital inclusion**
  - Over 22 million users accessing our zero-rated ConnectIt platform, FY2021: 15.5 million

- **Contributed to transformation in South Africa**
  - Broad-Based Black Economic Empowerment (BBBEE) contributor status, FY2021: Level 1

- **R41 billion weighted spend on BBBEE status suppliers**, FY2021: R38 billion
Our approach to ESG

Vodacom’s purpose to connect for a better future means using our range of services – including mobile and fixed connectivity, cloud and hosting, data security and IoT services, and digital and financial services – to enable consumers and businesses to thrive. Our approach to ESG is an integral part of our purpose and strategy to be the leading connectivity and financial services company in Africa, enabling an inclusive and sustainable digital society.

Our ESG framework
Alongside, we set out the main elements supporting the delivery of our ESG approach. Executing our strategy enables us to deliver our targets across three purpose pillars: digital society, inclusion for all, and planet, and ensures we act responsibly and ethically wherever we operate.

We are committed to supporting the delivery of the UN SDGs and, by delivering against our purpose, we aim to produce profitable solutions to challenges faced by society and the planet while not profiting from products and services that have negative impacts. We strive to minimise the negative environmental impacts arising from our operations.

We are mindful that pursuing sustainable development activities without consideration of profitability can detract from our purpose. Our Social Contract is a pact to help strengthen trust across all stakeholder groups as we meet their expectations while maintaining positive relationships.

Our Social Contract guides our journey as a purpose-led company, and it is built on three core principles.

- Trust
  Building trust with our customers through simplified and transparent pricing, customer-oriented solutions and reducing our planetary impact.

- Fairness
  To ensure fairness and promote digital inclusivity through innovation in IoT and mobile financial services, leadership in convergence and solutions that benefit society.

- Protecting data
  Customers trust us with their data. Maintaining this trust is critical.

Data privacy
We want to respect the privacy preferences of our customers and help improve society by using data responsibly.

Cyber security
As a provider of critical national infrastructure and connectivity that is relied upon by millions of customers, we prioritise cyber and information security across everything that we do.

Our purpose pillars

**Digital society**
Connecting people and things and digitalising critical sectors.

**Digitalising business**
Providing products and services to support businesses, particularly small and medium-sized enterprises (SMEs).

**Digitalising critical sectors**
Supporting the digitalisation of education, healthcare and agriculture through specific products and services.

**Digitalising government**
Using our IoT platforms and technology to amplify productivity and efficiencies and enable better connectivity with citizens.

**Inclusion for all**
Ensuring everyone has access to the benefits of a digital society.

**Access for all**
Finding new ways to extend our network and make connectivity more accessible to all.

**Propositions for equality**
Providing relevant products and services to address societal challenges, such as gender equality and financial inclusion.

**Workplace equality**
Developing a diverse and inclusive workforce that reflects the customers and societies we serve.

**Planet**
Reducing our environmental impact and helping society decarbonise.

**Climate change**
Working to reduce our environmental impact.

**Carbon enablement**
Helping our customers reduce their carbon emissions.

**E-waste**
Driving action to reduce device waste and progressing against our target to re-use, re-sell or recycle 100% of our network waste.

**Our social contract**
To achieve our purpose, we aim to strengthen our reputation by safeguarding the trust of our stakeholders and ensuring that digital connectivity delivers on its full potential for responsible leadership and innovation.

Our Social Contract is a pact to help strengthen trust across all stakeholder groups as we meet their expectations while maintaining positive relationships.

**Transparency and measurement**
Transparency is essential to our ESG approach – which we achieve through our comprehensive disclosures – along with measuring our progress, which we do using multiple mechanisms such as ESG ratings, reputation tracking and feedback from stakeholders.

For more information, refer to our sustainability report.

RESPONSIBLE BUSINESS PRACTICES

**Protecting people**

**Health and safety**
Creating a safe working environment for everyone working for and on behalf of Vodacom and the communities in which we operate.

**Mobility, masts and health**
Operating our networks strictly within national regulations.

**Human rights**
Contributing to protecting and promoting human rights and freedoms and supporting socioeconomic development.

**Responsible supply chain**
Managing relationships with our direct suppliers and evaluating their commitments to diversity, inclusion and the environment.

**Business integrity**

**We are committed to ensuring we do business ethically, lawfully and with integrity wherever we operate.**

**Tax and economic contribution**
As a major investor, taxpayer and employer, we make a significant contribution to the economies of the countries in which we operate.

**Anti-bribery and corruption**
We have a zero-tolerance policy toward bribery or corruption. Our policy provides guidance on what constitutes a bribe and prohibits giving or receiving any excessive or improper gifts or hospitality.
Navigating a difficult regulatory and political landscape

Our regulatory environment continues to be challenging, driven by sometimes unpredictable changes and complex requirements that vary across the countries where we operate. In Tanzania, for example, the government introduced new levies relating to mobile money transfers and airline transactions. The introduction of these levies presents a material barrier to financial inclusion, and we continue to engage with the relevant authorities to assess the impact of these levies on the industry and wider economy. In the DRC, a prime ministerial decree is being drafted to impose new fees relating to quality of service, data protection, traffic monitoring and equipment control. We continue to examine this landscape to ensure the Group remains compliant and positioned for success.

In the conflict in Ethiopia, our impacts planned for operational readiness, but we are encouraged by the governments recent efforts to foster a truce with the northern region. We anticipate launching commercial services in FY2023 and look forward to building a world-class network in Ethiopia that will unlock its economic potential and build a positive future for people across the country.

Sustainable value creation supported by good governance

In our transition from a traditional TelCo to a fully fledged TechCo, the Board remains committed to ensuring a culture of ethics and good governance extended across our organization. I truly believe Vodacom's Board and management teams, along with the leadership of our OpCos and subsidiaries – have the necessary skills and experience to drive the Group's transition into a market leader in technology and communication. We also conducted a Board evaluation this year, which found that the Board continues to function effectively. More details of this evaluation can be found in the Nomination Committee (NomCo) report, included in our governance report.

Vodacom has a self-imposed 10-year tenure for independent board members. Accordingly, having served on the Board since 2012, David Brown will retire as lead independent director of the Board, chairman of ARCC and member of the Remuneration Committee (RemCo) at the Group’s AGM in July 2022. On behalf of the Board, I extend my appreciation to David for his leadership and contribution to Vodacom and wish him much success in his future endeavours.

Looking ahead, the proposed M&A deals create a compelling opportunity to accelerate our system of advantage and the Group’s growth profile. Mindful that these deals will utilise debt capacity and while also wanting to retain headroom to invest in growth areas, the Board considered it appropriate to review the current dividend policy. Accordingly, on completion of the Vodafone Egypt acquisition, the Group intends to amend and simplify its dividend policy and institutes a policy of paying dividends of at least 75% of Group headline earnings. The simplified policy and proposed acquisitions combine to provide a high pay-out and enhanced growth prospects. Notwithstanding the change in dividend policy, Vodacom Group will still have one of the highest dividend pay-out policies on the JSE.

Outlook

In a time of post-pandemic recovery inspired by technology and innovation, there are many exciting possibilities to consider. As with any change, however, some factors cannot be ignored. Around the world, geopolitical tensions are becoming more apparent, mostly due to the Ukraine-Russia war, which will exacerbate supply constraints, increase foreign exchange volatility and drive inflationary pressures. Ongoing regulatory uncertainties could further hinder financial and digital inclusion. Furthermore, with the advancements in technology and digital platforms, the ICT industry also faces increased cybersecurity-related threats.

At Vodacom, we remain focused on mitigating external uncertainties and ultimately look forward to consolidating our position as a purpose-led organisation along with value across our markets in Africa as we navigate the future together.

Appreciation

Considering the Group’s recent M&A activity, it was a very busy year for Vodacom. I want to extend my sincere thanks to the Board – especially our independent directors – for their diligence and the long hours devoted to Vodacom to finalise these deals. Their insights and guidance were extremely valuable during an exceptional transformational year.

My appreciation also goes to Vodacom’s executive team, as well as our employees, for their extended resilience in seeing us all through to connecting for a better future. To other stakeholders – our investors and shareholders, governments and regulators, customers, communities, suppliers and business partners – thank you for your continued support.

It is a particularly exciting time in Vodacom’s history, and I believe the Group is optimally positioned to deliver sustainable value to our stakeholders.

Chairman’s statement

Saki Mzimela
Chairman
01 June 2022

As the world emerges from the turmoil caused by the COVID-19 pandemic and navigates economic recovery, we continue to explore the transformative effect the past two years had on our lives – both personally and professionally. Given the developments unfolding in our external environment and the strategic milestones we delivered during the year, there has never been a more pertinent time for Vodacom to centre ourselves on our purpose of connecting for a better future.

Purposefully driving economic transformation

FY2022 marked many milestones for Vodacom and, in the context of the economic inequalities highlighted by the pandemic, we find ourselves at a defining point in history where good business and social responsibility are demonstrably no longer mutually exclusive pursuits. In fact, we are driven to deliver future-ready products and services that translate into sustainable socioeconomic development across our markets by enhancing financial inclusion and promoting equal digital access.

We are guided by our Social Contract to deliver broad societal value and enhance customer trust, improve our offerings to consumers and enterprises, and collaborate with government, regulators and other key stakeholders. As part of our commitment to being a purpose-led business, we continue to maintain our reputation for responsible leadership in building a digitally accessible world.

This commitment is an important element of our comprehensive COVID-19 response strategy. This year we focused on embedding the second pillar – digital society inclusion for all, and planet. Towards the end of the year, we saw some positive changes, including increased vaccine coverage, improved treatments and reduced mortality. While the road to recovery might be long, we remain committed to assisting our customers and societies during these tough economic times and driving financial and digital inclusion for all.

FY2022 was indeed a remarkable year for Vodacom – one where we leveraged the power of scale to deliver on a clear and powerful strategy that, ultimately, delivers superior returns to our shareholders and exceptional products and services to our customers. The Group announced two transformational M&A deals during the year – a rare occurrence within Vodacom given the high benchmark we have for the assets we target.

Firstly, we took a major step forward in scaling our fibre offering in South Africa by announcing the proposed acquisition of an up to 40% stake in a consortium controlled by Safaricom, which obtained a licence to provide mobile telecom services in Ethiopia, Africa’s second most populous country. These transactions mark a major step in diversifying our connectivity offering, optimising our assets through sharing costs and accelerating fibre reach to help bridge the digital divide. We believe these deals advance the Group’s strategic ambitions and will diversify and materially enhance our growth and returns profile. Now, we focus on extending the depth of our services in our markets, preparing to provide the digital and financial platforms to enable inclusion and spur economic growth.

Another far reaching highlight of the year was the acquisition of 110MHz high-demand spectrum (HDS) as part of the Independent Communications Authority of South Africa’s (ICASA) auction and assignment process. Our contribution to the auction was R5.38 billion and is expected to support the South African government to unlock the country’s digital economy. We see this as a win for Vodacom, the sector and our customers who, in the years to come, will benefit from expanded coverage, faster speeds and enhanced network quality.

Finally, we launched our highly anticipated VodaPay super-app to support greater digital and financial inclusion and, together with the rollout of the M-Pesa super-app, we have cemented our position as Africa’s largest fintech platform by subscribers.

Simplified dividend policy provides scope to accelerate growth

Since the financial year ended 31 March 2013, the Board has maintained its dividend policy of paying at least 90% of adjusted headline earnings, excluding the contribution of the attributable net profit from Safaricom and any associated intangible amortisation. In addition, the Group distributed any dividend it received from Safaricom, up to a maximum amount of the dividend received, net of withholding tax.

Looking ahead, the proposed M&A deals create a compelling opportunity to accelerate our system of advantage and the Group’s growth profile. Mindful that these deals will utilise debt capacity and while also wanting to retain headroom to invest in growth areas, the Board considered it appropriate to review the current dividend policy. Accordingly, on completion of the Vodafone Egypt acquisition, the Group intends to amend and simplify its dividend policy and institutes a policy of paying dividends of at least 75% of Group headline earnings. The simplified policy and proposed acquisitions combine to provide a high pay-out and enhanced growth prospects. Notwithstanding the change in dividend policy, Vodacom Group will still have one of the highest dividend pay-out policies on the JSE.

We also announced our intention to acquire a 55% shareholding in Vodafone Egypt, signifying a unique opportunity to advance Vodacom’s strategic connectivity and financial services ambitions in one of Africa’s premier telecom operators.”
Vodacom’s Social Contract – premised on trust, fairness and leadership – continues to guide us as we respond to challenges through different stages of the COVID-19 pandemic.

With this in mind, this year we implemented a range of initiatives and leveraged strategic partnerships to support economic recovery in the countries where we operate. We understand that the world will continue to grapple with the economic fallout of the pandemic. However, at year end, we saw some recovery in our South African market driven by increased vaccine coverage. While uptake is slow in our international markets, we remain committed to supporting the rollout of vaccinations across our markets.

Importantly, at Vodacom, our commitment to our stakeholders extends beyond the external pressures we face, remaining steadfast as we navigate unexpected challenges. Ultimately, we remain committed to driving digital and financial inclusion by deploying solutions that will reduce the digital divide and uplift those living in the most vulnerable communities.

Over the past two years, Vodacom implemented a comprehensive strategy in response to the pandemic. This strategy served as the foundation of the support we provided to impacted stakeholders, as well as the way in which we protected the most vulnerable and disadvantaged people in our society. During the first phase, we aimed to alleviate the immediate health crisis and drive interventions to save lives and support our societies.

Our achievements in phase 1

1. Maintained safety of our staff, quality of service and added capacity to our networks.
2. Provided support to governments, such as free phones and personal protective equipment.
3. Improved dissemination of information to the public.
4. Facilitated working from home for our clients and support for SMEs.
5. Facilitated e-learning.
6. Improved government’s insights into people’s movements in affected areas.

Below, we list some of the interventions during FY2022.

1. Expanding and futureproofing our network infrastructure
   - Invested R14.6 billion capex to enhance the resilience and quality of our network

2. Accelerating support to government
   - Worked with the South African Department of Health to support health facilities through technical solutions, such as mVaccination, e-Labs and Stock Visibility Solution (SVS).
   - Donated R10 million to fund the private sector-led, multi-sectoral Gender-Based Violence and Femicide (GBVF) Response Fund 1 in South Africa.
   - Connected educators and learners through the Connected Digital Education initiative, enabling remote learning with affordable connectivity.
   - Contributed to Mozambique’s #Hope4Palma campaign by providing food, shelter and personal hygiene items, reaching over 3,000 families displaced by conflict in the Cabo Delgado province.
   - Pledged R87 million towards logistics support and cold-chain technology to deliver vaccines to underprivileged and rural communities in the DRC, Lesotho, Mozambique, South Africa and Tanzania.

3. Enhancing digital accessibility and literacy for the most vulnerable
   - Provided free access to basic internet and essential services through the ConnectU platform, with over 22 million unique visitors to date and over 14 million sessions initiated monthly. This platform is live in South Africa and was launched in the DRC during the year, with rollout to other international markets under review.
   - Introduced a free online portal in Tanzania curating learning materials to students and teachers, among others, and, in Lesotho, created a digital library for blind and visually impaired persons – the first of its kind in this country.
   - Launched the Nokia 2720 smartphone designed to provide easier access for senior citizens, people living with disabilities and those who experience other barriers to communication.
   - Launched the Vodacom Easy2Own proposition to drive smartphone accessibility.
   - Hosted Code Like a Girl camps in Mozambique, South Africa, Tanzania and Lesotho to advance gender parity, training a total of 1,494 girls in science, technology, engineering and math (STEM)-related fields.
   - Partnered with a start-up in the DRC to develop the digital skills of 200 young people and create job opportunities.
   - Equipped 50 public secondary schools in Mozambique with 360 computers and over 9,720 GB of free internet, benefiting more than 24,638 students. We also supported refugee hosting schools and communities by deploying 332,150 Instant Network Schools in the country.
   - Expanded broadband access to 3,000 schools in South Africa and 500 schools in Lesotho.
   - In South Africa, we donated R7 million to assist with dealing with the effects of the social unrest in July 2021 and accelerated efforts to support SMEs impacted by the resultant economic fallout.

4. Promoting widespread digital adoption for businesses, particularly SMEs
   - Facilitated the adoption of safe and secure digital solutions through advances in the IoT, artificial intelligence (AI), Big Data analytics and the financial services platform.
   - Introduced VodaTrade, enabling small suppliers to go digital and connect with bigger business partners.
   - Improved the productivity, revenue and resilience of over 91,000 small-scale farmers in the DRC and 142,996 in Tanzania by connecting them to information, inquis, credit and buyers through M-Pesa and Connected Farmer.

5. Supporting exit strategies through targeted digital adoption
   - Partnered with the African Union Development Agency to accelerate the COVID-19 vaccine rollout through our mVacciNation technology platform.
   - Engaged with government and local and international agencies to explore new use cases for anonymised and generalised data.

6. Enabling cashless payments and financial inclusion
   - Launched VodaPay in September 2021, a powerful, all-encompassing platform aimed at driving digital and financial inclusion in South Africa and the rest of the continent. VodaPay has reached 2.2 million downloads since launch.
   -Introduced Voucher Advance, a solution that facilitates lending, enabling customers to get a meal or new appliances immediately and pay for it later.
   -Rolled out Airtime Advance to the DRC, Lesotho, Mozambique and Tanzania.
   -M-Pesa across our markets has grown to serve more than 47.1 million customers and 550,000 merchants through 5,100 agents in Kenya, Tanzania, Mozambique, the DRC and Lesotho.

Vodacom’s COVID-19 statistics at year end

- Total confirmed cases: 3,178
- Recoveries: 3,149
- Lives lost: 27
- Remaining active cases: 2

Outlook

As a purpose-led company, Vodacom remains focused on strong governance and our three purpose pillars – digital society, inclusion for all, and planet. By integrating this approach with our Social Contract with stakeholders, we can support balanced economic progress in the countries where we operate which, in turn, will provide us with competing growth opportunities.
Vodacom is in the business of connecting people, places and things. As the market leader in mobile across the countries where we operate, we intend to also establish a more meaningful foundation in fixed to support our position as the connectivity partner of choice for consumer and enterprise customers alike. This ambition is underscored by investing in the best infrastructure and technology while driving data adoption. Market leadership and scale position us well to support our advantage in fixed by our system of advantage, including digital and financial services, and evolve the conversation we have with customers to one focused on the value we can deliver to their homes and businesses.

As we invest in deepening the quality and penetration of mobile and fixed connectivity services across our footprint, we unlock the potential of a digital society. In March 2022, as part of the International Telecommunication Union’s (ITU) PartnerConnect programme, Vodafone and Vodacom committed to investing significantly in Sub-Saharan Africa’s 4G population coverage. Part of this commitment to Vodacom will be to increase 4G population coverage by an additional 70 million people across our footprint over the next five years. To support data adoption, we will leverage our strategic partnerships and implement innovative financing models to allow access to transformative services to our customers. With smartphone penetration at just 53%, this is an exciting opportunity for the Group.

For Vodacom, market leadership reflects the quality and depth of the service we offer consumers and enterprises in our selected markets rather than the size of our footprint. Because of this, we rarely announce major M&A deals – however, this year, we identified two transformative acquisitions to strengthen our offering and support greater digital and financial inclusion.

Firstly, we are in the process of acquiring a 55% shareholding in Vodafone Egypt for an equity consideration of R4.1 billion. Vodafone Egypt has a strong growth outlook, and our investment presents a unique opportunity to combine synergies and advance the Group’s strategic connectivity and financial services ambitions in one of Africa’s premier telecom operators. Vodafone Egypt’s growth outlook is supported by leadership across both the consumer and enterprise segments, a clean network and spectrum advantage in comparison to peers, a brand synonymous with technology leadership, and a software factory that facilitates leading Big Data and AI capabilities. Significantly, with over 80% of the population unbanked, we see a compelling opportunity to expand our financial services platforms across Egypt.

Separately, in South Africa, we proposed a strategic 30% investment in CVHiV’s leading assets – with an option to increase our stake to 40% – as a major step in scaling our fibre offerings in the country. Through this investment, Vodacom will gain exposure to South Africa’s largest open fibre access providers, including Viamatel and OFA, enabling us to further diversify our connectivity offering and optimise our assets through sharing costs. Vodacom’s capital and asset injection and strategic support are expected to accelerate fibre penetration in South Africa, reaching more consumers and providing internet service providers (ISP) with greater open-access infrastructure to leverage.

Safaricom is a strategic partner of the Group. In support of Safaricom’s long-term growth outlook, we participated as a minority investor in a Safaricom-led consortium that obtained a mobile telecom licence in Ethiopia. Safaricom is currently setting up operations and preparing detailed plans for operational readiness ahead of the launch in FY2023. While cognisant of the evolving situation in Ethiopia, we are proceeding with our plans, adapting and assessing the situation on the ground as it evolves.

Our digital ecosystem is integral to our system of advantage and provides us with a foundation from which to create deeper customer engagement and build a 360-degree customer view where we compete on value rather than price. Powered by Big Data, our digital ecosystem includes capabilities across financial and digital services to IoT platforms that span smart medicine, agriculture, and facilities, through to our IoT, cloud and hosting and managed security offering. Our digital ecosystem will transform our service to our customers, and our scale in financial services is underpinned by our South African super-app, VodaPay, which forms part of the International Telecommunication Union’s (ITU) Open72 initiative, which includes our scale and capabilities supported by Vodafone and the global reach of Vodacom – with over 300 million people across our footprint – will provide transformational opportunities for our financial services business.

In the enterprise segment, our tailored service offerings to mid and large enterprises and SMEs, as well as governments and universities, to realise productivity efficiencies through our flexible, IoT and cloud enabled platforms, such as Vodacare and Consumer behaviour.

Our scale in financial services is underpinned by Africa’s fintech leader by transaction volumes, M-Pesa. Our innovation hub, VodaTechCo, we continue to enhance our Big Data capabilities. We already leverage Big Data to drive personalisation of our services and products at scale. In South Africa, we complete 5 million Airtime Advance transactions a day. We use Big Data as the engine that powers our digital ecosystems and will accelerate our capabilities across CVHiV, loyalty and financial services. By focusing on advancing digital financial solutions across our ecosystem, we will expand our understanding of customers and create innovative products and services that are simply based on price, but rather on the benefits of personalised products and services that provide accessibility and inclusion.
What value creation means to us

Our operating context

We recognise that our footprint across Africa provides us with the opportunity to play a significant role in the continent’s socioeconomic development, particularly with regard to inequality, unemployment and poverty. The COVID-19 pandemic exacerbated these challenges and created a context for corporates such as Vodacom Group to play an even more active role in driving positive change.

The Spirit of Vodacom

How we operate

01
Earn customer loyalty

02
Create the future

03
Experiment, learn fast

04
Get it done, together

How we will achieve our vision

A leading African TechCo with a clear system of advantage

Inclusion for all

Our purpose

Why we exist

We connect for a better future.

Our purpose pillars

Digital society

Impact

Planet

Informs

Against a backdrop of economic and societal challenges, we are uniquely positioned to reach and empower millions of African consumers with our connectivity, and digital and financial solutions.

For more information refer to the integrated reporting boundary page 02.

Against a backdrop of economic and societal challenges, we are uniquely positioned to reach and empower millions of African consumers with our connectivity, and digital and financial solutions.

For more information refer to our Sustainability value creation on page 13.

Drives

Our context

Influences

Our purpose

Plan to

Our strategy

Arched in our vision

Inclusion for all

A digital future that is accessible to all

Scale financial and digital services

03

Digital partner of choice for enterprises

04

World-class loyalty and customer experience

05

Personalisation through CVM and Big Data

06

Diversify and differentiate with our digital ecosystem

Strategic ambition 1:

Footprint strengthened

01

Secure leadership in mobile and fixed

02

Africa’s leading communications company

Strategic ambition 2:

Optimised, future-ready TechCo

Optimise assets through sharing

07

Technology leadership in network and IT

08

Trusted brand and reputation

09

TechCo organisation and culture

10

Strategic ambition 3:

Optimised, future-ready TechCo

https://www.vodacom.com/presentations.php

CEO’s statement continued

Our connectivity reach and digital ecosystem position us to drive digital and financial inclusion. Mindful that we need to deliver on our purpose while also optimising shareholder returns, we are leveraging partnerships and sharing models to support the buildout of best-in-class networks and platforms that broaden our reach and overall customer proposition. Furthermore, by embedding our agile employee culture, the Spirit of Vodacom, across the organisation, we can accelerate our transition to a TechCo and build one of Africa’s most trusted and loved brands.

Delivering on our strategy and medium-term targets while still dealing with the effects of COVID-19 is a testament to the skills depth and strength of our employees. To further accelerate our system of advantage, we understand the need to develop our employees’ digital capabilities to ensure each person within the Group can grow into targeted roles that support our ambitions. Our #1MoreSkill strategy continues to drive this development, and this year we established a skills transformation team at Group level to accelerate the initiative, focusing on software engineering, cloud computing, robotic process automation (RPA), cyber security and 5G. Pleasingly, our ongoing efforts to create a nurturing environment where employees can thrive continue to be externally recognised, and Vodacom was certified as Africa’s Top Employer for the sixth consecutive year by the Top Employer Institute.

The health, safety and well-being of each employee continue to be a priority and key focus area across our markets. Sadly the lives of two members of the public were lost as a result of a road accident in Mozambique.

We continue to explore opportunities for sharing infrastructure and scaling platforms to maximise the Group’s existing capital and operational efficiencies. In South Africa, we are carving out our tower portfolio into a separate TowerCo business to create a strategic asset for future partnerships. Separately, we established the Group Big Data and Analytics Centre of Excellence to leverage best-in-class shared capabilities across our footprint.

We remain committed to operating responsibly to preserve our natural resource base, and have the right resources in place to drive our ESG ambitions across the Group. Pleasingly, we were again recognised by leading ESG rating agencies in October 2021. Sustainalytics ranked Vodacom first out of more than 200 companies in its Telecommunications Service industry grouping. We also maintained our AAA rating from MSCI. Our success should not come at a cost to the environment, and we continue to invest in climate-smart networks and solutions to play our part in protecting the planet for future generations.

My appreciation and outlook

In what has been both a challenging and transformative year for Vodacom, I am deeply grateful for the ongoing resilience and innovation demonstrated by our leadership and people. I would like to thank our business partners, shareholders and other stakeholders for their continued support as we take steady strides to deliver on our purpose.

Looking ahead, we will focus on developing our diverse service offerings and completing our M&A deals as we continue our exciting evolution from a TelCo to a TechCo. In the face of the uncertainty brought about by the ongoing pandemic and recent geopolitical disruptions, we remain optimistic but realistically cautious. We are committed to reducing barriers to financial and digital inclusion, and believe the many strategic milestones achieved during FY2022 will meaningfully enhance the Group’s growth potential while connecting people for a better future.

Shameel Aziz Joosub
CEO
01 June 2022
Who we are

Vodacom is a leading and purpose-driven African connectivity, digital and fintech operator. Including Safaricom, the Group serves 129.6 million customers across consumer and enterprise segments.

Driven by our commitment to digital and financial inclusion, we offer a wide range of services, including telecommunication, IT, digital, IoT and financial services. From our roots in South Africa, we have grown our business to include operations in Tanzania, the DRC, Mozambique, Lesotho and Kenya. In FY2023, our footprint is anticipated to further expand as we acquire a controlling stake in Vodafone Egypt and launch commercial operations in Ethiopia.

Our population reach across our markets exceeds 300 million people (including Safaricom at 100%) through Vodacom Business Africa (VBA).

We offer business-managed services to enterprises in 48 countries (including Vodacom’s 100% shareholding in Vodacom).

Vodacom – one of the world’s largest communications companies in terms of revenue – has 60.5% shareholding in Vodacom.

Where we operate

In November 2021, we announced our intention to acquire a 53% shareholding in Vodafone Egypt. We believe this will cement Vodacom’s position as Africa’s leading Telco by advancing our strategic connectivity and financial services ambitions.

Through a Safaricom-led consortium, we have the opportunity to expand and build world-class services in Ethiopia – Africa’s second-largest country by population.

With the completion of the Vodafone Egypt acquisition and launch of commercial operations in early FY2023, we anticipate increasing our population reach across the continent to over half a billion people and more than 40% of Africa’s GDP.

Net impact of M&A on capitals employed: 39.9% – 34.9% = 5%.
What we offer

Through our multi-product system of advantage, we offer a 360-degree customer experience supported by products and services ranging from mobile and fixed connectivity, cloud and hosting, data security and IoT offerings to digital and financial services. We deliver personalised solutions to strengthen and grow our relationships with customers.

Our products and services

Core
- Mobile and fixed
- Just4You
- M-Pesa

Opportunity
- Cyber security
- Home tech
- Save your moments
- Smart home and IoT
- Lending
- Investments

Consumer
- Unified communications
- Cloud and hosting
- Security
- Geospatial services
- SME platform
- VodaTrade

VodaPay Super-app
One app, endless possibilities.

Our products and services

Core
- ConnectU
- mHealth
- e-School
- Mum & Baby

Accelerators
- Airtime and Voucher Advance
- Short/long-term insurance
- MyVoda

Opportunity
- VodaPay and M-Pesa super-apps
  - e-Commerce
  - e-Commerce
- Peer-to-peer (P2P)
- Scan to pay
- Services and bill payments

VodaBucks
VodaBucks rewarding loyalty

Facebook
Microsoft
Google
Amazon
Alipay

Contribution to Group service revenue per P&L
- Mobile prepaid revenue (FY2021: 55.6%)
- Mobile contract revenue (FY2021: 28.7%)
- Other service revenue (FY2021: 6.4%)
- Fixed service revenue (FY2021: 5.7%)
- Mobile interconnect (FY2021: 3.3%)

Contribution to Group service revenue by product
- Core mobile (FY2021: 82.8%)
- Financial services (FY2021: 3.7%)
- Fixed (FY2021: 4.7%)
- Digital lifestyle services (FY2021: 2.3%)
- IoT (FY2021: 1.4%)
Our business

We generate profit by investing in our core mobile and fixed networks to attract and retain consumer and enterprise customers. At the same time, we scale our digital and financial services through comprehensive lifestyle solutions. Our competitive differentiation lies in the quality of our network and infrastructure, and the innovation and range of our multi-product offerings. This is supported by our strong market-specific distribution channels, market leadership position, proven ability to manage our cost base and the strength of the relationships we have with key stakeholders – all enhanced by a globally recognised brand.

Our revenue

Our core mobile services – data, messaging and voice – remain our primary revenue generator, and continue to be supported by the uptake of smart devices, expanded network coverage and data bundles becoming increasingly affordable. Our core and new services, which include digital and financial services, fixed and IoT, are underpinned by our Big Data, loyalty and CVM capabilities. We intend to scale our new revenue services into formidable businesses in line with our Vision 2025.

While our revenue mix is largely consumer-driven, strong growth within Vodacom Business (including wholesale) increased its contribution to 25.2% of Group service revenue (FY2021: 23.2%).

Key revenue differentiators

- A clear and powerful purpose-led strategy, supported by 10 drivers of success to deliver shareholder value.
- Our financial services business – the largest contributor to new services revenue and a clear strategic priority – positions Vodacom as the leading fintech operator on the continent, enriched by our super-apps.
- Best-in-class customer service support systems.
- Vertically integrated solutions for consumers and enterprises, acting as enablers of inclusion and economic growth.
- Leveraging our global enterprise relationships for new African service delivery and our relationship with Vodafone to drive global best practice.
- Loyalty programmes and segmented customer profiles to offer competitive, personalised and compelling solutions.
- Customer-centric systems, people and processes.
- Unique Big Data insights we can leverage to improve our offerings to customers.
- A market-leading position as the platform to deploy our digital ecosystem, giving us scope to selectively partner with global tech giants and the scale to optimise returns.
- Consistently high rankings in network quality in the countries where we operate, supported by ongoing investment in infrastructure and rolling out 5G (South Africa and Lesotho) and 4G to increase speed and capacity.

Our costs

We have a demonstrated history of optimising expenses and converting revenue into cash flow. We successfully limited increases to our cost profile by implementing a fit-for-growth programme, driving efficiencies in employee expenses, optimising publicity spend and other operating expenses (ie) through an influential Group culture of cost containment. Furthermore, with the proposed acquisition of CIVH’s market-leading fibre subsidiaries, we intend to take a major step forward in diversifying our connectivity offering and optimising our assets through sharing costs. One of the opportunities looking forward is further optimisation via sharing.

This approach enables us to invest in new growth areas, including commercialisation, such as M2C. We are also embracing best-in-class technologies and, in many ways, leading the way for optimising costs through RPA, Big Data, AI and the implementation of a scaled agile framework (SAFe) to improve efficiencies. Because of this, our steady cash flow allows us to maintain a high level of capital reinvestment to protect our leading position in network coverage, call quality and data speed in our markets. In addition to investing in Vodacom’s future, cash generated from our activities allows us to maintain steady shareholder returns.

Key cost differentiators

- Saved R1.6 billion through Fit For Growth initiatives.
- Leveraging global best practice in cost optimisation, benefiting from and sharing best practice with Vodafone.
- Ability to leverage costs through our leading use of RPA, Big Data and AI.
- Benefitting from the global purchasing power of Vodafone Procurement Company (VPC).
- Consistent investment in our network, delivering continued improvement in operating costs through more efficient technologies and network innovation.
- Robust governance processes in place to approve investments and review product, cost and investment decisions.
- Shared services and initiatives with Vodafone and across our own African footprint to optimise back-end costs.
- Optimal network deployment using AI.
- Optimising power utilisation across our buildings and sites using the IoT fleet platform.

Our investment case

Our investment case

We are a market leader in the countries where we operate, with an attractive return on capital employed (ROCE)

- Access to 129.6 million customers.
- ROCE of 23.4%, well above weighted average cost of capital.
- Strategic mindset to enhance value creation and leverage scale.

Meaningful growth opportunities across connectivity, digital and financial services

- Data and smartphone penetration upside.
- Building African largest fibre footprint through the VodafPay and M-Pesa super-apps.
- Targeting mid-to-high single-digit Group EBITDA growth over the next three years, including proposed acquisitions (such as Vodafone Egypt).
- Opportunity to accelerate growth and returns through the Vodafone Egypt acquisition and South Africa fibre deal.

We have a trusted management team

- Incentivised to create value and deliver on key ESG variables.
- Strong execution track record.

We are a responsible corporate citizen

- Purpose-led model.
- Recognised as an ESG leader by Sustainalytics and MSCI.

Priorities to enhance shareholder value

For more information, please visit https://www.vodacomgroup.com/sustainability-reports.

For more information, please visit https://www.vodacomgroup.com/sustainability-reports.

Our profit formula

As a result of the above, Vodacom can ensure.

- Stable risk-adjusted returns for shareholders.
- Sustained investment and development of the Group.
- Strong management and employee incentives.

For more information, please visit https://www.vodacomgroup.com/sustainability-reports.

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Our key relationships

Vodacom’s ability to create sustainable value depends on quality engagements with our stakeholders based on mutual trust, respect and transparency. We aim to build, maintain and strengthen these relationships by understanding and addressing a range of social, economic and environment-related issues to align stakeholders with our purpose-led journey.

<table>
<thead>
<tr>
<th>Basis of assessment: Net promoter score (NPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
</tr>
<tr>
<td><strong>Our assessment of the current quality of our relationship</strong></td>
</tr>
<tr>
<td>Non-existent relationship, or fractured relationship that requires significant effort to overcome challenges.</td>
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<tr>
<td>An established relationship that requires further work to improve its quality.</td>
</tr>
<tr>
<td>Good-quality relationship, with room for further improvement.</td>
</tr>
<tr>
<td>Very strong relationship, based on mutual trust and shared benefit.</td>
</tr>
</tbody>
</table>

**Why we engage**

Governments and regulators allocate spectrum and operating licences, and impose regulatory measures with cost implications for the Group. We continue to engage with these stakeholders in a way that builds trust and ethically influences policy positions across government departments.

**The value we created**

- Accelerated support through e-Health and e-Education initiatives.
- Contributed more than R22 billion in total tax to governments across our markets.

**Material stakeholder interests and expectations**

- Complying with regulatory requirements relating to, among others, mobile termination rates, pricing, security, safety, health and environmental performance.
- Protecting personal information and customer data in line with regulatory requirements.
- Contributing to the tax base and other revenue streams of governments in our operating countries.
- Managing the supply of spectrum to satisfy increased demand during COVID-19 lockdowns.
- Supporting the rollout of COVID-19 vaccines.
- Partnering to achieve the objectives of the UN SDGs.
- Ensuring job security and business sustainability given the macroeconomic environment.

**Our response**

- Responding to “hot topics” on a macroenvironmental, industry and company level. page 76.
- Trusted brand and reputation. page 79.

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<table>
<thead>
<tr>
<th>Basis of assessment: Employee engagement indices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
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</tr>
</tbody>
</table>

**Why we engage**

Our employees drive our strategy with their ideas, skills, experience and productivity.

**The value we created**

- Invested R483 million in skills development for employees in South Africa.
- Paid R7.3 billion in salaries and benefits.
- Contributed more than R22 billion in total tax to governments across our markets.

**Material stakeholder interests and expectations**

- Driving transformation and localisation.
- Providing a safe, healthy and inclusive working environment.
- Ensuring job security and business sustainability given the macroeconomic environment.
- Creating opportunities for digital skills development to promote agility.
- Hosting connect sessions for coaching and mentoring.
- Facilitating communication and knowledge sharing across Vodacom.
- Providing competitive remuneration and equal pay.
- Driving transformation and localisation.

**Our response**

- Securing leadership in mobile and fixed. Scale financial and digital services. page 43.
- World-class loyalty and customer experience. page 51.
Our key relationships continued

**Investors and shareholders**

**Basis of assessment: Investor relations survey**

### Why we engage
Our investors and shareholders provide the financial capital we need for long-term growth and they expect good returns based on sustainable and ethical business practices.

### How we engage
- In-person and virtual meetings, roadshows and conferences.
- Investor briefing on the digital ecosystem.
- Chairman roadshow.
- Interim and annual results announcements.
- Quarterly trading updates.
- Annual and interim reports.
- SENS announcements.
- Monthly and quarterly reviews with Vodafone.

**The value we created**
- Increased HEPS by 3.4% to 1 013 cents per share (cps).
- Increased ROCE 1.4 percentage points to 23.4%.
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- Increased ROCE 1.4 percentage points to 23.4%.

### Material stakeholder interests and expectations
- Maintaining first-class strategic execution given the acceleration in Vodacom’s strategy.
- Aligning the strategy with capital structure and returns.
- Balancing enhanced growth prospects with an updated dividend policy.
- Engaging on executive remuneration.
- Driving societal and enterprise value creation.
- Revenue diversification strategy.
- Managing and mitigating risk.

### Media

**Basis of assessment: Kantar stakeholder assessment**

### Why we engage
We engage to manage our brand and reputation. We therefore aim to be a responsible business and understand the impact of our activities on these communities.

### How we engage
- Promoting black female-owned suppliers.
- For driving supplier and product innovation.
- Promoting environmental solutions.
- Addressing COVID-19 health and safety concerns.
- Ensuring timely payments of accounts to enhance supplier cash flow and liquidity.
- Providing growth opportunities and access to funding for SMEs.
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- Addressing COVID-19 health and safety concerns.
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- Addressing COVID-19 health and safety concerns.

### Communities

**Basis of assessment: Kantar stakeholder assessment**

### Why we engage
Our relationships with the communities in which we operate impact our brand and reputation. We therefore aim to be a responsible business and understand the impact of our activities on these communities.

### How we engage
- Through sustainability and Vodacom Foundation partnerships.
- Community crisis support, such as food security support.
- Partnerships with non-profit organisations (NPOs).
- Psychosocial support in schools.
- Green early childhood development (ECD) centre programme.
- Online GBV prevention tools and platforms.

**The value we created**
- Donated R10 million to the GBVF Response Fund.
- Donated R77 million to communities affected by the civil unrest in July 2021.
- Established 92 teacher training centres in South Africa.
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### Material stakeholder interests and expectations
- Making it quicker and easier to work with M-Pesa and VodaPay.
- Providing overdraft and loan facilities for agents to manage cash flow.
- Engaging with brand ambassadors.
- Zero-rating access to government, employment and empowerment solutions through ConnectU.
- Providing affordable access to educational resources.
- Supporting the fight against GBV.
- Managing and reducing our environmental footprint.
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- Providing affordable access to educational resources.
- Supporting the fight against GBV.
- Managing and reducing our environmental footprint.

### Business partners

**Basis of assessment: Kantar stakeholder assessment**

### Why we engage
Our business partners – franchisees, retailers, wholesalers, freelancers, agents, merchants, aggregators and banks – are custodians of our reputation and a critical extension of our brand.

### How we engage
- Regular interaction and collaboration sessions with regional trade representatives.
- One-on-one business sessions.
- Regular training sessions and roadshows on products and services.
- Through agent outlets, stores and retail visits.
- Long-term sustainable partnerships with chemists.
- Credit support to businesses.

**The value we created**
- Provided store support during COVID-19.
- Enhanced digital onboarding and support for merchant payments.

### Material stakeholder interests and expectations
- Providing growth opportunities and access to funding for SMEs.
- Ensuring timely payments of accounts to enhance supplier cash flow and liquidity.
- Addressing COVID-19 health and safety concerns.
- Promoting environmental solutions.
- Promoting black female-owned suppliers.

### Investors and shareholders

**Basis of assessment: Investor relations survey**

### Why we engage
Our investors and shareholders provide the financial capital we need for long-term growth and they expect good returns based on sustainable and ethical business practices.

### How we engage
- In-person and virtual meetings, roadshows and conferences.
- Investor briefing on the digital ecosystem.
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### Material stakeholder interests and expectations
- Promoting black female-owned suppliers.
- For driving supplier and product innovation.
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- Addressing COVID-19 health and safety concerns.

### Suppliers

**Basis of assessment: Kantar stakeholder assessment**

### Why we engage
Our suppliers provide cost-effective, quality products and services to support our value proposition to customers, employees and other stakeholders.

### How we engage
- Supplier development programmes.
- Supplier forums and portals.
- Regular site visits.
- Tenders.
- Supplier audits and assessments.
- Supplier product evolution and service levels.
- Latest supplier developments and roadmaps consisting of improvements in requests of proposals, request of interest and requests for quotation.

**The value we created**
- Spent R41 billion on suppliers with a Level 4 BBBEE rating and higher.
- VodaTrade enabled an annual cashless trade of R270 billion.

### Material stakeholder interests and expectations
- Supplier product evolution and service levels.
- Supplier audits and assessments.
- Tenders.
- Supplier development programmes.
- Supplier forums and portals.
- Regular site visits.
- Engaging with brand ambassadors.
- Promoting growth opportunities and access to funding for SMEs.
- Ensuring timely payments of accounts to enhance supplier cash flow and liquidity.
- Addressing COVID-19 health and safety concerns.
- Promoting environmental solutions.
- Driving supplier and product innovation.
- Complying with BBBEE requirements, including preferential payment terms for BBBEE suppliers.
- Promoting black female-owned suppliers.
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

- **Human capital**: Vodacom’s team of high-performing, customer-focused, engaged leaders and people, equipped to transform our company into a data-driven TecCo. We foster inclusivity and diversity and embed the Spirit of Vodacom across the business.
- **Intellectual capital**: A clear and powerful strategy with implementation timelines. Brand refresh with new tagline, Further Together. Intelligent decision-making driven by Big Data capabilities. Transparent governance systems.
- **Social and relationship capital**: Our Social Contract with communities and governments. 129.6 million customers (FY2021: 123.7 million). Improved investor confidence. Positive supplier relationships.
- **Manufactured capital**: Vodacom’s network footprint across Africa, including base stations and masts, fibre and microwave distribution channels. 23,492 network sites (FY2021: 22,930).
- **Financial capital**: Vodacom’s strong capital base, supported by long-term investors – including a 60.5% controlling stake by Vodafone, one of the world’s largest communications companies. Advanced by our ambition to accelerate growth and enhance returns as we scale off our existing products and services. R294 billion market capitalisation (FY2021: R231 billion).
- **Natural capital**: The natural resources the Group uses during the normal course of business. Used 40.5 million litres of fuel (FY2021: 39.6 million litres). 1 Used 153.6 megalitres of water (FY2021: 154.2 megalitres). 2 Consumed 722GWh electricity (FY2021: 698GWh). 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.

Our purpose

- Inclusion for all
- Digital society
- Planet

Our strategic pillars

01. Footprint strengthened
02. Secure leadership in mobile and fixed
03. Scale financial and digital services
04. Digital partner of choice for enterprises
05. World-class loyalty and customer experience
06. Personalisation through CIM and Big Data
07. Optimize assets through sharing
08. Technology leadership in network and IT
09. TechCo organisaton and culture
10. Trusted brand and reputation

What we offer

Core functions | Accelerators | Opportunities | Enablers | Partners

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.
Our business model continued

Our outcomes

- Remuneration and benefits paid
  - Permanent employees: R7.3 billion (FY2021: R7.0 billion and FY2020: R5.7 billion)
  - Contractors: R495.9 million (FY2021: R22.7 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.

- Employee CST additional staff
- 6.8% variability staff turnover (FY2021: 4.9%).
- Recaptured as the third top employer in Africa, having been certified in the DRC, Lesotho, Mozambique, Tanzania and South Africa.
- 515 ICT skills training programmes completed.
- R83 invested in staff training, development programmes and IT/ITesGSL.

- 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 personalising the segment of one.

- 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 131.6 million customers across Africa.
- 606 million financial services customers (FY2021: 57.7 million).
- 2.2 million獲得者 and 1.6 million registered Vodacom users in South Africa.
- Premiumised US$234.6 million in M-Pesa transactions, including Safaricom, up 29.2% (FY2021: US$251.1 billion).
- Implemented government taxes on M-Pesa withdrawn and FY2 fundraisers, negatively impacting financial inclusion.

- Leading in network NPS in South Africa, Tanzania and the DRC.
- Our markets cover a population of over 300 million people (including Safaricom Internet).
  - FY2021: 206.6 million people, representing a 1.4% increase in coverage.
  - 2.2% traffic growth in the year (FY2021: 3.4%).
  - 1,410 new 4G sites added across the Group (FY2021: 1,165).

- Revenue up 4.5% to R102.7 billion (FY2021: R98.3 billion).
- EBITDA up 5.0% to R55.9 billion (FY2021: R53.3 billion).
- Cash generated from operations totaled R4.1 billion (FY2021: R4.1 billion).

- Revenue up 4.5% to R102.7 billion (FY2021: R98.3 billion).
- Retained first telecommunications company (out of 22 companies) globally in the Sustainability iGUS Risk Ranking and maintained our MSDI AAA ESG rating.
  - 1.8% reduction in GHG emissions per terabyte of data (FY2021: 0.75 MtCO2e).
  - 715 million tonnes CO2 emissions (FY2021: 684 MtCO2).

- Employee CST additional staff
- 6.8% variability staff turnover (FY2021: 4.9%).
- Recaptured as the third top employer in Africa, having been certified in the DRC, Lesotho, Mozambique, Tanzania and South Africa.
- 515 ICT skills training programmes completed.
- R83 invested in staff training, development programmes and IT/ITesGSL.

- Trusted brand and reputation.
- Maintained our lead in the IT for Customers (IT4C) independent benchmarks exercises.
- Vodacom Business became an Amazon Web Services (AWS) Outpost partner.

- How we preserve or sustain value for stakeholders

  - 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 Spritised 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 embedding digital skills through a targeted programme called #MoreSkil.
  - Introduced a digital employee experience.
  - Enhanced the driver behaviour in all OfGocs 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.

  - 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 TOB, 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.

  - Continued to support economic recovery with phase 2 of our COVID-19 six-point action plan.
  - Accelerated support to governments with our InteRation 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 ConnectIt 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 EasyOnce to enhance smartphone penetration.
  - In partnership with Safaricom, built out world-class services in Ethiopia to transform lives.

  - Announced a transformational deal with CVH to help bridge the digital divide in South Africa by investing in fibre.
  - Expanded our 5G 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.
  - Traded alternative network technologies, including OpenRAN.

  - Retained a disciplined capital structure to complement our two transformational M&A deals, including Vodafone Egypt and fibre in South Africa.
  - Maintained our strong 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.

  - 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.
Our principal risks and associated opportunities

Vodacom has a mature risk management framework in place which is aligned with the ISO 31000 International Risk Management Standard and the requirements of South Africa’s King IV. Through this principal risks framework, we identify Vodacom’s key risks and provide a high-level risk assessment of the Group’s principal risks. An embedded enterprise risk management process supports the identification of these principal risks.

The Board reviewed and approved the risk appetite for each principal risk to enable informed risk-based decision-making. The Group’s risk heatmap (Figure 1 below) sets out the top 10 principal risks identified through our risk management process. The heatmap depicts residual risk after considering mitigating risk factors. This is supported by the risk speed of impact report (included as Figure 2), which reflects the rates at which the Group will experience adverse impacts should the risk materialise. This allows the Group to develop effective risk mitigation plans with optimal allocation of resources for those risks that need immediate attention. Following the outbreak of the COVID-19 pandemic in early 2020, we also undertook a detailed assessment of the Group’s associated risks.

### Figure 1: Vodacom principal risks FY2022
(impact versus likelihood)

#### Risk
1. Cyber threats
   - Increased taxation, political and social pressures
   - Financial services platform failure
   - Technology failure
   - Adverse regulatory and compliance pressures
   - Spectrum
   - Market disruptions
   - Execution of strategic projects for future growth

#### Impact
1. Low
2. Medium
3. High
4. Very High

#### Likelihood
1. 1
2. 2
3. 3
4. 4

### Figure 2: Vodacom speed of impact FY2022

#### Speed of Impact
- >12 Months
- 6-12 Months
- <12 Months

#### Strategic Pillars
- SRG
- FC
- SRC
- OEM

#### Six Capitals
- PPC
- PRC
- NRC
- MRC
- SMC

#### Material Matters
- OPP
- MAT

### Table: Principal Risks and Mitigating Actions

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Strategic Pillars</th>
<th>Six Capitals</th>
<th>Material Matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyber threats</td>
<td>SRG</td>
<td>FC</td>
<td>SRC</td>
</tr>
<tr>
<td>Increased taxation, political and social pressures</td>
<td>PPC</td>
<td>PRC</td>
<td>SMC</td>
</tr>
<tr>
<td>Financial services platform failure</td>
<td>NRC</td>
<td>MRC</td>
<td>OPP</td>
</tr>
<tr>
<td>Technology failure</td>
<td>SRC</td>
<td>SRC</td>
<td>MAT</td>
</tr>
<tr>
<td>Adverse regulatory and compliance pressures</td>
<td>SRC</td>
<td>SRC</td>
<td>MAT</td>
</tr>
<tr>
<td>Spectrum</td>
<td>SRC</td>
<td>SRC</td>
<td>MAT</td>
</tr>
<tr>
<td>Market disruptions</td>
<td>SRC</td>
<td>SRC</td>
<td>MAT</td>
</tr>
<tr>
<td>Execution of strategic projects for future growth</td>
<td>SRC</td>
<td>SRC</td>
<td>MAT</td>
</tr>
</tbody>
</table>

### Opportunity: Providing world-class data security as part of our growing product offerings in the enterprise space

- Implement multi-vendor strategy in critical categories.
- Engage with governments to manage potential supplier restrictions.
- Explore new network architecture options, including OpenRAN.
- Realise the potential for innovation to address challenges at the base of the economic pyramid through, for example, segmented propositions and digital offerings in areas of education, health, agriculture and inclusive finance.

### Impact of Ukraine-Russia war

- Negative impacts on chipset supply and costs will likely constrain disposable income. Guided by our Social Contract, we intend to accelerate our support to impacted communities and keep our customers connected. We will leverage our advanced CVM capabilities to support "sachet"-sized bundles.
- Develop assurance programmes that incorporate internal and external programmes.
- Engage with governments, subject matter experts and suppliers.
- Implement our multi-vendor strategy in critical categories.
- Continue to adjust budgets by considering best and worst-case scenarios by carefully managing loans.
- Explore new network architecture options, including OpenRAN.
- Use foreign exchange instruments to mitigate currency fluctuations.
- Engage with governments to manage potential supplier restrictions.
- Explore new network architecture options, including OpenRAN.
- Implement our multi-vendor strategy in critical categories.
- Engage with governments, subject matter experts and suppliers.
- Use foreign exchange instruments to mitigate currency fluctuations.
- Engage with governments to manage potential supplier restrictions.
Our principal risks and associated opportunities continued

5 Financial services platform resilience

Opportunity: Realising the potential for innovation to address challenges at the base of the economic pyramid through, for example, segmented propositions and digital offerings in areas such as education, health, agriculture and inclusive finance.

Context and value impact

Our financial services platforms – Vodacom and M-Pesa – are crucial for socioeconomic growth while also acting as a gateway to the digital economy. We need to offer a reliable and dependable service to our mobile money customers, as any disruption to the platform could profoundly impact our customers, revenue and reputation. In addition, the reliability of our network is eroded by an unreliable power supply, as well as theft and vandalism of network equipment.

Mitigating actions

- Invest in ongoing maintenance and upgrades to our systems.
- Focus on comprehensive business continuity and disaster recovery plans.
- Ensure adequate and redundant capabilities.
- Establish single point of failure.
- Drive consistent policy and system implementation across the Group.
- Actively ensure compliance with anti-money laundering and counter terrorism financing (AML) and privacy law and policy for the financial services and mobile financial services businesses (M-Pesa).

6 Technology failures

Opportunity: Our long-standing demonstrated leadership in networks and technology has been at the heart of our customer value proposition, and an important foundation for growth.

Context and value impact

The failure to secure additional spectrum due to policy changes relating to the issuing of spectrum licences, non-renewal of existing licences and/or increased competition for access to spectrum would significantly impact our ability to increase capacity and deliver future network capabilities. In March 2022, Vodacom South Africa acquired 110MHz of additional HDS, which could positively impact this risk to the Group going forward.

Mitigating actions

- Invest, maintain and upgrade our systems continually.
- Develop and implement comprehensive business continuity and disaster recovery plans as needed.
- Invest in adequate and redundant capabilities.
- Ensure comprehensive insurance policies are in place.
- Reduce reliance on external parties through self-provided transmission limits on critical routes in our network.
- Try eliminating single points of failure through failover, backups, transmission and power redundancies.

7 Adverse regulatory and compliance pressures

Opportunity: Proactively responding to the changing regulatory context provides opportunities for “first-mover advantage”.

Context and value impact

The introduction of stringent regulatory and compliance requirements will impact profitability, growth and service delivery. This exposes us to significant financial and reputational damage.

Mitigating actions

- Engage with governments and regulatory and public bodies through our Social Contract.
- Create specialist legal, regulatory and government relations teams at Group and operational level, with external advisers and legal counsel as needed.
- Engage stakeholders and use targeted intelligence reports to understand material legislative changes.
- Proactively engage with government and other key stakeholders to communicate key messages and proposals on how policy/regulatory decisions positively and negatively impact the sector.
- Participate in broader government objectives and public interest through national industry associations, the Global System for Mobile Communications Association and other influential organisations.
- Ensure that a regulatory compliance policy and a combined assurance framework, including internal and external processes.

8 Spectrum

Opportunity: Realising alternative opportunities for accessing spectrum through, for example, partnerships, and extending activities in fixed and fibre, to enable differentiation.

Context and value impact

Rapid

Mitigating actions

- Engage government and regulatory bodies, highlighting efficient allocation and societal benefits of spectrum.
- Actively participate in licence renewal and spectrum allocation processes.
- Continue to evaluate and implement re-farming and optimisation strategies.
- Embrace a proactive spectrum strategy, including potential acquisitions and strategic partnerships under applicable regulations.
- Explore other alternatives to acquire spectrum.

9 Market disruptions

Opportunity: Leveraging our digital ecosystem to add more value for consumers and enrich our businesses (M-Pesa).

Context and value impact

Very rapid

Mitigating actions

- Execute strategies to scale accelerator businesses, including fixed; IoT; IT; digital lifestyle and financial services; and cloud.
- Develop technical skills and capabilities to compete with disruptive market players.
- Utilise network and personal data assets by leveraging Big Data and real-time analytics to personalise customer services and offers.
- Adapt pricing strategies to counter declining traditional voice revenue and migrate voice to data.
- Align and position segmented customer offerings to understand customer behaviour and expectations.
- Integrate a superior customer service strategy across the business.
- Partner with OTTs and global technology firms for mutual benefit.
- Offer integrated voice, SMS and data offerings personalised to customers.
- Manage customers’ number of active days on the network to ensure compelling, personalised offers to retain them.

10 Execution of strategic projects for future growth

Opportunity: Accelerating the Group’s growth profile while simultaneously enhancing returns.

Context and value impact

Rapid

Mitigating actions

- Develop a robust programme to monitor the strategic execution of our projects, proactively identify risks and mitigating actions, and capture new opportunities.
- Ensure the Group has the requisite skills, expertise and redundancy to implement the strategy.
- Align the corporate structure to strategic priorities, for example by the establishment of separate tower companies.
- Leverage our Vodacom relationship and establish strategic partnerships to enhance the value proposition and execution success of all key programmes within the system of advantage while retaining customer relationships and data.
- Ensure that the Board monitors that the correct steps and actions are taken.
Measuring our value creation

In a year with several strategic milestones, we continue to accelerate our powerful, multi-product strategy – the system of advantage – to differentiate our Group in our selected markets, set us apart from competitors and deliver superior returns to our stakeholders.

<table>
<thead>
<tr>
<th>Link to remuneration</th>
<th>How we measure success</th>
<th>Vision 2025 target (medium-term)</th>
<th>FY2022 performance</th>
<th>FY2021 performance</th>
<th>FY2020 performance (baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Footprint strengthened</td>
<td>Leading market share positions</td>
<td>Market share leader in all markets</td>
<td>✔ #1 across markets</td>
<td>#1 across markets</td>
<td>#1 across markets</td>
</tr>
<tr>
<td>02 Secure leadership in mobile and fixed</td>
<td>Group service revenue growth</td>
<td>Mid-single-digit</td>
<td>4.6%</td>
<td>4.7%</td>
<td>3.5%</td>
</tr>
<tr>
<td>03 Scale financial and digital services</td>
<td>Group customers using financial services¹</td>
<td>&gt;70 million</td>
<td>60.6 million</td>
<td>57.7 million</td>
<td>53.2 million</td>
</tr>
<tr>
<td>04 Digital partner of choice for enterprises</td>
<td>Financial services contribution to service revenue</td>
<td>&gt;12%</td>
<td>9.5%</td>
<td>8.9%</td>
<td>8.2%</td>
</tr>
<tr>
<td>05 World-class loyalty and customer experience</td>
<td>Contribution of new and digital services to Vodacom Business service</td>
<td>&gt;50%²</td>
<td>28.1%</td>
<td>28%</td>
<td>Not measured</td>
</tr>
<tr>
<td>06 Personalisation through CVM and Big Data</td>
<td>NPS</td>
<td>✔ in all markets</td>
<td>X in the DRC and Tanzania</td>
<td>#1 in South Africa and Mozambique</td>
<td>#1 in all markets, except Mozambique (#3) and Lesotho (#2)</td>
</tr>
<tr>
<td>07 Optimise assets through sharing</td>
<td>The penetration of personalised offers through CVM across our markets</td>
<td>60%</td>
<td>Not measured</td>
<td>Not measured</td>
<td>Not measured</td>
</tr>
<tr>
<td>08 Technology leadership in network and IT</td>
<td>Capex to sales/capex intensity</td>
<td>Maintain capex intensity between 13% and 14.5%</td>
<td>✔ 14.3%</td>
<td>13.5%</td>
<td>14.6%</td>
</tr>
<tr>
<td>09 TechCo organisation and culture</td>
<td>Network NPS</td>
<td>✔ in all markets</td>
<td>#1 in all markets except Lesotho and Mozambique</td>
<td>#2 in all other markets</td>
<td>#1 in the DRC and Tanzania #2 in all other markets</td>
</tr>
<tr>
<td>10 Trusted brand and reputation</td>
<td>Employee engagement index</td>
<td>92%</td>
<td>77%</td>
<td>77%</td>
<td>78%</td>
</tr>
<tr>
<td></td>
<td>Team Spirit index</td>
<td>75%</td>
<td>76%</td>
<td>75%</td>
<td>Not measured</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brand leadership</td>
<td>✔ in all markets</td>
<td>#1 in South Africa, the DRC and Lesotho</td>
<td>#2 in Tanzania and Mozambique</td>
<td>#1 in all markets, except Mozambique (#3) and Lesotho (#2)</td>
</tr>
<tr>
<td></td>
<td>Reputation survey</td>
<td>✔ in all markets</td>
<td>#1 in the DRC, Lesotho and South Africa</td>
<td>#2 in Tanzania and Mozambique</td>
<td>#1 in all markets #1 in all markets</td>
</tr>
</tbody>
</table>

¹ Including Safaricom. ² Target updated. ³ Subject to Vodafone Egypt deal closing.
Africa’s leading communications company

We are clear in our ambition to be the market leader in the countries where we operate across Africa. For Vodacom, this reflects the quality and depth of service we can offer in each market, rather than the size of our footprint. In this way, we concentrate our efforts and investment on meaningful innovation that helps to unlock each country’s potential for economic growth.

CAPITALS IMPACTED

How this supports our system of advantage
With a legacy of leadership in mobile, we are positioned to accelerate our system of advantage and further scale and diversify our offerings to our markets into fixed, financial and digital lifestyle propositions.

As we move forward from a traditional TelCo into a leading African TechCo, we focus on building the best infrastructure for both mobile and fixed networks, ensuring affordable smartphone penetration and access to data, and leveraging behavioural insights to provide excellent consumer and enterprise propositions. Ultimately, this will support our ambition to reduce the digital divide in the countries where we operate.

FY2022 at a glance

Proposed the acquisition of a majority stake in Vodafone Egypt

Acquired 110 MHz of additional HDS in South Africa

Data usage increased by 22.8%

Announced the acquisition of a strategic stake in CIVH’s fibre assets

Vodacom Fibre passed 155 903 homes and businesses

Our data customers were up 5.4% to 44.7 million

Value created

Value sustained

01

Footprint strengthened

How this supports our purpose

With our expansion into Ethiopia and proposed acquisition of a controlling stake in Vodafone Egypt, we are set to extend our market leadership position to cover more than 500 million people across the African continent. Our enhanced footprint provides us with a unique platform to scale our strategy while we also selectively partner with global tech to connect people for a better future.

Looking ahead

Priorities for FY2023

- Build and scale a world-class telecoms network in Ethiopia.
- Acquire a mobile money licence for Ethiopia.
- Finalise integration of Vodafone Egypt into the Group.
- Accelerate economic development and help to bridge South Africa’s digital divide with the fibre acquisition.

After Vodafone Egypt deal

- 64 million financial services customers, extending our leading fintech position
- 39,000 network sites and one of Africa’s largest tower owners
- 53% smartphone penetration, providing structural data opportunity
- Population reach of more than 500 million, supporting scalable partnerships

Ambitions for Ethiopia

- US$1.5 – 2.0 billion investment in capex over the next 5 years
- Network rollout of 10,000 to 12,000 sites in the next 10 years
- Safaricom Ethiopia to reach EBITDA break-even in 4 years and an EBITDA margin of 40% in 10 years

Enablers:
- Aggressive network expansion
- SIM card penetration
- Mobile money product launch
- Safaricom FY2022 investor presentation

1 The Group, excluding its indirect interests via its shareholding in Safaricom, has an effective interest of 6.2% in the consortium. In addition, the Group has indirect exposure through Safaricom’s 10.7% effective interest in the consortium.
Secure leadership in mobile and fixed

How this supports our purpose

As we invest to deepen the quality and penetration of mobile and fixed connectivity services across our footprint, we unlock the potential of a digital society and inclusion for all. This investment is complemented by data-led personalised pricing options and innovative smartphone financing solutions that support affordability. In this way, by accelerating fibre reach in South Africa with our pending CMH deal, we will foster economic development and help bridge South Africa’s digital divide.

Bridging South Africa’s digital divide with a strategic fibre deal

On 10 November 2021, the Group announced a major step in scaling our fibre offering in South Africa. By acquiring a 35% stake in CMH’s fibre assets — with the option to increase this shareholding to 40% — Vodacom will gain exposure to highly attractive and fast-growing businesses, including Vumatel and DPA. Vodacom’s capital injection and strategic support will further accelerate the growth trajectory of these fibre assets. Also, the contribution of Vodacom South Africa’s wholesale fibre to the home (FTTH), fibre to the business (FTTB) and business-to-business (B2B) transmission access fibre network infrastructure will further scale and enhance CMH’s fibre footprint.

Re-imagine mobile

South Africa

Significant investment to fast-track digital inclusion

- Our network and service proposition is critical to our market leadership position. In the year, we faced incremental power challenges and higher rates of theft and vandalism. To meet these challenges we accelerated technology-related operating expenditure and capital investment. Pleasingly, this intervention supported a market-leading network NPS position by year-end.

- In March 2022, we acquired 110MHz of HDS in South Africa for R5.4 billion. The spectrum has a licence period of 20 years enabling a more sustainable investment path and industry. We will use the spectrum to accelerate 4G and 5G network coverage and capacity across the country and improve service quality to promote digital inclusion.

Promoting digital inclusion

- Our commitment to rural access remains steadfast. Through our rural coverage acceleration programme we introduced new network sites in rural communities across South Africa, with 95.8% of the rural population now covered by 4G network.

- Vodacom South Africa has 26.2 million smart devices on our network, a 13.1% increase from FY2021. In FY2022, our 4G base grew by 21% and 5G by 561%, reaching more than 17.4 million customers. The number of 4G devices increased by 14.1% to 17.9 million in South Africa, while sales of the country’s most affordable 4G smart feature phones, the “Vibe” and Nokia 215, continued to increase — 362,000 devices were sold in FY2022.

- In response to our customers’ evolving lifestyles, we launched our new unified postpaid portfolio under the Red brand. We introduced several new plans, along with better value, data-led plans and relevant lifestyle rewards — all informed by rich consumer insights.

Looking ahead

 Priorities for FY2023

- Secure 4G rural coverage financing partnerships, leveraging our existing relationships with global tech and development finance institutions.
- Accelerate our “future of home” initiative through fibre ISP propositions and beyond connectivity offerings such as security, consumer IoT and home support.
- Accelerate data network leadership in all markets, including 4G coverage, affordability and device penetration.
- Explore funding options for fibre across our international markets.
- Enhance our home connectivity offering through our stake in Vumatel to address South Africa’s digital divide.
- Position DPA as the leading FTTH and dark fibre provider with the best connectivity and gigabit transmission.
- Expand our 5G footprint across our markets to enable future enhanced mobile broadband, mission critical and massive IoT services.

More information on page 75.
Diversify and differentiate with our digital ecosystem

Innovation is at the heart of our diversification beyond core connectivity as we prepare for an integrated digital future. Our financial services and digital lifestyle platforms are key differentiators for the Group as we build our fintech capabilities. To support this transition, we provide positive, unique customer experiences across our multi-product digital ecosystem, leveraging our investment in advanced analytics and behavioural loyalty.

How this supports our system of advantage

We strive to create diverse and innovative products and solutions that drive financial and digital inclusion. Key to this ambition is our digital ecosystem, which is powered by Big Data and builds on our connectivity leadership to diversify and differentiate our offerings. In doing so, we create a deeper customer engagement with a 360-degree view where we compete on value rather than price.

How this supports our purpose

We develop and scale affordable and accessible digital financial solutions to promote inclusion and provide platforms for consumers and merchants to grow. An exciting evolution in our strategy to scale financial and digital services and enable the financial inclusion of these customers is the launch of the VodaPay super-app in South Africa and M-Pesa super-app across our international markets.

Our dual financial services strategy

Our financial services strategy is supported by a two-way ecosystem across consumers and merchants, bringing these segments together through exceptional and personalised experiences relating to entertainment, e-commerce, payments, savings, investments, lending and insurance services. As key drivers of this strategy, our two super-apps – VodaPay and M-Pesa – integrate our own, Vodacom-built products and services with the best offerings from our partners.

Our super-app approach, which leverages the best in global technology, gives us the ability to expand our ecosystem of products from a few partners to thousands of service providers. It removes the barrier of physical limitations for both consumers and merchants alike, allowing them to expand well beyond their geographic boundaries. In this way, we provide consumers with a seamless, engaging and hyper-personalised experience driven by Big Data and advanced analytics, while building a digitised ecosystem for merchants that is anchored in innovative payment processing services and new ways to access and engage with customers. Ultimately, we aim to create deeper customer engagement with a 360-degree view where we compete on value rather than price.
Diversify and differentiate with our digital ecosystem continued

Expanding our addressable market

Our existing financial services business is scaled and provides an increasingly meaningful contribution to Group revenue. This revenue is largely a function of our core payment services, which is volume-based and largely orientated towards a feature phone user. As we scale our super-app strategy, which is orientated more towards smartphone users, we will meaningfully expand our addressable market opportunities to support long-term revenue growth.

Africa’s leading fintech player

Our financial services business is integral to our purpose-led business model, the largest component of our new services revenue and a clear strategic priority. The VodaPay and M-Pesa super-apps, strategic partnerships and African expansion are key enablers to scaling our financial services and building a pan-African fintech ecosystem that supports e-commerce, banking and financial services that offer a single customer experience.

High-growth and scalable financial services model, with attractive returns

Payments and e-commerce

- Services and bill payments
- P2P transfers
- SMS
- International money transfer (MT)
- CBP
- e-Commerce payments

Insurance

- Short-term
  - Device
  - Home and road assist
- Long-term
  - Life and funeral
  - Group schemes
  - Contract cover
  - Travel
  - Car
  - Home

Multiple revenue drivers

Scalable platform

- Fee per transaction (PPS, cash out, CBP, B2B, B2C and e-Commerce)
- Service fee (Airtime Advance, content, loans)
- Commissions (investment products, third-party services)
- Platform hosting fees
- Advertising fees

- 4.40% PBT margin
- with further opportunities, including digitalising inflows and outflows, and increased use of shared services
- Maintain low capex intensity as we leverage global tech partnerships (i.e. Alipay and Centers of Excellence (i.e. M-Pesa Africa)) to deliver highly attractive ROCE

Attractive margins and returns

Expanding our product set to capture growth opportunities

- Contract cover
- Home and road assist
- E-commerce payments

Fintech marketplace

- Supercard
- Super-app (VodaPay and M-Pesa)
- Fintech marketplace
- Entertainment
- and content
- Personalised offers
- Platform hosting fees
- Advertising fees

Lending

- Airtime Advance
- VodaLend
- Invoice financing
- SME lending

Annual M-Pesa transactions increased by 29.2%

VodaPay Financial Services – South Africa

VodaPay super-app

- A significant highlight of FY2022 was the successful launch of the VodaPay super-app, which has 2.2 million downloads and 1.6 million customers completing the wallet registration process. The super-app brings together our capabilities across consumers and merchants in payments, lending, insurance and e-commerce, and provides exposure to new growth verticals like savings and investments. VodaPay service and merchant offerings are provided through unique mini apps, including for brands such as Makro, Builders Warehouse, iStore and Clicks. We also enabled several SMEs looking to access the market to be a part of the ecosystem. At year end, we had 85 mini-apps as part of the digital mall, with over 100 partners in the pipeline to join the ecosystem. We will continue to grow the merchant base to provide VodaPay users with an even more comprehensive lifestyle and shopping experience across various categories and services.

Payments

- Payments increased by 62% across Vodafone’s acquiring and digital payments businesses. This was fuelled by deploying over 3,500 devices in the market. Direct airtime distribution through Vodacom’s digital channels remains a key contributor of growth. We procured R882 million through these channels in FY2022.
- In October 2021, we launched the Kwika mobile point of sale device aimed at the SME merchant segment, enabling them to process debit and credit card payments. Kwika also gives business owners access to an expanding range of Vodacom Financial Services products and solutions – including merchant reporting, which is done via the online merchant portal and will later be accessible via the VodaPay super-app. To date, Vodacom processes over R250 million per month in payments through these devices.

Lending

- Airtime Advance continued to assist our customers when they needed it the most. In FY2022, we extended R13 billion in airtime – an 8.7% increase – growing our customer base to over 10.5 million. Additional channels made it even more convenient for our customers to obtain airtime. We are also actively rolling out Airtime Advance across our international markets.

Insurance

- Through VodaSure, we provide life, funeral and various short-term insurance offerings to our customer base. In FY2022, revenue increased steadily by 13.1% to R1 048 million and profit by 12.1% to R303 million because of continued growth in device insurance, contract cover and funeral cover, as well as the launch of the new theft cover-only product.

Sales of our financial insurance product increased steadily by 13.1% to R1 048 million and profit by 12.1% to R303 million because of continued growth in device insurance, contract cover and funeral cover, as well as the launch of the new theft cover-only product.

- In FY2022, VodaTrade introduced a cashless solution for a major fast-moving consumer goods enterprise and SME customers, enabling annual trade of R270 billion. During FY2022, Trading Bridge achieved 17.0% year-on-year revenue growth, despite difficult trading conditions amplified by COVID-19.

- Given the increased need for a cashless ecosystem in the informal market, VodaTrade introduced a cashless solution for a major fast-moving consumer goods brand this year. This means payments can be made digitally, removing several risks from the value chain.

We also launched a marketplace to facilitate lending on the VodaPay super-app called VodaLend. This feature allows customers to obtain quotas for personal loans from up to 11 different lenders through one seamless process.

Our SME-focused lending solutions – VodaLand Business Term Advance and Business Cash Advance – continued to achieve steady growth during the year. The solutions advanced over R185 million in funding to 330 SMEs during FY2022 – an increase of over 155%.

CASE STUDY

The Bread Box Bakery was one of the first businesses to receive funding from VodaLand. The company’s founder, Madhugonolo Ledwaba, needed to expand her business but faced challenges in obtaining the right financing. After approaching VodaLand, she was able to build her business and can now provide crucial assistance to her community by feeding more than 100 impoverished children in Midrand in South Africa.

Overall, FY2022 was an excellent year of progress for Vodacom Financial Services. Looking into FY2023, we will build on this success and look forward to expanding our portfolio of services to meet the needs of our customers.

M-Pesa – International

- Since its launch in 2007, M-Pesa has evolved into a payments platform that offers access to life-enhancing personal and enterprise services. At year end, it serviced more than 47 million customers (including Safaricom) – a 5.8% year-on-year increase – and processed over US$324.6 billion in transactions.

- The platform’s financial services offering is a key driver of socioeconomic growth and a gateway to the digital economy. Revenue from M-Pesa increased 15.4% to R19.4 billion (FY2021: 13.6% to R16.6 billion), including Safaricom. Our international markets contributed R5.0 billion (FY2021: R4.5 billion) of this revenue. Including Safaricom, M-Pesa is used by more than 2.6 million enterprises to collect and disburse payments, and over 350,000 retail and online merchants accept M-Pesa.

Introduction Our business Our strategy Our performance Our governance Administration
Across our markets, we are working to ensure all markets are at the same level of product offering, payments and lending ecosystem.

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<tr>
<th>Money transfer and basic services</th>
<th>Kenya</th>
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<td>POP transfer</td>
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<td>GSM service top-up</td>
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<td>Bank transfers/digital top-up</td>
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**Digital lifestyle services**

We continued to develop customer-centric solutions to enhance the user experience and digital journey across our markets. At the same time, we encouraged participation through a range of educational, informative and entertainment services. We continued to expand our digital lifestyle services by enhancing our existing portfolio and introducing new products – we believe our super-apps will be catalysts for growth in this space.

**Enhancing digital accessibility and literacy**

- To date, over 22 million unique users have visited the zero-rated ConnectedTV platform, with 14 million sessions initiated per month. Vodacom provided support packages for job seekers through ConnectedTV by combining discounted voice and data offers and continued access to learning and skills through Udemy with access to six zero-rated job sites and its Future Jobs Finder tool.
- Vodacom’s School platform has 1.6 million registered learners accessing digital education content to increase their digital literacy and performance.
- In FY2022, our zero-rated Mum & Baby platform provided over 1.9 million registered users with educational information about maternal and child health and well-being. We plan to enhance the platform by introducing MediAssist, a digital health platform that provides Vodacom customers with medical assistance services based on two different packages. Some of the benefits will include referrals to the closest medical facilities, doctors and specialists and a 24-hour WhatsApp line allowing customers to send pictures of their medical condition for triage and preliminary diagnosis. Mum & Baby is currently available in five languages – isiXhosa, Sesotho, IsiZulu, English and Afrikaans – to ensure the service is relevant and accessible to a broad audience.

- In the DRC, Mum & Baby expanded to 150,000 registered users. In Tanzania, the Healthy Pregnancy & Healthy Baby (HPPB) platform – locally known as Wazazi – provides maternal health information to 1.3 million registered users.

**Facilitating access to entertainment and content**

- In FY2022, we continued to grow our localised content offerings through Vlve, MyMusic and PlayInc, while also expanding our digital services with the launch of KaboTube, a platform hosting videos and games for kids; Cupido, a dating app; and Glow, a one-stop destination portal for women in South Africa that offers news and trends in fashion, beauty, career, money and entertainment. We invested in strategic digital partners such as iKwip and Gameflow across the Group, while enabling local partner services such as Musika in the DRC, Mozik in Mozambique, Mando in Tanzania and a Premier League video offering in Lesotho.
- We designed our super-app ecosystem to seamlessly integrate with the best partners in the industry. With the VodaPay and M-Pesa super-apps as our foundation, we will scale our entertainment offering and provide consumers with access to a range of affordable content services. Furthermore, we consistently enhance our offerings through partnerships, unlocking new revenue streams and channels for consuming content. In this way, consumers across our footprint will be able to access both Vodacom-owned products and third-party services through a dedicated entertainment hub accessible through our super-apps.

**Partnerships**

We continue to drive a high-growth and scalable financial services model, unlocking strategic opportunities with our key partners in line with Vodacom’s Vision 2025. As a key differentiator for the Group, we leverage global tech partnerships and Centres of Excellence to deliver attractive ROCE for our shareholders while creating exciting propositions for our customers.

- Our landmark deal with technology leader Alipay provided an excellent opportunity to reinvent the mobile fintech ecosystem for consumers and merchants. Through this partnership, we could leverage the world-class technology of Alipay to develop the VodaPay super-app and promote greater financial inclusion for all South Africans.
- On Facebook, we launched Vodabucks to allow customers to access direct links to Vodacom channels such as the My Vodacom App or VodaBucks. This led to an increase of over 3.6 million unique customers, with no additional marketing. We also continue to provide customers across all our markets with free access to Facebook Flex.
- We have entered into a strategic partnership with VISA to introduce virtual cards linked to VodaPay and M-Pesa across our markets to accelerate the merchant payments ecosystem.

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**Looking ahead**

**Priorities for FY2023**

1. Scale VodaPay and M-Pesa super-apps across our footprint.
2. Further democratise access to affordable lending products, including the integration of VodaLend and buy-now-pay-later solutions into the super-apps.
3. Launch cash-in and cash-out services for VodaPay South Africa.
4. Expand our zero-rated ConnectedTV platform into our international markets to provide access to a wide range of websites, including job portals, online learning platforms and discounted offers, for disadvantaged communities to support digital inclusion.

**Vodacom Vision 2025**

Combine the power of connectivity with financial and digital services to:

- Enhance our system of advantage to create deeper relationship with our customers.
- Scale affordable financial services across lending, insurance, payments, savings and insurance offerings.
- Expand our e-commerce capabilities to drive inclusion, promote SME growth and better serve our customers through digital channels.
- Provide consumers and merchants with exceptional and personalised experiences driven by Big Data insights.
- Partner with local and global service developers and brands to deliver a compelling ecosystem of third-party propositions.
Diversify and differentiate with our digital ecosystem continued

Digital partner of choice for enterprises

How this supports our purpose
We partner with enterprises to accelerate their growth and transform their operations through digital technology. Our tailored service offerings enable large enterprises and SMEs – as well as governments and universities – to release productivity efficiencies through our flexible mobile, fixed IoT, cloud and hosting, and managed security solutions. By enhancing enterprise growth and productivity, particularly among SMEs, we support livelihoods and help society connect for a better future.

Key drivers

1. **Fixed**
   - Complement software-defined wide area network (SD-WAN) with fibre.
   - Accelerate fibre to the home and business (FTTH) through CVH fibre deal.
   - SME and single office/home office provider of choice.
   - Establish new partnership to accelerate fibre to the business in all markets.

2. **Cloud and hosting, and security**
   - Global tech partnership with AWS and Microsoft.
   - 7,000m² of data centre space in South Africa.
   - 23 data centres in our international markets.
   - Leverage subsidiaries such as Nexio.

3. **IoT**
   - Vodafone as the global leader in IoT connectivity.
   - Centre of Excellence accelerator for rapid incubation.
   - Horizontal platforms via subsidiaries, unlocking software opportunity.

Enablers

- Innovation
- Digital
- Open platforms
- Connectivity
- Data
- Digital
- Cloud
- Security

Broadband for enterprises, including fixed

Our business connectivity infrastructure provides a resilient platform for enterprises, which was particularly essential during COVID-19-related lockdowns. Our access point name (APN) solution offers enterprise clients a sustainable gateway to keep their workforce connected.

Over the past year, we experienced almost 40% growth in the number of customers using Vodacom’s Enterprise Cloud – Microsoft Cloud, Office 365, Modern Workplace and Azure – hosting and domain services, managed software services and security services.

As more businesses demand higher bandwidth, there is also a proportionate increase in potential cyber attacks. Our managed security services continue to protect large enterprises and SMEs, with our solutions encompassing secure networks to protect customers’ online trading and e-Commerce.

CASE STUDY

Over the past few years, cloud computing quickly became critical to businesses, which had to adjust to remote working while staying agile, cost-effective and innovative. The majority of enterprises embrace a hybrid strategy of adopting cloud technology, using multi-cloud deployment models to take advantage of scalability and flexibility. To assist these enterprises, Vodacom Business is now an AWS Outposts Ready consulting partner in South Africa. This means that our enterprise clients – both SMEs and larger businesses – can benefit from a deep heritage in data centre-managed services from both Vodacom and AWS by choosing to adopt cloud flexibility at their own speed. This enables Vodacom to support businesses as they drive their cloud strategies to become more resilient in an uncertain world.

World-class IoT services

We have unique scale and capabilities in the IoT segment, supported by Vodafone – the global leader in IoT – as well as the global reach of Vodacom’s local solutions.

The acquisition of IoT1 in 2016 continued to support positive performance for our IoT business. IoT1 was recognised by MachNation – a leading independent benchmarking firm – as best-in-class among IoT platforms. The platform continues to expand, opening new markets globally – including Tanzania, Mozambique, the United Kingdom (UK) and the Netherlands to name a few – and expanding the United States of America (USA) sales and operations footprint. This global expansion is underpinned by IoT1’s raptor energy management solution, which can drive energy savings of up to 23% per mobile network site, office buildings and many more innovative solutions using AI.

Value created ✓ Value ended ✓ Value sustained ✓

1. Number of IoT connections by mobile network operators (MNOs), excluding China. Data for competitors sourced from Berg Insight as at December 2020.
Diversify and differentiate with our digital ecosystem continued

- Beyond Mezzanine’s smart healthcare solutions, which include mimpliNation, our subsidiary is scaling smart agriculture platforms. Connected Farmer is a digital platform that improves productivity, revenue and resilience for small-scale farmers by connecting them to information, inputs, credit and buyers at scale. More than 200,000 farmers use Connected Farmer in Kenya, Tanzania, Uganda and Zambia. MyFarmWeb supports commercial farms which adopt precision agriculture practices, leveraging IoT to enhance data-driven decision-making.

- We partnered with Statistics South Africa (Stats SA) to conduct the census. By implementing IoT.nxt Commander, we connected to work applications, resulting in improved productivity. RT15 solutions to ensure all government employees remain connected to work applications, resulting in improved productivity.

- Our healthcare platform, mimpliNation, supported the South African government’s vaccine rollout programme. At year end, over 17.5 million people over the age of 18 were fully vaccinated. This initiative was crucial in helping the country strengthen its healthcare ecosystem in the fight against COVID-19. In addition, the Mjolo app – a platform developed by Vodacom that supports improved service delivery and improved patient experience in Gauteng health facilities – had over 50,000 active users. This mobile app is zero-rated on Vodacom’s network, further enhancing our contribution to digital inclusion.

- The South African government’s core mobile communication contract, referred to as RT15-2021, was awarded to four different service providers. To mitigate the impact of market share pressure related to RT15-2021, our Public Enterprise vertical portal continues to drive adjacent government-related services – particularly those that relate to the health and education sectors. We also launched our new RT15 solutions to ensure all government employees remain connected to work applications, resulting in improved productivity.

- We partnered with Statistics South Africa (Stats SA) to conduct South Africa’s first digital census. Over 160,000 field workers were issued devices using Vodacom APN connectivity and the Vodacom One Net Business solution. In addition, the IoT mobile device management solution provided STATS SA with real-time visibility as the field workers conducted the census. By implementing IoT.nxt Commander, we integrated all critical components within Stats SA into a single, interactive, real-time, operational matrix.

SME champion

- In FY2022, we launched V-Hub, an online resource portal specifically designed for SMEs to unlock their full potential as they embark on a digital transformation journey. By adopting the right digital solutions, SMEs can become more agile and resilient which, in turn, will enable them to respond to customers’ evolving needs quickly. Over 5,000 SMEs have accessed this portal at year end.

- We offered a series of seminars and webinars called Fast Forward, and hosted SMEs on the platform to enable the discovery of digital innovation for their businesses. The Fast Forward series was extended to the V-Hub platform, providing access to the material SMEs need to operate in the digital economy and expand their businesses.

- The launch of our VodaPay super-app also provides SMEs with access to potential customers and offers several merchant trading solutions. In addition, we provide customised lending solutions to SMEs.

Looking ahead

![Looking ahead](Image)

<table>
<thead>
<tr>
<th>Vodacom Vision 2025</th>
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<tbody>
<tr>
<td>Scale our fixed network and SD-WAN capabilities.</td>
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<td>Further build our end-to-end IoT solutions.</td>
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<td>Build our intelligent business and digital transformation capability to unlock cloud and hosting services.</td>
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<td>Expand our wholesale offering to empower more partners.</td>
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<td>Grow our managed services and partnerships to sell with, and sell through, to assist corporates with their digitisation.</td>
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<th>Streamline and support the journey</th>
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<td>Digital-first experiences</td>
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<td>Digital-first experience-lead products that are easy to use and understand</td>
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<td>24/7 effortless digital resolution</td>
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<td>Proactive care before the customer is aware</td>
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<th>Digital-first initiatives</th>
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<td>Self-service channels via voice or chat</td>
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<td>Use of RPA to speed up processes</td>
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<th>Targeted expert resolution</th>
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<td>Complex issues or value-driven calls</td>
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<td>Smart-routing to multi-skilled agents and experts</td>
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<td>Problem resolutions and potential cross or upsell issues</td>
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<th>Engaged, loyal customer base</th>
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<tr>
<td>Vodacom’s digital channel for self-service, the My Vodacom App (MWA), now generates over R2 billion in annual revenue, with five million active customers. Key initiatives include strategic business and combination card payments and radically simplified journeys, which were pivotal in driving bundle revenue growth – which increased by 34.9% in FY2022. prepaid customers who use the My Vodacom App increased by 28.6%, while the number of contract and hybrid customers increased by 8.8% and 11.5%, respectively. This year, we also introduced airline transfer to the My Vodacom App.</td>
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<th>World-class loyalty and customer experience</th>
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<tr>
<td>In a connected world, customer-centricity is top of mind. Our purpose relies on maintaining and growing our customer base, ensuring they have positive interactions with Vodacom across our multi-product ecosystem. We refine and evolve our customer experience strategy based on the current and future needs of our customers, striving to deliver a personalised omni-channel digital experience, and to promote inclusion and generate loyalty to our brand.</td>
</tr>
</tbody>
</table>

![World-class loyalty and customer experience](Image)

How this supports our purpose

- In a connected world, customer-centricity is top of mind. Our purpose relies on maintaining and growing our customer base, ensuring they have positive interactions with Vodacom across our multi-product ecosystem. We refine and evolve our customer experience strategy based on the current and future needs of our customers, striving to deliver a personalised omni-channel digital experience, and to promote inclusion and generate loyalty to our brand.
Diversify and differentiate with our digital ecosystem continued

Our VodaBucks loyalty programme, which has over 1,000 partner networks, rewards customers for using our services with a unified currency to spend in our VodaBucks store. The programme attracted over 8.9 million active rewards customers, who earn, bank and spend their VodaBucks via our My Vodacom App.

The Vodacom 2021 Unlock Summer campaign rewarded loyalty through the Vodabucks channel, as well as for downloading the new Vodaphone super-app. This campaign generated high levels of engagement, with over 400 million plays.

We are evolving Vodabucks into the underlying behavioural loyalty programme spanning the customer experience. Importantly, we are extending the programme to reach non-Vodacom customers through our VodaPay super-app.

In Tanzania, our loyalty programme engages about 2.2 million customers per month. We are also scaling our third-party rewards programme, Vodacom Deals Coupon, based on special discounts from selected merchants in categories such as food and beverages, fashion, lifestyle and travel.

CASE STUDY
Launching Vodacom’s first green store

As part of our efforts to preserve the environment and drive sustainable development, in November 2021 we launched new, first-of-its-kind stores of the future in Fourways and Midrand in Gauteng province in South Africa. The stores integrate design with customer experience to ensure we design and build retail environments that deliver on and reinforce our brand promise of being customer-focused. This Store 2.0 is digital-first and energy-efficient while also driving a seamless retail experience for our customers. The new stores are also in line with Vodacom’s RedLovesGreen philosophy, which encapsulates our belief that business success and consumer satisfaction can run in tandem with a commitment to the environment and our purpose-led business model.

We use innovative digital technology to provide seamless, paperless customer journeys, with over 15 unique capabilities showcasing Vodacom products and services. Each store uses design principles to reduce waste and minimise the maintenance of furniture, shop fittings and assets. We used sustainable materials like responsibly sourced timber and low-toxic paints, while sensors were installed to locate any water leaks. During the build stage, 80% of all waste was recycled, and a dedicated waste and recycling management plan was applied.

Providing digital-first touchpoints

Our chat and voice digital channels are growing exponentially. Since launching in January 2021, TOBi Voice, TOBi Chat and TOBi Assist handled 13.3 million transactions, compared with 8.6 million calls routed to live agents during the year. TOBi Assist, specifically, increased from about 700,000 transactions in FY2021 to 5.5 million in FY2022 — a significant increase of 687%.

TOBi Assist also contributed to a 3% improvement in first-call resolution, empowering our frontline agents to resolve customer problems as quick as possible. This further supported a structural reduction in average handle time of 11%, and a 28% reduction in back-office service requests.

Through optical character recognition, TOBi Assist is identifying our financial services customers’ unique voice fingerprints, automating the loading of new banking details to our system from email. TOBi also assists with recommendations to the contact centre agent to speed up calls as quickly as accurate capture customer information.

We continue to leverage our Big Data assets to solve customer pain-points. For example, the Touch-point Net Promoter Score (nps) model individually evaluates the probability of each customer being either a promoter or detractor and triggers a supportive action.

We are expanding the voice capability of TOBi. More than 1,000 Vodacom employees are undergoing TOBi training to understand and learn different dialects within the African and South African languages. We launched TOBi Voice and TOBi Chat in isiZulu in the second half of the year — a first in South Africa.

TOBi has a nps of 42, the same score as our live agents a year ago. TOBi is approaching the same level of efficiency as our live agents, and growing. Our resolution rates have matched 87% for first-contact resolution, which is also an all-time high.

Targeted expert resolution

To further differentiate and personalise the customer experience, we are transforming how we resolve queries for our postpaid customer base through smart routing. In partnership with Tech Mahindra, we are building a resolution hub aimed at reducing or eliminating multiple handover points to different agents or departments. By using a multi-skilled team to manage customer issues, queries are managed by a single team of experts. By year end, 484 agents had been skilled in this approach. We hope to expand this during FY2023.

Enhanced experience for our customers with special needs

We continued to drive the digital inclusion of customers living with disabilities to ensure they remain connected. Vodacom’s Specific Needs Office works closely with various operational divisions to create accessible solutions suitable for persons living with disabilities.

During the year, we launched the Nokia 2720 – a smartphone designed to provide easier access to senior citizens, people living with disabilities and those who experience other barriers to communication. The phone is pre-loaded with WhatsApp and Facebook, and has a dedicated emergency button that will send an SMS with location information to five pre-loaded contacts.

In celebration of South Africa’s annual Disability Rights Awareness Month, we donated 5GB of data to all registered customers with disabilities for three months.

Looking ahead

Priorities for FY2023

- Evolve from a traditional, on-premises hardware infrastructure to a contact centre in the cloud.
- Enhance journeys and processes for our fibre business in South Africa.
- Scale expert resolution in partnership with Tech Mahindra.
- Extend Vodabucks to all customer segments across various platforms and business segments.
- Scale our VodaBucks (or equivalent) loyalty programme across all markets.
- Further develop the capabilities of TOBi Voice, including more vernacular options.
- Explore end-to-end RPA for financial services customer service.

Vodacom Vision 2025

Steer customers to use digital channels using our Big Data and predictive analytics.

Digitise, optimise and automate the end-to-end customer experience journey using RPA technology.

Ensure every customer experience is unique, adding value by deploying RPA and smart-routing technologies in our call centres.
Diversify and differentiate with our digital ecosystem continued

Personalisation through CVM and Big Data

How this supports our purpose
As a customer-centric and purpose-led business, we develop propositions for our various customer segments based on their unique needs. Over the past five years, we have invested significantly in world-class, flexible Big Data technology to enable deeper, textured layers of understanding of our customers – including their day-to-day behaviours, motivations and aspirations. By meeting specific needs we can segment, personalise and offer nano-sized connectivity offerings and financial services to promote accessibility and inclusion.

Big Data powering our digital ecosystem

Big Data is the engine that powers our digital ecosystem and underpins our CVM, loyalty and financial services capabilities. By investing in Big Data and analytics, we have expanded our customer view to over 3,000 attributes – providing us with a 360-degree customer lens. With these insights, we generate “next best offers” for our customers, which are further enhanced by behavioural loyalty rewards. Importantly, by creating a ring around the customer with both connectivity and financial services, our customer proposition moves beyond just a decision on price.

Enhancing customer experience through personalisation

In today’s hyper-competitive, multi-SIM markets, customers make daily decisions on which SIMs to recharge. These factors have led to prepaid consumers having multiple different prepaid SIM cards from different MNOs, allowing them to constantly hunt for preferred pricing, promotions and free allocations. Reducing duality is a cornerstone in the continued growth of revenue from the prepaid consumer segment, as this would lead to consumer spend consolidation and increased revenue for Vodacom if achieved at scale. In response, we are working on a proactive CVM strategy – supported by Big Data – for our markets to deepen customer relationships and drive growth.

- In the prepaid business, bundle sales of personalised offers make up more than 50% of total bundles sold in South Africa, reflecting our CVM capabilities. This mass adoption of personalised data offers allows us to manage network resources, effective data rates and revenue carefully.

- Just4U, our flagship personalised offering, continues to be a key differentiator as our customers benefit from unique and personalised deals on airtime, data and text messages. Our customer participation on the Just4U platform reached 54% in Tanzania, 28% in Mozambique, 27% in Lesotho and 11% in the DRC.

- Our Big Data and CVM capabilities are deeply integrated into our behavioural loyalty programme, VodaBucks. (For more information, refer to “World-class loyalty and customer experience” on page 51). By leveraging these capabilities, our VodaBucks programme increased active customer days on our network by 1.3 days in South Africa, reflecting enhanced customer engagement and more frequent purchases.

Reaching the most vulnerable communities

In South Africa, our geographically targeted offers and campaigns proved successful in FY2022, allowing for deeper consumer insights and improved usage of underutilised network resources. One such offer, Just4U Town, aims to reach the most vulnerable communities to ensure all customers have access to affordable voice and data services. Through this platform, the discounts offered are determined by the location, income levels and available network capacity of a specific customer base. During the year, revenue from the Just4U Town platform increased by over 40% year on year, and now accounts for 27% of all revenue from personalised offers. Additional spectrum will provide an opportunity to enhance these initiatives as coverage, capacity and penetration allow for underlying cost structures to improve.

Big Data empowering financial services and our super-apps

The advanced integration of Big Data with our financial services products provides alternate credit scoring data and personalised experiences. By leveraging the Big Data capabilities of our super-apps, we are able to generate rich customer insights used to improve customer care and, in the future, offer more personalised and relevant offers that span lending, savings, investment and e-commerce.

Big Data already plays an important role in fraud prevention across both connectivity and financial services. In FY2022, we reduced merchant fraud within our M-Pesa ecosystem by using graph analytics-based anomaly detection at scale.

Beyond our CVM, loyalty and financial services capabilities, we also leverage Big Data and analytics to support data-led decision-making and drive efficiencies within the Group. Specifically, we focus on intelligent automation to enhance our internal digital capabilities – particularly as it relates to fibre – deploying smart-routing technologies in our call centres and making smart capex-related decisions.

Looking ahead

Priorities for FY2023

- Leverage our advanced CVM capabilities across both our connectivity and financial services to increase our focus on segmentation and localisation, while also focusing on smaller “sachet” sizes to meet the challenges of rising inflation and pressure on consumer spend.
- Grow Big Data use cases and 360-degree customer attributes.
- Roll out Big Data capabilities in all markets and embed these in our super-apps.
- Mature Big Data sophistication in financial services.
- Radically simplify offerings in the core mobile business.

Vodacom Vision 2025

Reduce the digital divide and enable access for more South Africans to ensure everyone can connect affordably.

Enable a seamless system for customers to use their mobile phones to connect, access entertainment, pay bills, invest, lend and insure.

Humanise technology and simplify and transform the customer experience to achieve true convergence of our multi-product offerings.

Democratise data design compelling customer propositions, embed our loyalty programme and enhance regional execution.
Optimised, future-ready TechCo

From our foundation as a market leader across our footprint, our business has evolved in line with our ambition to be a leading TechCo driven by technology leadership. As part of this journey we focus on optimising our assets and building an organisation of the future led by innovation, agility and the right skills to connect people for a better future.

**FY2022 at a glance**

- **Initiated the separation of our South African tower portfolio into a separate TowerCo business**
- **Group ROCE of 24.3% with R14.6 billion capital investment in network infrastructure (FY2021: R13.3 billion)**
- **Invested R395 million in skills development for black employees in South Africa, with R190 million invested in black female employees and R16 million in black youth with disabilities**
- **Established a skills transformation team at Group level to accelerate our #1 MoreSkill programme**
- **Achieved a Team Spirit index score of 76% (FY2021: 75%) and an employee engagement index of 77% (FY2021: 77%)**
- **In October 2021, Sustainalytics ranked Vodacom first out of more than 200 companies in its Telecommunications Service industry groupings (FY2021: second)**
- **Over 22 million users accessing our zero-rated ConnectU platform**
- **Vodacom e-School has registered over 1.6 million users since inception**

**How this supports our system of advantage**

As a leading connectivity player in Africa, we leverage the strength of our connectivity reach and digital ecosystem to promote financial inclusion and build trust with our stakeholders. While mindful of our ambition to optimise ROCE, we are leveraging partnerships and sharing models to develop innovative and smart technology platforms and connectivity solutions that support our overall customer proposition.

Furthermore, by embedding our agile employee culture – the Spirit of Vodacom – across the organisation and pioneering low-cost network technology across the continent, we can build one of Africa’s most trusted and loved brands.

**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**
    - Sharing existing towers, sites and network platforms
    - Enabling access to infrastructure and additional capacity
    - Sharing infrastructure operating costs
  - **Co-build or partnerships**
    - Building new infrastructure via partnerships
    - Reducing capital requirements to build new sites
    - Enabling infrastructure expansion to underserved areas
  - **Roaming**
    - Facilitating rapid coverage expansion and capacity acquisition
    - Avoiding costs associated with building new infrastructure
    - Reducing costs during planning, optimisation and maintenance phases

**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 – MyMozu, 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 Liberty 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.
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.

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, ensures 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.

Looking ahead

**Priorities for FY2023**
- Finalise the TowerCo in South Africa, and prepare to roll this out to the rest of the Group.
- Obtain approvals for and integrate the CVH 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 development finance institutions.

**Vodacom Vision 2025**
- Establish an Africa FibreCo with strategic partners to accelerate fibre coverage across our international markets.
- Evolve our architecture towards TReKo 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.

**Value created**  **Value enhanced**  **Value sustained**

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.
Optimised, future-ready TechCo continued

- The pandemic significantly increased the demand for connectivity. In response, Vodacom invested R14.6 billion in its network and implemented several transformative propositions to revolutionise how data is consumed. This includes the new Everyday Data bundles in South Africa, which provide significant value to customers by delivering 7.5GB over 30 days at R99. We also refreshed our mobile contract packages, increasing data across the portfolio up to 100GB of monthly data.

- Extending our capabilities in modern digital IT
  - We continued to embed Agile and DevOps practices into our way of working, focusing on faster time to market, improved customer experience and increased stability. By focusing on a smaller but increased number of releases per month, we can deliver more quickly and continue to offer an enriched customer experience.
  - Our cloud journey remains key, delivering significant cost savings and increased efficiencies. We transitioned selected analytical workloads to the public cloud to deliver analytics at scale. In doing this, we could steer investments into beneficial channels, price plans and devices. The AWS cloud programme completed 564 migrations for cloud-native application workloads. We also successfully migrated six contact centres to the cloud alongside merchant agents – including VodaPay Chat.
  - We expanded our network coverage across our international operations, including 8 430 2G sites, 6 694 3G sites and 5 521 4G sites added across Tanzania, Mozambique, the DRC and Lesotho. In line with our Tech2025 strategic goals, our current focus has been on accelerating 4G coverage. Vodacom exceeded its 4G rollout ambitions in Mozambique despite procurement delays brought on by COVID-19, deploying over 464 4G sites during the year. Tanzania completed 105% of its 4G rollout objectives, while Lesotho reached 100% completion. In the DRC, we experienced delays in receiving equipment due to a customs embargo imposed by the government.

- Across all our markets, Vodacom engages with regulators to obtain spectrum to deploy 5G. All international markets are progressively executing their 5G networks plans by ensuring that our network is 5G ready.

- To manage the potential risk of vendor dependency over the medium term, Vodacom is trialling alternative network technologies such as OpenRAN.

- Extending our capabilities in modern digital IT
  - We implemented Agile SAFE practices across our markets to ensure customer-focused delivery. Programme Increment (PI) is part of SAFE – a timebox during which an Agile Release Train (ART) delivers incremental value in the form of working, tested software and systems – and helps teams collaborate and align on workflows. PI improved the visibility of all work, enabling improved prioritisation and effective use of resources. We have plans in place to establish the Group Lean Portfolio Management capability, whereby we will be able to leverage PI to manage demand across our operating companies.

- Maintaining technology resilience
  - We implemented a technology resilience programme to ensure all technical recovery plans are reviewed and maintained as needed. All critical systems are tested annually to provide auditable proof of recovery capabilities, while also ensuring the eight plans – including geo-redundant architectures and capabilities – are in place to meet the prescribed recovery time and recovery point objectives.
  - Sporadic vandalism and battery theft at our network sites continue to impede business continuity, network availability and overall customer experience. This is further exacerbated by Eskom’s load-shedding. We continue to drive investment to mitigate this risk– for example, through our Energiplan project, we are deploying four-hour and eight-hour battery vaults to all sites to maintain network availability and connectivity along with enhanced security measures. During FY2022, we invested R683 million in this project.

- International operations
  - Expanding our biggest gigabit networks
    - All markets apart from Lesotho and Mozambique were first in network NPS and the Umlaut benchmarking drive test. Lesotho continues to expand its 4G pop-up coverage and in Mozambique we continued to improve our network by deploying an additional 464 4G sites. Vodacom Tanzania upgraded 115 4G sites, improving our download speed and latency positioning from third to second. We continue to implement network improvement plans across all markets, analysing network NPS detractors to identify areas with degradation.

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- We maintained its lead in the independent IT4C benchmark exercise conducted by Gartner, which compares the IT capabilities of South Africa’s largest mobile operators. We increased our lead by 133 points, showcasing significant improvements in our retail channels and contact centres. We believe this achievement reflects our continued investment in technology across customer touchpoints.

Reducing our environmental impact and delivering technology efficiencies

- Energy savings initiatives include electricity utilisation and billing optimisation, generator fuel fraud detection and runtime reductions. We installed Ruraflex time-of-use meters in over 1 072 base stations using electricity from Eskom, which led to an average reduction in electricity costs of 20%. We plan to install an additional 140 Ruraflexes and 750 Miniflex conversions in FY2023.

- IoT/raptor technology implemented at our sites ensure we optimise air-conditioning runtime. The raptor can support energy savings of up to 25% per site. Furthermore, we can monitor and manage energy consumption remotely. Vodacom is exploring energy-wheeling opportunities from independent renewable sources.

- For more details, refer to “Secure leadership in mobile and fixed” on page 43.

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Facilitating a differentiated employee experience
In FY2022, Vodacom was certified as one of Africa’s Top Employers for the sixth consecutive year across all markets, advancing overall ranking to the top three in Africa, Safaricom Kenya was certified for the first time and in South Africa we ranked third out of 114 participating companies for two consecutive years. Safaricom Kenya also earned a Top Employers Africa badge for the first time this year. We believe this certification recognises our efforts to create a nurturing environment where employees can thrive, enabling us to reflect on our progress to becoming an employer of choice. It is also a reflection of our continued commitment to improving people efficiencies and driving an exceptional employee experience.

To embed the Spirit of Vodacom across the business, we have a recognition scheme called Vodafone Stars which allows for in the moment recognition for employees who display Spirit behaviours, comprising either cash awards or peer-to-peer recognition. In FY2022, over 5,000 employees were recognised through the Vodafone Stars programme. We use our rewards programme and organisational culture to encourage employees to demonstrate Spirit behaviours in their daily work activities, ensuring that employees deliver the desired results for our business.

In South Africa, Vodacom spent R483 million on skills and leadership development programmes.

The Spirit of Vodacom – our culture
Through the Spirit of Vodacom, we advocate for a culture that focuses on trust, drive, curiosity and belonging. We have embedded four pillars, which are earn customer loyalty; create the future; experiment, learn fast, and get it done, together. Our ethos is that no matter where we work in Vodacom, we act as one. Together, we create a place where everyone can truly be themselves and belong.

We keep employees engaged, boast staff morale and create a progressive and conducive organisational culture as we continue to navigate recovery from the pandemic. Accordingly, we launched the SWOT of Vodacom day – a quarterly meeting free event that provides space and time for our employees to focus on personal growth, well-being and connection. We hosted our first Spirit of Vodacom day in October 2021, our second one in February 2022 and have three more quarterly events planned. To support our Spirit journey, we launched the Spirited Leader series as the vehicle for a future-ready Vodacom. This series is designed to drive high-impact actions, leadership standards and well-being, and also provide playbooks and action toolkits, share best practices and facilitate peer support from leaders across the Group.

Listening to our employees is a key aspect of improving our culture and ensuring we continually strive for excellence. A key measure of how the Spirit of Vodacom resonates with our employees is our Employee Spirit Beat surveys. We run Employee Spirit Beat surveys bi-annually and have thus far completed three cycles in FY2022, with a participation rate of 86%. The data from the surveys reflect the following scores and insights:

- **Employee index of 77%**
- **Purpose index of 86%**
- **Spirit index of 76%**

Positive themes from surveys
- New employees resonate strongly with our purpose
- Satisfaction with a hybrid working model
- Learning new skills and abilities

Improvement areas from survey
- Employee recognition
- Increased focus on robust and regular feedback
- Working effectively across the Group to find the best solutions for customers

Accelarating the digital skills of our employees
- Our #MoreSkill programme continued to support skills development across Vodacom. This year, we established a skills transformation team at Group level to accelerate the initiative, focusing on the capabilities required to drive our ambitions: software engineering, cloud computing, RPA, Agile, cyber security and 5G.
- In South Africa, we focused predominantly on increasing software engineering capabilities. Over 331 employees completed 7,225 hours of instructor-led training across 76 courses. This equates to R3.2 million in internal costs.
- In all our markets, there was also a focus on cloud capability. Over 141 employees were certified in AWS expertise, Azure and GCP Solution Architects, AWS Developers and Security expertise. In addition to this, through our five-year partnership with AWS, 977 employees completed 221 certifications in cloud architecture in Vodacom South Africa.
- Vodafone University continues to offer our permanent employees access to online learning opportunities across multiple training platforms such as LinkedIn Learning, O’Reilly, Udemy and UdPath. In FY2022, 34% of employees completed at least one course in South Africa. Across the Vodacom Group, employees completed 515,616 online training programmes this year, equating to 141,669 hours of learning.

Fostering workplace inclusivity and diversity
- **Drinking an inclusive employee culture, which fosters tolerance and embraces diversity, is a key component of our human capital strategy.** We have various initiatives and forums to ensure we respect and include the different viewpoints, backgrounds, ethnicity, ages and genders of our employees. These include the Disability Forum, LGBT+ Network, National Consultative Committee, Women’s Network Forum and Youth ExCo.
- We review our internal pay ranges annually and consistently apply them throughout the organisation. All DiCAs conduct an annual fair-pay analysis to ensure they are committed to fair pay and responsible remuneration across all employee levels.
- Vodacom was also recognised for the support we provide to LGBT+ employees being one of three companies in South Africa that achieved SWEI Silver status in this regard. This is a key milestone following silver status achieved previously. The South African Workplace Equality Index aims to rank South African companies on how well they implement best practice for LGBT+ equality in the workplace.
- We have a parental leave policy which gives four months paid leave to non-birth partners and those who adopted a child or became a parent through surrogacy. Since the policy was launched group wide in September 2020, 213 employees have enjoyed this benefit.
- We introduced an external bursary programme in South Africa for people living with disabilities in 2021. This programme is aimed at assisting students who live with disability, lack necessary resources to further their studies and have achieved outstanding academic results.
- Our job shadow programme continued to support high school pupils in selecting university careers in line with jobs of the future, focusing specifically on science, technology, economics and maths-related programmes. This year, 50 school pupils were enrolled in the programme.
- In South Africa, the WeThinkCode programme trains Africa’s top tech talent and drives the digitisation of African businesses. We continue to collaborate with the programme and, accordingly, annually sponsor 10 students as they complete National Qualifications Framework 5 programmes in software engineering and coding at non-traditional learning institutions. In March 2022, we unbonded 10 additional students, investing a total of R1 million.

In South Africa, Vodacom spent

R483 million
on skills and leadership development programmes.
Providing a safe and healthy employee experience

The health, safety and well-being of each employee continue to be a priority and key focus area across our markets – particularly through the various COVID-19 waves. We aim to achieve a 100% Home Safe culture by managing our top risks, sustaining our employees and suppliers through the pandemic, supporting mental health and building the resilience of all who work for us – our employees and suppliers and their families.

In October 2021, we updated our remote ways of working policy to formalise a hybrid way of working between the office and home. This transition signals the return to normality after the lifestyle changes associated with COVID-19 lockdowns. Although we have seen an improvement in the return to office-based work, our employees are still adjusting to the hybrid working environment.

Employee wellness remained a priority during the year, and we continued to drive several employee support and engagement activities across the Group. Our employee assistance programme counsellors and employee ambassadors worked to assist our workforce with coping strategies, stress management, communication, grief counseling and parental guidance during COVID-19. We hosted 80 sessions in South Africa, attended by 7,800 people.

Vodacom created vaccination opportunities for employees, their families and members of the public by implementing vaccination drives and pop-up vaccination sites. Over 13,700 people were vaccinated them, of whom an average of 55% comprised employees across our markets in Africa. As our employees return to the workplace, we provide free antigen testing to them and their immediate family members should they present with COVID-19 symptoms.

We continued to accelerate our digital transformation journey and unlock new opportunities. Our Vodacom Engage app, a mobile employee engagement platform, continued to be used extensively as the primary communication gateway for the business, offering a seamless and connected experience. To give our employees a distinctive digital experience, we used the apps COVID-19 functionality to include screening, reporting positive cases and declining vaccination status. The app had 6,107 active users from across the Group at year end.

We continue to focus on reducing road risk and significantly enhanced our driver behaviour across our OpCos. This decreased both the frequency and severity of incidents, as well as our employee and supplier fatality rates. Tanzania, specifically, celebrated 10 years of being fatality-free. This is primarily attributable to a phenomenal innovative health and safety executive team leading the business and increased ownership of safety and well-being by our leadership, continued engagement with suppliers and proactively monitoring and measuring of field activities.

Sadly, the lives of two members of the public were lost as a result of a road accident in Mozambique. To prevent future fatalities, we continue implementing road risk reduction initiatives and adapted learnings from Tanzania across all markets.

Looking ahead

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<tr>
<th>Priorities for FY2023</th>
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<tr>
<td>Build a skills hub to accelerate critical skills.</td>
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<td>Continue to transform the skills profile of the organisation to enable our transition to a TechCo.</td>
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<tr>
<td>Realign our operating models.</td>
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Vodacom Vision 2025

Embed a culture of inclusivity by promoting our commitment to workforce diversity and localisation.

Embed a hybrid working culture with the introduction of a progressive remote working policy.

Promote skills development and youth empowerment.

Build the coaching capabilities of our leaders.

Drive the digital transformation agenda by embedding Agile structures and RPA.

Differentiate the work environment through positive employee engagement.

Ensure the physical and mental well-being of our employees.

Identify requisite future skills and align our graduate and bursary programme to attract these skills.

Identify high-performing black females in the market to develop future skills and leadership through a female empowerment training programme.

Trusted brand and reputation

How this supports our purpose

We aspire to be a purpose-led organisation, connecting for a better future by enabling a digital society, inclusive of all, with the least environmental impact. We embed these values into our culture and activities across the Group, and aim to enhance Vodacom’s reputation by demonstrating this purpose in our product development strategies and communicating it across customer experiences. Beyond our brand purpose, we recognise the need to earn and maintain trust, and are guided by our Social Contract to operate an ethical business that is responsive and transparent to a diverse group of stakeholders.

Building trust with our purpose-led model

At our core, we believe technology and connectivity can enhance the future and improve people’s lives. To this end, Vodacom has taken decisive steps towards embedding our purpose of connecting for a better future into our company, into our people and into the way we do business. In FY2022, our refreshed brand campaign, Further Together, was a rallying call for our employees and partners, and a commitment to Africa that Vodacom will not stop until everyone is connected to the abundant potential of a digital society.

As we deliver on our purpose-led model, we focus on three pillars: digital society inclusion for all, and planet.

Through ConnectU, a platform that provides basic internet and essential services, Vodacom provides zero-rated access to free online courses and selected job sites for job seekers. The platform has over 22 million unique users. We launched ConnectU in the DRC during the year and plan to rollout the platform to the remaining international markets.

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<tr>
<th>Market</th>
<th>ConnectU launch date</th>
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<tbody>
<tr>
<td>Mozambique</td>
<td>Development complete, site launch in June 2022</td>
</tr>
<tr>
<td>Lesotho</td>
<td>Quarter two, FY2023</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Quarter three, FY2023</td>
</tr>
</tbody>
</table>

To maintain affordability for our customers, in South Africa we introduced 4G-targeted Everyday Data bundles, which deliver a daily allocation of data over 30 days, priced at R99 for 7.5GB, and reduced out-of-bundle charges by 75% and headline monthly data prices by 50%.

The Just4U personalised pricing bundles also enabled Vodacom to offer lower rates to the most price-sensitive, lower-income consumers.

Connecting people and things to the internet

In March 2022, as part of the ITU’s Partner2Connect programme, Vodacom committed to investing to increase 4G population coverage across our footprint by an additional 70 million people over the next five years.

To drive digital inclusion through device penetration, Vodacom facilitates access to affordable smart devices in our markets. Vodacom connected 54.1 million smart device users to our network during the year, a 12.5% increase from FY2021. The number of 4G and 5G devices in South Africa increased by 23.9% to 18.5 million, while in the international markets smartphone penetration increased to 35.7%.

Through ConnectU, a platform that provides basic internet and essential services, Vodacom provides zero-rated access to free online courses and selected job sites for job seekers. The platform has over 22 million unique users. We launched ConnectU in the DRC during the year and plan to rollout the platform to the remaining international markets.
Providing access through platforms

We continued to support governments in their response to the pandemic. As part of this, we processed 1.5 million COVID-19 tests through labs. To address inefficiencies in medicine supply chains, through Mezzanine we partnered with the South African Department of Health to develop the Stock Visibility Solution (SVS). Over 14 million stock updates were made during FY2022. In Kenya, the World Food Programme used the SVS to monitor stock levels of food aid.

This year, Vodacom launched V-Hub – a platform that provides SMEs with access to business opportunities and support. We also provided block-owned SMEs with R16 million as part of our deep rural lease-back programme by partnering several base station sites to these SMEs on a lease-back agreement for maintenance and construction.

In Mozambique, we introduced a supplier portal as part of the local procurement programme through which SMEs have access to bids. In FY2022, the platform registered 200 suppliers, of which 45 were invited to submit bids.

Promoting financial inclusion

Vodacom has 60.6 million financial services customers, of whom 47.1 million are M-Pesa customers and 13.5 million financial services customers in South Africa. Through M-Pesa, Vodacom processed over US$834.6 billion in transaction value during the year.

In FY2022, more than 10.5 million customers used Airtime Advance to the value of R1.7 billion in South Africa – an increase of 8.7%. Airtime Advance represented 45.2% of total prepaid charges during the year.

Vodacom, through Mezzanine, supported the Department of Agriculture, Land Reform and Rural Development and the Solidarity Fund to distribute subsidies to small-scale farmers. The e-Voucher mobile and web-based solution enabled cashless value distribution to these farmers, who redeemed vouchers worth more than R400 million.

Vodacom introduced VodaBusiness Cash Advance to facilitate finance to smaller unregistered businesses needing quick access to short-term cash advances. By offering finance of between R3 000 and R350 000 to customers using VodaPay POS devices, Business Cash Advance complements Vodacom’s range of lending products aimed at SMEs – driving financial inclusion and sustainability in this key sector.

For more information, refer to “Scale financial and digital services” on page 41.
Managing our environmental impact

- We believe urgent and sustained action is needed to address climate change and that the success of our business should not be at the expense of the environment. We are committed to managing our environmental impact. We have 1,088 solar-powered sites and will implement further installations in FY2023. Our GHG emissions per terabyte of data reduced by 14.8% to 0.64 mtCO₂e per terabyte of data. Our carbon emissions increased by 4.6% most notably due to network and traffic growth, increased diesel consumption as well as higher emissions factors.
- To reduce our SIM card packaging, we halved the plastic, paper and cardboard in SIM starter packs. We produced 40 million of these new starter packs, saving 295 tonnes of paper and cardboard and 156 tonnes of plastic.

Waste management

- We reused or recycled 96% of our telecoms equipment waste (106 tonnes) and reused or recycled 14 thousand kilograms of consumer devices. In South Africa, we recycled 11 thousand kilograms of plastic and 8 thousand kilograms of general office waste.
- Using the BioBriN, 98% of food waste was diverted from landfills and converted into compost in FY2022. Our water-saving initiatives resulted in a 76% reduction in water consumption against our 2017 baseline.

Maintaining a strong reputation

- We aim to be a purpose-led TechCo, building one of the most trusted, innovative and loved brands in the countries where we operate. Pleasingly, Vodacom moved from fourth place to second in Kantar’s BrandZ list of South Africa’s most valuable brands. This is particularly significant given the Group’s ongoing role in connecting families, learners, communities and businesses.
- Vodacom was ranked first by companies and NPOs for having the biggest developmental impact within South Africa according to Trialogue’s Corporate Development Impact 2021 rating. This is the fifth consecutive year Vodacom has been ranked first by companies, and the second time we received a top-five ranking from NPOs. This achievement further signals our commitment to creating a more inclusive digital society.
- We focus on creating innovative, easy-to-use products that offer customers the best value for money in the market. We measure Vodacom’s reputation and the levels of trust from our stakeholders through various methods. For example, we use NPS to assess the quality of our customers’ experiences, and commission an independent research company to conduct an annual reputation survey across our markets to measure how stakeholders perceive our performance against our competitors and non-TelCos.

The Group’s most recent reputation survey found that Vodacom shows average to strong reputation performance ahead of TelCo peers and comparable with non-TelCo benchmarked brands in most markets. Our stakeholders scored us higher than our competitors on rational reputation dimensions, including innovation, performance and leadership. According to the survey, three of our five markets achieved a strong Global RepTrak index score between 70 and 80 and are ahead of the global TelCo reputation average.
- Our reputation survey and regular stakeholder engagements provide deeper insights into the hot topics our stakeholders are concerned about. We regularly engage with stakeholders to ascertain their interests and implement various initiatives to build mutual trust.

Vodacom Vision 2025

- Continue to combine Vodacom’s technology with the potential of the human spirit.
- Develop innovative and smart technologies to reduce poverty.
- Provide access to essential services such as healthcare, financial inclusion and education while making the lives of our customers easier, healthier and smarter.

Our reputation index performance in FY2022*

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>65.4</td>
</tr>
<tr>
<td>Tanzania</td>
<td>66.2</td>
</tr>
<tr>
<td>DRC</td>
<td>71.4</td>
</tr>
<tr>
<td>Mozambique</td>
<td>75.1</td>
</tr>
<tr>
<td>Lesotho</td>
<td>72.6</td>
</tr>
</tbody>
</table>

Relative to competitors

1st 2nd 1st 2nd 1st
Responding to “hot topics” on a macro, industry and company level

Forces shaping our macroenvironmental context

The success of our business depends on how we respond and adapt to external factors impacting our global operating environment. Driven by our system of advantage and purpose, we capture opportunities and mitigate risks to create sustainable value for our stakeholders.

Challenging macroeconomic conditions

<table>
<thead>
<tr>
<th>STAKEHOLDERS</th>
<th>PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES</th>
<th>STRATEGIC PILLARS</th>
<th>MATERIAL MATTERS</th>
</tr>
</thead>
</table>

Context and key developments

The COVID-19 pandemic continues to impact the global economy and social landscape, and trading conditions are still marred by lower business confidence, distressed and out-of-business customers, migration to cheaper solutions and global supply shortages. Economic recovery across our markets is likely to be slow, and significant investment is needed to stimulate growth. Furthermore, as African countries struggle to recover from the impact of the pandemic, the aftermath of the Ukraine-Russia war could exacerbate supply constraints, increase foreign exchange volatility and drive inflationary pressures—particularly in areas relating to energy and food.

The strength of our financial position continued to lead our business through a volatile macroeconomic environment. We regularly assess the short to medium-term impact of the pandemic and the Ukraine-Russia war on our business. As a part of this, we evaluate the external factors in each country where we operate, including the impact on customer spend, liquidity of our customers and our own cash requirements, as well as ways to contain costs.

Our Social Contract guided our response to the COVID-19 pandemic (page 12), and we implemented several interventions to stimulate employment and economic recovery. We understand the role of small businesses in unlocking opportunities for economic participation and continue to support SMEs through our VodaPay and M-Pesa super-apps and other platforms. Since its launch, VodaPay has had over 2.2 million downloads while M-Pesa – Africa’s biggest payment platform – processed over US$324.6 billion in the year.

We are also enhancing digital accessibility for the most vulnerable via our ConnectU platform, which provides free access to basic internet and essential services. Across both our connectivity and financial services, we leverage our advanced CVW capabilities to increase our focus on segmentation and localisation while also focusing on smaller “sachet” sizes to meet the challenges of rising inflation and pressure on consumer spend. Furthermore, we believe our financial services provide consumers and SMEs with access to responsible lending products, including microloans.

We address the risk of global supply chain shortages in our principal risks and associated opportunities section (page 32). In addition, we manage the associated foreign exchange risk of imported equipment and handsets with forward cover.

Accelerated adoption of digital technologies

<table>
<thead>
<tr>
<th>STAKEHOLDERS</th>
<th>PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES</th>
<th>STRATEGIC PILLARS</th>
<th>MATERIAL MATTERS</th>
</tr>
</thead>
</table>

Context and key developments

The COVID-19 pandemic highlighted the need to accelerate an integrated economic recovery and to ignite growth through innovation. The pandemic intensified the demand for digital solutions for education, work, health, financial and social-related challenges while, at the same time, also emphasising inherent inequalities that continue to exist in our societies. The need to accelerate digital solutions and facilitate access is greater than ever before, and there is ample opportunity in Africa to drive financial inclusion. In particular, mobile money and innovative financial and digital services have the potential to build resilient societies and ensure sustainable financial inclusion. In addition, the healthcare challenges faced over the past two years further illustrated the need for real-time digital solutions, accelerating the transition to a cashless society and increasing the appetite for digital financial services, such as payments, lending and insurance.

The events of the past two years have accelerated changes in the ICT sector, which continue to significantly impact operators, consumers and businesses. Our digital ecosystem is a key driver of our system of advantage which, among others, focuses on scaling financial and digital services and being a digital partner of choice for enterprises to unlock more opportunities across our footprint. At Vodacom we have a long-term vision of driving digital and financial inclusion. Accordingly, we continue to invest in innovative technology across different industries that will change the way societies move in a digital world. This includes:

- Investing in a Safecom-led consortium to build world-class telecoms services in Ethiopia.
- Launching and scaling our super-apps across our markets to expand the reach of merchants and lower the barriers to financial inclusion for consumers.
- Expanding our 5G footprint to provide consumers and enterprises with the connectivity foundation for their future next-level experiences.
- Rolling out fibre in Africa which, along with long-term evolution (LTE) fixed wireless broadband, continues to play an important role in digital inclusion.
- Exploring network sharing options to curb the cost of network upgrades.
- Providing a digital solutions toolkit to assist governments navigate healthcare logistics.
- Providing customer-centric propositions by leveraging Big Data insights.
- Building digital transformation capabilities to unlock cloud and hosting, and security services.

Vendor risk and related sanctions

<table>
<thead>
<tr>
<th>STAKEHOLDERS</th>
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</tr>
</thead>
</table>

Context and key developments

Geopolitical influences continue to pose a risk to our IT and network technology vendor strategy, while political pressure from the USA to ban Huawei equipment in mobile networks remains a risk to the cost of 5G rollout in the medium term. Furthermore, we face supply chain risk due to the Ukraine-Russia war, ongoing COVID-19 related lockdowns and a shortage of mature supplies.

Our network and systems depend on international suppliers, and a multi-vendor strategy is crucial for sustainable operations. Therefore, Vodacom focused on:

- Monitoring the geopolitical status of our suppliers.
- Reducing our dependency on single suppliers by risk profiling and implementing a multi-vendor strategy in critical categories.
- Promoting balance to prevent dominance and regional over-reliance.
- Introducing geopolitical risk assessments.
- Explore new network architecture options, such as satellite and OpenPAN.
Responses to “hot topics” on a global, industry and company level continued

Forces shaping our industry context

Various market dynamics are converging in the ICT sector, influenced by an accelerated need for connectivity in digital societies that are adopting technology solutions at work and home faster than ever before. We continue to review the primary trends impacting our industry to position Vodacom home faster than ever before. We continue to review the societies that are adopting technology solutions at work and home.

Various market dynamics are converging in the ICT sector, increasingly important to protect our leading market share across our core businesses. In order to succeed in a constantly evolving landscape.

Competitive landscape

STAKEHOLDERS

PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES

STRAategic Pillars

MATERIAL MATTERS

Context and key developments

Changes in the mobile connectivity space continue to shift rapidly. MVNOs, banks and other non-traditional competitors are enhancing their mobile offerings to strengthen their customer propositions and enter the voice and data space. Furthermore, competition relating to fixed wireless access and fibre is also increasing, and is now expanding into lower-income suburbs. In South Africa, propositions from successful mobile virtual network operators are linked to established banks and retailers aiming to drive loyalty to primary brands. Advances in offerings from OTT services, such as voice over internet protocol, could also reduce demand for Vodacom’s core voice services. In this hyper-competitive environment, data pricing strategies take centre stage for short-term gains.

In the financial services space innovation continues at pace. The latter grouping, in particular, is attracting sizable funding to support ambitious growth objectives.

We have a clear and powerful strategy that differentiates us with customers, sets us apart from the competition and delivers superior returns to our shareholders.

As we implement our system of advantage to deliver exceptional service to our customers, we focus equally on improving our overall customer proposition, ROACE and value creation. This is enabled by Big Data insights from our CRM platforms. In the enterprise space, we partner with businesses to accelerate their growth and transform their operations through digital technology in high-growth areas like cloud and hosting, managed security, managed services and IoT. These solutions are enabled and enhanced by our subsidiaries, IoT.nxt, XLink, Nexio and Mezzanine, as well as our associate AfriGIS. Within the financial services space we have built a formidable business across our existing markets, with products that cut across consumers and merchants supported by world-class technology from companies such as Alipay.

Complex regulatory landscape

STAKEHOLDERS

PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES

STRAategic Pillars

MATERIAL MATTERS

Context and key developments

The evolution of connectivity in our markets needs to be considered in the context of consumer-driven demand for faster internet access and the push from governments to increase connectivity to all citizens. As we grow our business and expand digital platforms on our journey to becoming a TechCo, we are increasingly exposed to stringent regulatory and policy requirements that could impact our profitability, growth and services, such as regulatory intervention on pricing. Furthermore, the unpredictability of government and regulatory decisions may discourage investment.

We remain committed to prudent management and oversight to ensure we protect the interests of our key stakeholders. Regulatory compliance is inherently a part of how we do business, and we maintain open and proactive engagements with regulators and other authorities as part of our stakeholder engagement plan.

In addition, we focus on:

• Improving technical skills and maintaining specialist legal and regulatory teams at Group and OpCo levels.
• Implementing internal controls to ensure compliance.
• Engaging with local communications regulators and regional standard-setting bodies to shape regulatory requirements.
• Participating in licence renewal and spectrum allocation processes.
• Evaluating optimisation strategies and strategic partnerships under applicable regulations.
• Updating the status of regulatory compliance risks and controls monthly.
• Evolving the scope of our monitoring plan as we expand our products and services.

Regulatory matter: Certification of handset fees in the DRC

STAKEHOLDERS

PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES

STRAategic Pillars

MATERIAL MATTERS

Context and key developments

In 2020, the Prime Minister of the DRC published a decree relating to the certification of mobile devices, imposing an annual recurring levy (RAM tax) for devices connected to 2G, 3G and 4G networks. Vodacom engaged the government on an ongoing basis with respect to the implementation of this levy. The first cycle of levy collection was initiated in FY2022. However, on 18 February 2022, the Council of Ministers repealed the decree establishing the RAM tax, and Vodacom DRC was subsequently instructed to remove all technical systems implemented to collect the tax.

A new prime ministerial decree converting RAM fees to quality of service, data protection, traffic monitoring and equipment technical control fees is currently under review. This could potentially result in new material consumer new levies.

Vodacom DRC complied with the letter issued by the regulator in February 2022. Separately, with respect to the new decree our industry association, the Fédération des Entreprises du Congo, is engaging with the government and regulator.

Regulatory matter: Introduction of levies on mobile money transfers and withdrawals and airtime in Tanzania

STAKEHOLDERS

PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES

STRAategic Pillars

MATERIAL MATTERS

Context and key developments

On 30 June 2021, the Tanzanian President approved the Finance Act, 2021, which included amendments to the National Payment Systems Act (NPS Act), 2015, and Electronic and Postal Communication Act, 2010, to introduce levies on mobile money transactions and withdrawals. The Act was implemented from 15 July 2021. Subsequently, the NPS (Electronic Mobile Money Transfer and Withdrawal Transactions Levy) Regulations, 2021 were introduced. For mobile money transfer and withdrawal transactions, the levy ranges from TZS10 to TZS10 000 per transaction, representing a levy of up to 4.4% of the transaction value. Following industry engagement, the regulator agreed to reduce the levy by 30% from 3 September 2021. Despite this reduction, the levies are expected to result in a material increase in end-user charges and a constraint on financial inclusion.

Additionally, the Electronic and Postal Communications (Airtime Levy) Regulations, 2021, were introduced. An airtime levy of between TZS25 and TZS25 250, based on the airtime amount recharged, was implemented on 20 October 2021. Vodacom Tanzania and the other mobile operators in the market absorbed the cost of this levy on behalf of subscribers.

Following the introduction of the mobile money levy, Vodacom Tanzania continues to advocate for compliance by all financial institutions. We continue to engage with the government to further reduce the levies.

Trust and transparency around data consumption

STAKEHOLDERS

PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES

STRAategic Pillars

MATERIAL MATTERS

Context and key developments

Our customers remain concerned about data usage and the lack of clarity around data consumption. However, as the speed of our networks increases, so does time spent on the internet and social media. This, along with downloading high-definition videos, leads to higher mobile data usage, which has resulted in the perception among customers that data is disappearing.

We operate honestly with integrity and maintained robust ethics.
• Continued to provide exceptional experiences for our customers.
• Maintained transparency around pricing and personalised solutions.
• Provided customers with a comprehensive breakdown of data usage through our Detailed Data Usage solution.
Responding to "hot topics" on a global, industry and company level continued

BBBEE results for Vodacom South Africa

**STAKEHOLDERS**

**PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES**

**MATERIAL MATTERS**

Context and key developments

White Africa is seeing some economic recovery after the outbreak of the COVID-19 pandemic, the acceleration of per capita growth will not be able to eliminate poverty in many countries on the continent. South Africa, specifically, remains one of the most unequal countries in the world – 3 500 people in the country own more than the poorest 32 million people combined. Furthermore, the country’s unemployment rate reached a record high of 34.5% in the fourth quarter of 2021, of which the not-in-education or training (NEET) youth age between 15 – 24) account for 37%. Vodacom is committed to playing a part in transforming South Africa and driving financial inclusion, as demonstrated by our commitment to the fundamental principles of BBBEE, our diverse leadership team and Level 1 BBBEE contributor score.

- Achieved the highest BBBEE contributor status of Level 1 for the third consecutive year, a clear demonstration of our unwavering commitment to rebuilding our economy.
- Spent R17.6 billion in enterprise development and preferential procurement.
- Assisted black-owned SMEs an amount of R16 million as part of the deep rural lease. Vodacom transferred base station sites to these SMEs for maintenance and construction.
- Provided low-interest loans to black-owned SMEs to purchase Vodacom franchise stores through the retail channel transformation programme.
- Launched V-Hub, an online resource portal designed to help SMEs unlock their full potential as they embark on a digital transformation journey.
- Reviewed internal pay ranges, which included a fair-pay analysis.
- Increased female representation at employee level to 44%, and at senior management level to 37%.
- Achieved 78% black representation of our South African workforce, with 62% in senior management level and 56% at ExCo level.
- Developed skills of historically disadvantaged people, investing R395 million in black employees – R190 million in black women – across our South African workforce.
- Supported the development of black women in the technology industry through our female leadership programme.
- Empowered 103 young entrepreneurs through the Innovator Trust’s young entrepreneurs programme.

**Scoring element**

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Target points</th>
<th>FY2022</th>
<th>Achieved points</th>
<th>FY2021</th>
<th>Achieved points</th>
<th>FY2020</th>
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<td>Top-management representation</td>
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<td>Enterprise and supplier development</td>
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</tr>
</tbody>
</table>

Total 130 124.58 123.42 120.84


Consumer privacy, data protection and cyber security

**STAKEHOLDERS**

**PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES**

**MATERIAL MATTERS**

Context and key developments

Given the nature of our business, we have access to and store a myriad of information, including customer and employee names, contact information and banking details, as well as information on data usage and transactions collected through apps, engagement and loyalty programmes. Data protection and privacy are, understandably, of increasing concern to customers – especially as we expand our digital interfaces. Furthermore, telecommunications is recognised as a critical national infrastructure, and governments are setting stronger legal and regulatory security requirements for those in the industry. For Vodacom, specifically, we have seen increased focus on protecting proprietary and customer data. Accordingly, cyber security remains a critical business consideration, and we ensure information security remains an integral and critical business defence tool.

- Adopted a risk-based approach to privacy, with a dedicated security team that deploys world-class cyber security solutions.
- Implemented a security strategy to introduce the next-generation security technologies, enhance current prevention and detection capabilities and provide data insights for real-time detection and response and a more secure and frictionless employee experience.
- Increased visibility of threats by introducing advanced monitoring and detection tools and fine-tuning existing tools.
- Implemented leak prevention and detection through security orchestration, data visibility, endpoint detection and response capabilities to protect data from unauthorised access.
- Measured and monitored an extensive set of cyber security baseline controls to ensure these remain effective and efficient in a changing threat landscape.
- Followed secure-by-design principles and processes as we designed products and services – testing of products, like the VodaPay super-app for example, is inherent to this process.
- Implemented policies and standards to secure cloud environments.
- Conducted a third-party vendor and supplier risk assessment to ensure they adhere to Vodacom’s minimum-security requirements and tracked remediation of findings to conclusion.
- Continued to educate our employees on cyber-aware behaviour and held a second cyber incident simulation for ExCo.

- Reviewed internal pay ranges, which included a fair-pay analysis.
- Increased female representation at employee level to 44%, and at senior management level to 37%.
- Achieved 78% black representation of our South African workforce, with 62% in senior management level and 56% at ExCo level.
- Developed skills of historically disadvantaged people, investing R395 million in black employees – R190 million in black women – across our South African workforce.
- Supported the development of black women in the technology industry through our female leadership programme.
- Empowered 103 young entrepreneurs through the Innovator Trust’s young entrepreneurs programme.

Network quality and coverage

**STAKEHOLDERS**

**PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES**

**MATERIAL MATTERS**

Context and key developments

Over the past two years, the demand for connectivity has increased significantly. We also continue to face challenges brought on by vandalism and battery and cable theft at base station sites, impacting network availability – particularly during load shedding in South Africa, when backup batteries and generators are needed to minimise service disruption. In addition, the withdrawal of temporary spectrum by ICASA at end-November 2021 received widespread media attention and enquiries from business clients concerned about the impact on network quality. It is critical that we maintain and improve the quality of our existing network across our markets as a core differentiator in our customer experience, and we are committed to ensuring these factors have as little impact on our network as possible.

- Invested R14.6 billion in our network to support increased traffic and coverage rollout.
- Upgraded base station sites with batteries and anti-theft infrastructure.
- In South Africa, used temporary 5G spectrum assigned to roll out over 600 sites to address the demand for fixed connectivity for both fibre and fixed wireless products.
- In South Africa, launched Large Data Bundles, which were offered commercially for the first time, and uncapped fixed wireless products for SMEs and consumers.
- Extended our 3G and 4G population coverage in South Africa to 99.8% and 97.4%, respectively, while 2G coverage remains stable at 99.9%. We added 357 rural sites connected with 95 deep rural sites and 61 rural communities to ensure better connectivity.
- Expanded our network coverage across our international countries to 8 450 2G sites, 6 688 3G sites and 4 385 4G sites.
- Invested R100 million in our rural network coverage acceleration programme.
- Managed growing demand for data service by utilising available emergency interim spectrum.
- Continued to explore opportunities to build more resilient and sustainable networks by partnering with our suppliers, business partners and energy experts.
- Evaluated network performance and capacity upgrade projects to manage increased loads and network faults faster.


Vodacom Group Limited Integrated report for the year ended 31 March 2022
Responding to "hot topics" on a global, industry and company level continued

Forces shaping our company context
We are committed to creating a conducive environment for business growth. As such, we identify and prioritise matters important to our stakeholders that could also impact the long-term success of our business.

Facilitating economic recovery during COVID-19
STAKEHOLDERS
CAPITAL IMPACTED
PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES
STRATEGIC PILLARS
MATERIAL MATTERS
Context and key developments
Despite a slight economic rebound, the countries in which we operate continued to experience the adverse effects of the COVID-19 pandemic. As a purpose-led business, we remain focused on delivering on our Social Contract with stakeholders to meaningfully contribute to economic recovery and drive digital and financial inclusion.

We implemented several interventions during FY2022 that negatively impacted our financial capital in the short term but should deliver long-term economic value for society, government and businesses. This included accelerated support and enhanced digital accessibility, digital adoption and financial inclusion, such as:

- Leveraging the VodaLend platform to facilitate access to credit to SMEs, advancing R132 million.
- Over the last two years, we materially reduced mobile data prices in South Africa – including a 43% reduction to the 1GB data bundle price point as part of our ongoing commitment to reduce the cost to communicate and connect more people to the economy.
- Providing free access to basic internet and essential services through our ConnectU platform, which had over 14 million sessions initiated every month.
- Providing access to quality education for refugees in Mozambique by deploying 13 Instant Network Schools.
- Launching a zero-rated educational platform in Tanzania to provide learning materials to students, teachers and those who did not complete formal education.

For more information on our response to COVID-19, refer to page 12 of our sustainability report.

Balancing short-term returns with sustainable growth
STAKEHOLDERS
CAPITAL IMPACTED
PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES
STRATEGIC PILLARS
MATERIAL MATTERS
Context and key developments
Over the past few years, we have made significant strides in our journey to become a data-driven TechCo. However, ongoing investment in long-term growth initiatives remains crucial to futureproofing our business and delivering on our strategic ambitions. As part of this, we need to balance our stakeholders’ expectations of short-term returns with the investment needed to develop our diverse product offerings and scale our services.

As we head into FY2023, the pending acquisition of Vodafone Egypt and our proposed stake in CIVH’s fibre assets provide a compelling opportunity to accelerate our system of advantage and the Group’s growth profile. However, these deals will utilise debt capacity and, being mindful of maintaining headroom for investment in growth areas, the Board considered it appropriate to review Vodacom’s dividend policy, which has been in place since FY2013.

Accordingly, once the Vodafone Egypt acquisition is completed, the Group intends to amend and simplify its dividend policy and institute a policy of paying dividends of at least 75% of Vodacom Group’s headline earnings. Notwithstanding the change in dividend policy, Vodacom Group will still have one of the highest dividend pay-out policies on the JSE. Additionally, the policy provides scope for the Group to invest within its 13% - 14.3% capital intensity target, de-lever the balance sheet and accommodate the dividend pay-out profiles of Safaricom and Vodafone Egypt.

For more information on our strategy refer to pages 36 to 39. We discuss our financial performance from page 80.

Investing in spectrum to ensure long-term success
STAKEHOLDERS
CAPITAL IMPACTED
PRINCIPAL RISKS AND ASSOCIATED OPPORTUNITIES
STRATEGIC PILLARS
MATERIAL MATTERS
Context and key developments
Vodacom aims to connect people, places and things for a better future. To do this, the Group needed to acquire additional High Demand Spectrum which, in turn, enables Vodacom to facilitate connectivity, address growth in traffic and launch new services.

In South Africa, in March 2022, ICASA completed its High Demand Spectrum auction and assignment process. Vodacom was one of six companies participating, spending R5.4 billion to acquire 110MHz High Demand Spectrum. While this is a significant investment in the short term, we believe it will lead to substantial long-term benefits for our customers. By deploying spectrum to expand our 4G and 5G network coverage across South Africa, we can enhance our customer proposition and improve network speed and quality.
Responding to “hot topics” on a global, industry and company level

The affordability of our products and services

We understand the potential of internet access as a powerful enabler for economic and financial inclusion. Therefore, in line with our purpose, we aim to balance the importance of developing affordable products and services to help bridge inequalities with ongoing investment to continue providing the quality expected by our customers. Specifically, we:

- Continued to develop rich propositions based on our customers’ different lifestyle needs and affordability.
- Refreshed our mobile contract packages to meet growing consumer demands.
- Reduced the cost of our 1GB data bundle from R149 to R85 in two years – a 43% reduction in South Africa.
- Continued to offer long-term financing and leveraged our strength in devices and logistics to increase access. This resulted in growth in our postpaid customer base, revenue and data consumption.
- Implemented a range of innovative pricing and product constructs, including the ability to purchase data that matches time-based, specific needs.
- In South Africa we reduced out-of-bundle charges by 75% and headline monthly data prices by 50%.
- Introduced personalised pricing bundles, enabling Vodacom to offer lower rates to the most price-sensitive, lower-income consumers.
- Launched the Easy2Own proposition to drive smartphone accessibility.

The Please Call Me matter

In line with a 2016 Constitutional Court order, Vodacom's CEO determined reasonable compensation of R47 million to Kenneth Nkosana Makate for the Please Call Me idea. Mr. Makate rejected this determination and brought an application to the Gauteng Division of the High Court of South Africa to have the Vodacom CEO’s determination judicially reviewed and set aside. On 8 February 2022, the High Court set aside the Group CEO’s determination and ordered him to reconsider the settlement offered to Mr. Makate.

Vodacom launched an application for leave to appeal on 25 February 2022 against the judgment and order of the High Court. The application for leave to appeal was granted by the High Court on 11 April 2022. As a result, the order of the High Court is suspended. The liability owed by Vodacom to Mr. Makate cannot be readily quantified until the appeal has been heard and a determination made by the Supreme Court of Appeal.
Our performance

CFO’s statement
Raisibe Morathi

We are pleased to have delivered good results for the year, consistent with our medium-term targets, while dealing with the ongoing impacts of the COVID-19 pandemic. From a shareholder perspective, we declared a full-year dividend of 850cps, representing growth of 3.0%. This is a testament to our ongoing operational execution and financial position, both of which are good beacons to navigate us through the ongoing uncertainties of the macroeconomic environment.

Pleasingly, Group revenue increased by 5.8% on a normalised basis to R102.7 billion, while service revenue increased by 5.0% to R79.9 billion. Normalised service revenue grew by 4.6%, in line with Vodacom’s medium-term targets. The growth in service revenue was mainly driven by a resilient performance in South Africa and the improvement in normalised service revenue growth in our international business.

Normalised Group service revenue of 4.6% and Group operating profit growth of 5.4% are in line with our medium-term targets.

Added 6 million customers to serve a combined 129.6 million customers across the Group, including Safaricom on a 100% basis.

Highlights

- Total financial services customers, including Safaricom, are up by 5.0% to 60.6 million
- Earnings per share (EPS) increased by 3.6% and HEPS by 3.4%
- Full-year dividend of 850cps up 3.0%, and a final dividend of 400cps declared
- In South Africa, service revenue increased by 3.8% to R85.5 billion, supported by continued demand for connectivity, incremental wholesale revenue and growth in new services.
- Despite a strong base, our international business reported service revenue growth of 0.3% to R22.2 billion. On a normalised basis, service revenue increased by 5.6%, supported by growth in M-Pesa and data revenue.

New services driving strong results

Collectively, new services – which include digital and financial services, fixed and IoT – accounted for 17.7% (FY2021: 17.2%) of Group service revenue. Having generated R1.43 billion in FY2022, we have set a target of new services contributing between 25% and 30% of Group service revenue over the medium term.

Our financial services business, in particular, is integral to positioning Vodacom as a leading fintech operator across Africa and is the largest contributor to new services revenue. Group financial services revenue increased by 10.8% (14.4%*) to R7.6 billion during the year as we continue to scale user adoption, new products and services. Growth was impacted by mobile money transaction levies imposed in Tanzania during July 2021. Adjusting for the estimated impact of these levies, the normalised growth in financial services revenue increased by 10.8% (14.4%*) to R7.6 billion during the year as we continue to scale user adoption, new products and services.

Operating profit grew by 2.1% (up 5.4%*) consistent with our medium-term target, supported by a recovery in international profitability. Net profit from associates and joint ventures declined by 12.7% (up 17.5%*) to R3.1 billion, impacted by start-up costs related to Ethiopian and foreign exchange translation headwinds. HEPS growth of 3.4% to 1 013cps was achieved despite foreign exchange headwinds, start-up costs for our investment in Ethiopia and the impact of mobile money levies in Tanzania.

Group EBITDA increased by 1.3% (2.1%*) to R35.9 billion and was negatively impacted by a one-off lease contract separation that increased and open and reduced right-of-use (ROU) depreciation and interest. The lease contract separation did not have a material impact on the Group’s net profit however; it diluted Group EBITDA growth by 1.6pts. Additionally, the introduction of levies on mobile money transactions in Tanzania during July 2021 negatively impacted Group EBITDA growth by 1.0pts. Adjusted for the one-off lease contract separation and mobile money levy impacts, normalised Group EBITDA was up 4.7%.

Operating profit grew by 2.1% (up 5.4%*), consistent with our medium-term target, supported by a recovery in international profitability. Net profit from associates and joint ventures declined by 12.7% (up 17.5%*) to R3.1 billion, impacted by start-up costs related to Ethiopia and foreign exchange translation headwinds. HEPS growth of 3.4% to 1 013cps was achieved despite foreign exchange headwinds, start-up costs for our investment in Ethiopia and the impact of mobile money levies in Tanzania.
Outlook and medium-term targets
Our evolution from a telecommunications to a technology company is well on track as we expand our ecosystem of products. As we set out in this report, our system of advantage aims to deliver diversified, differentiated offerings to our customers, further strengthening and growing our relationships with them.

Complementing our organic strategy, the pending acquisitions of a controlling shareholding in Egypt’s Telecoms market leader, Vodafone Egypt, and a co-controlling stake in leading fibre assets in South Africa, including Vumatel and DIA, will further enhance Vodacom’s growth and return potential. Further, Vodafone Egypt is expected to be meaningfully diverse the Group’s geographic profile. As a result, we updated our profitability target metric from Group operating profit growth to Group EBITDA growth to reflect a higher anticipated contribution from controlled operations to Group profitability. Safaricom, which is accounted for within Group operating profit, separately provided market guidance that anticipates an increase of investment into Ethiopia ahead of the commercial launch in CY2022.

Looking ahead, the proposed acquisition of Vodafone Egypt transaction, our management team remains focused on delivering the following medium-term targets:

1. Growth in headline earnings per share (EPS) of 5% to 7% compounded annually, which is targeted on average over the medium term.
2. Revenue growth, adjusted for currency, of 1% to 4%.
3. Total Group expenses increased by 6.6% (8.2%*) to R62.9 billion. In South Africa, expenses increased by 6.8% to R49.1 billion, reflecting the impact of constraints on certain opex in FY2021 due to lockdown restrictions and the acceleration of technology-related costs in FY2022 to support network resilience. International expenses increased by 2.8% (+10.0%*) to R14.4 billion, impacted by a one-off R612 million lease contract separation that increased opex but reduced ROU depreciation and interest.

Shareholder returns
We declared a final FY2022 dividend of 436cps, a 4.9% increase from FY2021. This supported a total dividend of R50.0 billion, up 3.0%.

This outcome, particularly given ongoing macroeconomic pressures and incremental pressures on returns in the year.

Dividend policy
Since FY2015, the Board has maintained a dividend policy of paying at least 90% of adjusted headline earnings, excluding the contribution of the attributable net profit from Safaricom and any associated intangible amortisation. In addition, the Group distributes any dividend received from Safaricom, up to a maximum amount of the dividend received net of withholding tax.

Looking ahead, the proposed acquisition of Vodafone Egypt and stake of up to 40% in CIVH fibre assets will provide a compelling opportunity to accelerate our system of advantage and the Group’s growth profile. These deals are expected to utilise dividend capacity, and while we also intend to retain headroom to invest in growth areas, the Board considered it appropriate to review Vodacom’s current dividend policy.

Accordingly, upon completion of the Vodafone Egypt acquisition, the Group intends to amend and simplify its dividend policy and institute a policy of paying dividends of at least 70% of Vodacom Group headline earnings. The simplified policy and proposed adjustments combine to provide a high payout on enhanced growth prospects. Notwithstanding the change in dividend policy, Vodacom Group will still have one of the highest dividend pay-out policies on the JSE. Additionally, the policy provides scope for the Group to invest within its 13.0% - 14.5% capital intensity target, de-lever the balance sheet and accommodate the upstreaming and dividend pay-out profiles of Safaricom and Vodafone Egypt.

CFO’s statement continued

Condensed consolidated income statement
for the year ended 31 March

<table>
<thead>
<tr>
<th>RM</th>
<th>FY2022</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>102 756</td>
<td>98 302</td>
</tr>
<tr>
<td>Direct expenses</td>
<td>(58 624)</td>
<td>(56 269)</td>
</tr>
<tr>
<td>Staff expenses</td>
<td>(7 260)</td>
<td>(6 990)</td>
</tr>
<tr>
<td>Publicity expenses</td>
<td>(1 866)</td>
<td>(1 718)</td>
</tr>
<tr>
<td>Net credit losses on financial assets</td>
<td>(704)</td>
<td>(1 078)</td>
</tr>
<tr>
<td>Other opex</td>
<td>(14 419)</td>
<td>(12 973)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(14 657)</td>
<td>(15 189)</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>–</td>
<td>(6)</td>
</tr>
<tr>
<td>Net profit from associates and joint ventures</td>
<td>3 056</td>
<td>3 501</td>
</tr>
<tr>
<td>Operating profit</td>
<td>28 236</td>
<td>27 652</td>
</tr>
<tr>
<td>Net loss on disposal of subsidiaries</td>
<td>–</td>
<td>(70)</td>
</tr>
<tr>
<td>Finance income</td>
<td>554</td>
<td>767</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(4 229)</td>
<td>(4 190)</td>
</tr>
<tr>
<td>Net profit/(loss) on remeasurement and disposal of financial instruments</td>
<td>2</td>
<td>(137)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>24 543</td>
<td>23 791</td>
</tr>
<tr>
<td>Taxation</td>
<td>(6 829)</td>
<td>(6 710)</td>
</tr>
<tr>
<td>Net profit</td>
<td>17 734</td>
<td>17 071</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity shareholders</td>
<td>17 163</td>
<td>16 381</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>571</td>
<td>690</td>
</tr>
<tr>
<td>Net profit</td>
<td>17 734</td>
<td>17 071</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cents</th>
<th>FY2022</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic EPS</td>
<td>1 013</td>
<td>978</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>984</td>
<td>956</td>
</tr>
</tbody>
</table>

Total Group expenses increased by 6.6% (8.2%*) to R62.9 billion. In South Africa, expenses increased by 6.8% to R49.1 billion, reflecting the impact of constraints on certain opex in FY2021 due to lockdown restrictions and the acceleration of technology-related costs in FY2022 to support network resilience. International expenses increased by 2.8% (+10.0%*) to R14.4 billion, impacted by a one-off R612 million lease contract separation that increased opex but reduced ROU depreciation and interest.

Net profit from associates and joint ventures decreased by 12.7% (+17.5%*) to R3.1 billion, negatively impacted by start-up costs related to Ethiopian and foreign exchange translation headwinds.

Net finance charges decreased by 3.4% to R3.7 billion as we recorded a net loss on the remeasurement and disposal of financial instruments in the prior year.

The tax expense of R6.8 billion was 1.8% higher than the prior year due to higher taxables. The effective tax rate was 27.8% slightly lower than the prior year due to a reduction in deferred tax in South Africa. The change in South African deferred tax was as a result of the corporate tax rate reducing from 28% to 27% effective 1 April 2022.


dw

Raishe Morath
Chief Financial Officer (CFO)
01 June 2022

Vodacom Group Limited
Integrated report for the year ended 31 March 2022

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Introduction | Our business | Our strategy | Our performance | Our governance | Administration
CFO’s statement continued

Condensed consolidated statement of other comprehensive income
for the year ended 31 March

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>17,734</td>
<td>17,071</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation differences, net of tax1</td>
<td>(3,368)</td>
<td>(16,361)</td>
</tr>
<tr>
<td>Foreign currency translation differences recognised through profit or loss on disposal of foreign operations</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Mark-to-market gains recognised through profit or loss on disposal of financial assets held at fair value through other comprehensive income, net of tax 2</td>
<td>271</td>
<td>286</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>14,366</td>
<td>7,777</td>
</tr>
</tbody>
</table>

Attributable to:
- Equity shareholders: 14,167
- Non-controlling interests: 199

Total: 14,366

Notes:
1. Other comprehensive income can subsequently be recognised in profit or loss on disposal of foreign operations or financial assets held at fair value through other comprehensive income.
2. Mark-to-market gains on financial assets held at fair value through other comprehensive income that have previously been reported net of amounts recognised through profit or loss on disposal, have now been disaggregated and disclosed on a gross basis. The reclassification had no impact on any reported totals, HEPS or on any amounts presented in the statement of financial position.

Condensed consolidated statement of financial position
as at 31 March

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021 Restated³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPE</td>
<td>59,273</td>
<td>56,480</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>14,054</td>
<td>13,186</td>
</tr>
<tr>
<td>Financial assets</td>
<td>783</td>
<td>605</td>
</tr>
<tr>
<td>Investment in associates and joint ventures</td>
<td>47,429</td>
<td>50,173</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>2,763</td>
<td>2,536</td>
</tr>
<tr>
<td>Finance receivables</td>
<td>2,374</td>
<td>2,275</td>
</tr>
<tr>
<td>Tax receivable</td>
<td>647</td>
<td>356</td>
</tr>
<tr>
<td>Deferred tax¹</td>
<td>125</td>
<td>59</td>
</tr>
<tr>
<td>Current assets</td>
<td>50,519</td>
<td>46,309</td>
</tr>
<tr>
<td>Financial assets¹</td>
<td>6,386</td>
<td>5,891</td>
</tr>
<tr>
<td>Mobile financial deposits¹</td>
<td>1,058</td>
<td>1,058</td>
</tr>
<tr>
<td>Inventory</td>
<td>1,787</td>
<td>1,198</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>21,230</td>
<td>20,129</td>
</tr>
<tr>
<td>Finance receivables</td>
<td>2,554</td>
<td>2,431</td>
</tr>
<tr>
<td>Tax receivable</td>
<td>234</td>
<td>351</td>
</tr>
<tr>
<td>Bank and cash balances</td>
<td>17,716</td>
<td>15,751</td>
</tr>
<tr>
<td>Total assets</td>
<td>177,967</td>
<td>171,979</td>
</tr>
</tbody>
</table>

Equity and liabilities:
- Fully paid share capital: 57,073
- Treasury shares: 16,861
- Retained earnings: 39,885
- Other reserves: 502
- Equity attributable to owners of the parent: 79,437
- Non-controlling interests: 6,029

Total equity: 85,466

Non-current liabilities:
- Borrowings: 34,834
- Trade and other payables: 29,347
- Provisions: 541
- Tax payable¹: 1,787

Current liabilities:
- Borrowings: 22,061
- Trade and other payables²: 26,532
- Mobile financial payables: 6,386
- Provisions: 341
- Dividends payable: 11

Total equity and liabilities: 177,967

Notes:
1. The trade and other payables and tax payable line items have been restated to correctly reflect withholding tax on intercompany loan interest under tax payable and no longer under trade and other payables.
2. The Group’s South Africa deferred tax assets and liabilities have been adjusted by applying the newly enacted 27% South African corporate tax rate (FY2021: 28%), which become effective for the financial year ending 31 March 2023. The Group’s deferred tax expense for the financial year ended 31 March 2022 is net of the credit as a result of the tax rate change.
3. Restrictive cash balances related to deposits received from M-Pesa customers that were previously reported in financial assets are now separately reported as mobile money deposits.

PPE increased by 4.9% to R39.3 billion and intangible assets grew by 6.6% to R14.9 billion. The combined increase is due to net additions of R18.3 billion and depreciation and amortisation of R14.7 billion.

Our proportionate investment into the mobile licence in Ethiopia and our attributable share of Safaricom profits were offset by dividends received and foreign currency translation difference movements related to Safaricom.

Our net debt to EBITDA ratio remained stable year on year, while net debt increased modestly to R35.2 billion. The net debt movement is largely explained by the payment of our proportionate share of the mobile licence in Ethiopia. This amounted to US$32.7 million (R779 million). Total borrowings increased by R2.0 billion to R51.4 billion.

Current borrowings increased due to upcoming maturities of debt with Vodafone Luxembourg. We do not foresee any refinancing risk related to these borrowings.
Condensed consolidated statement of changes in equity
for the year ended 31 March

<table>
<thead>
<tr>
<th>Rm</th>
<th>Equity attributable to owners of the parent</th>
<th>Non-controlling interests</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2020</td>
<td>91,656</td>
<td>8,414</td>
<td>100,070</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>1,642</td>
<td>(865)</td>
<td>777</td>
</tr>
<tr>
<td>Net profit</td>
<td>16,581</td>
<td>490</td>
<td>17,071</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>(14,919)</td>
<td>(1,353)</td>
<td>(16,264)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(13,991)</td>
<td>(3,18)</td>
<td>(15,309)</td>
</tr>
<tr>
<td>Repurchase and sale of shares</td>
<td>(485)</td>
<td>–</td>
<td>(485)</td>
</tr>
<tr>
<td>Share-based payment</td>
<td>557</td>
<td>–</td>
<td>557</td>
</tr>
<tr>
<td>Share-based payment vesting</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Share-based payment expense</td>
<td>557</td>
<td>–</td>
<td>557</td>
</tr>
<tr>
<td>Changes in subsidiary holdings</td>
<td>(9)</td>
<td>89</td>
<td>80</td>
</tr>
<tr>
<td>31 March 2021</td>
<td>79,570</td>
<td>6,320</td>
<td>85,690</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>14,167</td>
<td>199</td>
<td>14,566</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>(2,996)</td>
<td>(372)</td>
<td>(3,368)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(14,162)</td>
<td>(502)</td>
<td>(14,644)</td>
</tr>
<tr>
<td>Repurchase and sale of shares</td>
<td>(433)</td>
<td>–</td>
<td>(433)</td>
</tr>
<tr>
<td>Share-based payment</td>
<td>495</td>
<td>–</td>
<td>495</td>
</tr>
<tr>
<td>Share-based payment vesting</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Share-based payment expense</td>
<td>495</td>
<td>–</td>
<td>495</td>
</tr>
<tr>
<td>Changes in subsidiary holdings</td>
<td>–</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>31 March 2022</td>
<td>79,437</td>
<td>6,029</td>
<td>85,466</td>
</tr>
</tbody>
</table>

Notes:
1. The cash generated from operations and tax paid line items have been restated to correctly reflect withholding tax on intercompany loan interest under tax paid and no longer under cash generated from operations.
2. Cash increase in restricted cash deposits from M-Pesa customers of R500 million (FY2021: R1,201 million increase in restricted cash deposits; R1,262 million decrease in investment in treasury bills in Tanzania).
## South Africa

### Service revenue

<table>
<thead>
<tr>
<th>RM FY2022</th>
<th>FY2021</th>
<th>% change reported</th>
<th>% change normalised</th>
</tr>
</thead>
<tbody>
<tr>
<td>58,526</td>
<td>56,405</td>
<td>3.8</td>
<td>3.3</td>
</tr>
<tr>
<td>37,747</td>
<td>30,745</td>
<td>22.6</td>
<td>14.0</td>
</tr>
<tr>
<td>21,133</td>
<td>20,515</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>11,149</td>
<td>10,076</td>
<td>10.6</td>
<td>10.6</td>
</tr>
</tbody>
</table>

South Africa’s service revenue increased by 3.8% to R58.5 billion, supported by continued demand for connectively, incremental wholesale service revenue and growth in new services. New services such as financial and digital services, fixed and IoT was up 8.3%, contributing R4.8 billion – or 14.4% – of South Africa’s service revenue. Service revenue grew by 3.3% to R80.0 billion, primarily due to increased smartphone sales.

Revenue from mobile contract customers increased by 5.5% to R22 billion, with both Vodacom Business and Consumer contracts contributing to this growth. We added 217,000 contract customers during the year, mainly within Vodacom Business, and increased ARPU by 1.7%. Consumer contracts posted 1.5% growth in the last quarter of the year, supported by attractive packages offering customers larger data allocations to facilitate increased usage.

Prepaid mobile customer revenue reduced by 0.7% to R25.2 billion. Adjusting for a loyalty programme provision release in FY2021 of R142 million, prepaid mobile customer revenue remained flat. We are pleased with the result given the strong prior year comparative, which was associated with more stringent lockdowns. We added 1,1 million prepaid customers in the year, focusing our efforts on keeping customers engaged and active on the network for a longer period. Higher customer engagement supported prepaid ARPU of R56, which was above the pre-COVID-19 level of R54.

Data traffic increased by 19.2% in FY2022, accelerating to 24.3% in the fourth quarter. We added 1.8 million data customers, reaching 23.5 million customers, up 8.2%. Smart devices were up by 13.1% to 26.2 million, while 4G and 5G devices increased by 23.9% to 18.5 million. The average usage per smart device increased by 14.0% to 2.4GB per month. Prepaid data revenue increased by 14.7% to 2.4 million. In October 2021, in partnership with Alipay, we launched our much anticipated super-app, VodaPay. This was an important milestone in the evolution of our digital ecosystem and, by year end, we already reached 2.2 million downloads and 1.6 million registrations. We have 85 mini-apps registered on the platform and consistently add more merchants as we scale the super-app.

Vodacom Business service revenue increased by 11.6% to R71.7 billion, driven by continued demand for our innovative work-from-home solutions and sustained growth in fixed-line services. IoT remains an important new service driver, with connections up 17.3% to 6.6 million. Revenue increased by 31.3% to R1.4 billion.

**EBITDA** grew by 3.3% while margins moderated 0.8ppt to 59.3%. **EBITDA** growth was impacted by a loyalty programme provision release of R142 million and constraints on certain open, such as publicly in FY2021. We also accelerated spend on technology to support improved network resilience. Pleasingly, our programme to improve resilience supported a material impact on our network performance.

We invested R1.1 billion in our network, up 10.5%, to expand network capacity to manage additional data growth and to prepare for the next wave of COVID-19 infections, and enhance our IT platforms to maintain our competitive edge. Looking ahead, we will enhance our network spectrum assets in South Africa to improve 4G service quality and incrementally invest in 5G infrastructure to connect our customers for a better future.

### Service revenue for our international operations

<table>
<thead>
<tr>
<th>RM FY2022</th>
<th>FY2021</th>
<th>% change reported</th>
<th>% change normalised</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,213</td>
<td>12,504</td>
<td>-2.3</td>
<td>2.2</td>
</tr>
<tr>
<td>2,146</td>
<td>2,784</td>
<td>-24.3</td>
<td>(3.2) (0.6)</td>
</tr>
<tr>
<td>4,352</td>
<td>3,833</td>
<td>13.5</td>
<td>11.8</td>
</tr>
<tr>
<td>3,486</td>
<td>3,226</td>
<td>8.1</td>
<td>6.4</td>
</tr>
</tbody>
</table>

Service revenue for our international operations increased by 0.3% to R22.2 billion, subdued by a strong South African rand and the impact of levies on mobile money and airtime revenues imposed in Tanzania. These levies diluted revenue by an estimated R708 million during the year. On a normalised basis, service revenue grew by 5.6%* and adjusted for the impact of levies in Tanzania, increased by 9.0%. The strong underlying growth reflects our purpose-led focus on digital and financial inclusion, with normalised data and M-Pesa revenue growth of 16.4%* and 15.5%*, respectively. The data revenue performance was underpinned by incremental smartphone adoption, strong commercial execution and the ongoing expansion of our digital ecosystem. M-Pesa growth was supported by ongoing customer and service adoption as we leveraged the product roadmap of our innovation hub M-Pesa Africa.

We added 2.0 million customers, up 4.9% to 41.7 million, reflecting strong commercial execution across the portfolio. While the economies across our international segment are recovering, constraints on consumer spending remain evident in the voice segment, with voice revenue declining by 3.5% (on a normalised basis, remains flat).

Data services remain a crucial driver of growth and our commitment to connect for a better future. Data revenue was R4.6 billion – up 11.0% from FY2021 – and contributed 20.7% of International EBITDA revenue. We added 531,000 customers to the year at 21.2 million customers, with data traffic growth of 31.4%. Smartphone penetration increased 1.4ppt to 13.7% and remain a strong opportunity to drive data usage. We continue to drive the adoption of smartphones by leveraging our strategic partnerships and implementing innovative financing options to provide affordable devices to our customers.

International M-Pesa revenue increased by 9.9% (15.5%) to R5.5 billion, contributing 22.2% of service revenue. Growth was supported by strong performances in the DRC, Mozambique and Lesotho. Tanzania’s M-Pesa performance and progress on financial inclusion were stalling due to the new mobile money levies introduced in July 2021. Adjusting for the impact of these levies, M-Pesa revenue was up an impressive 29.5%. The underlying momentum of M-Pesa reflects our ongoing product enhancements in both the consumer and merchant segments. In Tanzania, our Songafrica lending product grew by 22.7%, with 80,000 customers onboard in the year. To grow and diversify our M-Pesa ecosystem, we also accelerated our merchant strategy – almost doubling the number of active merchants.

M-Pesa transaction values processed on our platform in the year, including Safaricom, reached US$2.46 billion, an increase of 29.2%.

International EBITDA was R8.5 billion, declining 3.2% (0.6%)*. **EBITDA** was negatively impacted by a one-off lease contract settlement in the DRC and mobile money and airtime revenue levies in Tanzania. The lease contract settlement had no impact on net income, as higher opex was offset by lower ROU depreciation and interest. However, it impacted our contribution by R708 million during the year. Additionally, the introduction of levies in Tanzania negatively impacted **EBITDA** growth by 4.7ppt. Adjusted for the one-off lease contract settlement and levy impacts, normalised International EBITDA was up 11.3% and reflected accelerated cost containment initiatives, particularly in Tanzania.

We increased capex by 8.1% to R5.5 billion as we accelerated investment into 4G coverage and performance. From a coverage perspective, we added 777 4G sites in the year, increasing our 4G site count by 20.8%. We also continued to invest in our transmission networks to enhance our network lead in all our markets.

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1. The Group’s effective interest of 54.9% in Safaricom is accounted for as an investment in associates. Results represent 100% of Safaricom and are for information purposes only.

2. For more information on Safaricom’s results, visit www.safaricom.co.ke/investors/financial-results/financial-results.
Five-year historic review

Summary financial statement (Rm)

<table>
<thead>
<tr>
<th>FY2022</th>
<th>FY2021</th>
<th>FY2020</th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenue</td>
<td>79 936</td>
<td>77 574</td>
<td>73 534</td>
<td>69 867</td>
</tr>
<tr>
<td>Revenue</td>
<td>102 756</td>
<td>98 302</td>
<td>90 746</td>
<td>86 627</td>
</tr>
<tr>
<td>Operating profit</td>
<td>28 256</td>
<td>27 652</td>
<td>27 711</td>
<td>24 490</td>
</tr>
<tr>
<td>Net finance charges</td>
<td>(3 675)</td>
<td>(3 800)</td>
<td>(3 834)</td>
<td>(2 401)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>24 563</td>
<td>23 781</td>
<td>23 058</td>
<td>22 089</td>
</tr>
<tr>
<td>Taxation</td>
<td>(6 929)</td>
<td>(6 710)</td>
<td>(6 414)</td>
<td>(5 537)</td>
</tr>
<tr>
<td>Net profit</td>
<td>17 754</td>
<td>17 071</td>
<td>16 644</td>
<td>15 532</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>(671)</td>
<td>(700)</td>
<td>(710)</td>
<td>(218)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>39 888</td>
<td>39 299</td>
<td>37 610</td>
<td>35 714</td>
</tr>
</tbody>
</table>

Summary statement of financial position (Rm)

<table>
<thead>
<tr>
<th>FY2022</th>
<th>FY2021</th>
<th>FY2020</th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>127 448</td>
<td>125 670</td>
<td>142 395</td>
<td>113 897</td>
</tr>
<tr>
<td>Current assets</td>
<td>50 519</td>
<td>46 309</td>
<td>47 828</td>
<td>39 746</td>
</tr>
<tr>
<td>Equity and reserves</td>
<td>85 466</td>
<td>85 690</td>
<td>100 070</td>
<td>86 388</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>34 834</td>
<td>44 219</td>
<td>53 403</td>
<td>29 084</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>75 667</td>
<td>42 070</td>
<td>56 750</td>
<td>38 171</td>
</tr>
<tr>
<td>Net debt</td>
<td>35 181</td>
<td>34 248</td>
<td>35 180</td>
<td>23 534</td>
</tr>
<tr>
<td>Capex</td>
<td>14 642</td>
<td>13 307</td>
<td>13 218</td>
<td>12 957</td>
</tr>
</tbody>
</table>

Summary statement of cash flows (Rm)

<table>
<thead>
<tr>
<th>FY2022</th>
<th>FY2021</th>
<th>FY2020</th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>22 693</td>
<td>22 338</td>
<td>21 782</td>
<td>21 645</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>15 660</td>
<td>14 974</td>
<td>16 284</td>
<td>14 865</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>41 152</td>
<td>41 097</td>
<td>39 257</td>
<td>34 575</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(7 124)</td>
<td>(7 736)</td>
<td>(6 417)</td>
<td>(6 535)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>34 028</td>
<td>33 561</td>
<td>32 854</td>
<td>28 040</td>
</tr>
<tr>
<td>Net cash flows utilized in investing activities</td>
<td>(11 964)</td>
<td>(8 997)</td>
<td>(9 164)</td>
<td>(11 188)</td>
</tr>
<tr>
<td>Net cash flows utilized in financing activities</td>
<td>(20 564)</td>
<td>(23 388)</td>
<td>(19 847)</td>
<td>(19 377)</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents</td>
<td>1 500</td>
<td>776</td>
<td>3 823</td>
<td>(2 525)</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the year</td>
<td>16 658</td>
<td>15 829</td>
<td>15 191</td>
<td>11 866</td>
</tr>
</tbody>
</table>

Performance per ordinary share (cents)

<table>
<thead>
<tr>
<th>FY2022</th>
<th>FY2021</th>
<th>FY2020</th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic EPS</td>
<td>1 013</td>
<td>978</td>
<td>939</td>
<td>872</td>
</tr>
<tr>
<td>HEPS</td>
<td>1 013</td>
<td>980</td>
<td>945</td>
<td>868</td>
</tr>
<tr>
<td>Diluted HEPS</td>
<td>984</td>
<td>957</td>
<td>928</td>
<td>852</td>
</tr>
<tr>
<td>Net asset value per share</td>
<td>4 655</td>
<td>4 667</td>
<td>5 450</td>
<td>4 704</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>850</td>
<td>825</td>
<td>845</td>
<td>795</td>
</tr>
</tbody>
</table>

Profitability and returns (%)

<table>
<thead>
<tr>
<th>FY2022</th>
<th>FY2021</th>
<th>FY2020</th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margin</td>
<td>38.8%</td>
<td>40.0%</td>
<td>41.4%</td>
<td>38.9%</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>27.9%</td>
<td>28.1%</td>
<td>30.3%</td>
<td>28.3%</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>27.8%</td>
<td>28.2%</td>
<td>27.8%</td>
<td>29.7%</td>
</tr>
<tr>
<td>Net profit margin</td>
<td>17.3%</td>
<td>17.4%</td>
<td>18.3%</td>
<td>17.9%</td>
</tr>
<tr>
<td>Return on equity</td>
<td>21.6%</td>
<td>19.4%</td>
<td>18.8%</td>
<td>20.3%</td>
</tr>
<tr>
<td>ROCE</td>
<td>23.4%</td>
<td>22.0%</td>
<td>22.7%</td>
<td>24.6%</td>
</tr>
</tbody>
</table>

Liquidity and debt leverage (times)

<table>
<thead>
<tr>
<th>FY2022</th>
<th>FY2021</th>
<th>FY2020</th>
<th>FY2019</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cover</td>
<td>6.8</td>
<td>6.6</td>
<td>5.9</td>
<td>8.1</td>
</tr>
<tr>
<td>Net debt to EBITDA</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Current ratio</td>
<td>0.9</td>
<td>1.1</td>
<td>1.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Quick ratio</td>
<td>0.8</td>
<td>1.1</td>
<td>1.3</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Notes:
1. Total dividend declared for the financial year.
2. Return on equity is calculated by dividing net profit attributable to equity shareholders by equity shareholders’ equity. FY2021 has been restated.
3. ROCE (before tax) is calculated by dividing adjusted statutory operating profit by the average of total assets less current liabilities.
4. Interest cover is calculated by dividing earnings before interest and tax by the year for finance costs for the year.
5. The current ratio is calculated by dividing current assets by current liabilities.
6. The quick ratio is calculated by dividing current assets, excluding inventory, by current liabilities.
NomCo regularly reviews the Board’s composition to ensure a diverse mix of backgrounds, skills, knowledge and experience, as well as deep expertise in technology and telecommunications.

**Board composition**

### Executive directors

- **Mohamed Shameel Aziz Josuah (51)**
  - CEO
  - Appointed in September 2012.
  - Commercial strategist.
  - Strategy business leadership.
  - Strong ICT experience.
  - International operational experience.
  - Financial expertise.

### Independent non-executive directors

- **David Hugh Brown**
  - Lead independent director
  - Appointed in April 2020.
  - Business leadership experience.
  - Corporate leadership experience.
  - Financial expertise.
  - Corporate governance expertise.

- **Clive Bradney**
  - Appointed in January 2015.
  - Business leadership expertise.
  - Corporate leadership experience.
  - M&A and corporate finance expertise.

- **Phezile Mahanyela-Dubengwa (51)**
  - Appointed in July 2020.
  - Business leadership expertise.
  - Corporate leadership experience.
  - M&A and corporate finance expertise.

- **Khumo Lesego Shunesane (51)**
  - Appointed in July 2020.
  - Business leadership expertise.
  - Corporate leadership experience.
  - M&A and corporate finance expertise.

### Non-executive directors

- **Leanne Susan Wood**
  - Appointed in July 2019.
  - Business leadership experience.
  - Corporate leadership experience.
  - Strategic leadership experience.

- **Anne O’Leary**
  - Telecommunications and technology knowledge.
  - Expertise in digital transformation and customer service.
  - Marketing, commercial, consumer and B2B experience.

- **Sunti Seid (51)**
  - Appointed in July 2018.
  - Extensive telecommunications sector knowledge.
  - Emerging markets insight.

- **Pierre Kistz (44)**
  - Appointed in April 2020.
  - Business leadership experience.
  - M&A and corporate finance expertise.
  - Corporate leadership experience.

1. David is stepping-down from the Board on 18 July 2022 following the conclusion of the M&A.
2. Clive will become the Chairman of the ARCC from 19 July 2022.
3. Khumo was appointed to the Board on 19 July 2022.
4. NomCo will be appointed as an independent director from 19 July 2022.
Board governance at a glance

How good corporate governance supports the delivery of our purpose
Vodacom’s purpose is to connect for a better future. The Group’s strategy and sound corporate governance practices are designed to support the delivery of this purpose by ensuring all business functions are executed ethically and with integrity and professionalism.

As a business, we strive to be a trusted brand and partner in the markets where we operate. We entrench good corporate governance principles and ethics into our corporate culture, the Spirit of Vodacom, enabling our employees to execute our strategy ethically, responsibly, fairly and professionally.

How good corporate governance supports the system of advantage
Our system of advantage is geared to meeting our customers on their journey and growing with them. To achieve this, the Board leads the business ethically, transparently and with integrity. To create and sustain value for our stakeholders, we commit ourselves to good corporate governance, employ suitably qualified and diversified leaders, manage the business ethically and transparently and strive to maintain our reputation as a responsible corporate citizen.

Strategic objectives and focus areas
The Board assumes overall responsibility for Vodacom’s success. Its role is to exercise leadership and sound judgement in directing Vodacom to achieve sustainable growth and act in stakeholders’ best interests.

Strategic ambitions
The Board’s key focus areas during the year included:

Accelerating growth while enhancing returns
To accelerate Vodacom’s multi-product strategy, the system of advantage, and to deliver diversified, differentiated offerings to customers, thereby setting Vodacom apart from competitors and positioning the Group to deliver superior returns to shareholders. Key to the strategy is Vodacom’s transition from a TelCo to a TechCo, ensuring that Vodacom becomes an integral part of its customers’ lives, homes and offices. This includes:

- Completing M&A transactions, as well as the subsequent integration thereof.
- Leveraging Big Data, machine learning and world-class technology.
- Growth in new services.

Complex regulatory environment
To manage the impact of evolving regulatory and compliance requirements on Vodacom’s ability to expand activities, deliver quality services and generate profit. It encompasses the associated exposure to financial and reputational damage. This includes:

- Cost and availability of spectrum in South Africa (now secured).
- Data privacy and security.
- Use of customer data.
- Compliance requirements.

Competitive environment
To operate in an environment characterised by strong, established competitors, as well as other new entrants and competitors, as the Group enters new countries or industries. Also considered is the growth in OTT services providers. This includes:

- Market disruptions.
- New and constantly changing competitive environment.
- Stability of current competitors and partners.
- Developing a competitive product set.

Financial and digital inclusion
To deliver on Vodacom’s purpose pillars – digital society, inclusion for all, and planet – and enable our Social Contract to connect people and things to the internet, thereby facilitating a digital future accessible to everyone. This includes:

- Affordability of products and services.
- Enabling a digital society.
- Affordable and accessible financial services.

Network resilience and climate impact
To maintain quality of service, increase the capacity of networks and reduce network disruptions, while considering the Group’s consistent investment in its network to ensure positive consumer sentiment and responsible supply chains. This includes:

- Availability, quality, reliability and security of network.
- Continuity of energy supply.
- Cyber security.
- Disruptions to supply chains.
- Operating responsibly and preserving the planet’s natural resource base.

Our people
To develop skilled and capable leaders and employees who embrace the Group’s culture and values, and foster a digitally agile and inclusive working environment. This includes:

- Skills, diversity and composition of the Board.
- Attracting and retaining scarce and critical technical skills.
- Developing and empowering our people.
- Diverse and inclusive workplace.
- Health and safety of our people.

The economic and political landscape
To manage the impact of macroeconomic conditions and the changing political landscape on Vodacom’s operating costs, capex and ability to generate revenue. This includes:

- Sluggish economic growth.
- Political and public policy uncertainty in South Africa.
- Increasing tax pressures.
- Assessing the impact of conflict in Ukraine.
Who leads us

ExCo

- **Mohamed Shameel Ans Jassal** (51)
  - CEO
  - Appointed in September 2012.

- **Raisibe Moratlhodi** (55)
  - CIO

- **Balesh Chandra Sharma** (57)
  - Managing Director: South Africa (outgoing)

- **Sitholizwe Mbelo** (42)
  - Managing Director: South Africa (incoming)
  - Effective 1 July 2022.

- **Nkateko Nyoka** (59)
  - Chief Officer: Legal and Compliance
  - Appointed in December 2010.

- **Mariam Cassim** (40)
  - Chief Officer: Vodacom Financial Services and Digital Lifestyle Services

- **Diego Gutierrez** (46)
  - Chief Officer: International Business

- **Matimba Nhlonga** (58)
  - Chief Officer: Human Resources
  - Appointed in May 2014.

- **Nkateko Nyoka** (59)
  - Chief Officer: Legal and Compliance
  - Appointed in December 2010.

- **Stephen Chega** (47)
  - Chief Officer: External Affairs
  - Appointed in November 2021.

- **Peter Ndegwa** (53)
  - CEO, Safaricom
  - Appointed in August 2021.

- **Dejan Kastelic** (45)
  - Chief Technology Officer
  - Appointed in May 2020.

- **Raisibe Moratlhodi** (55)
  - Chief Officer: Legal and Compliance
  - Appointed in December 2010.

- **Mohamed Shameel Ans Jassal** (51)
  - CEO
  - Appointed in September 2012.

**Ethnic diversity**
- Black: 80%
- White: 20%

**Gender**
- Female: 20%
- Male: 80%

**Nationality**
- South African: 5
- Non-South African: 5

**Age**
- 40-49: 4
- 50-59: 6

**Tenure**
- 0 to 3 years: 6
- 4 to 10 years: 3
- 10 years +: 1
Group shareholders

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>% of shares in issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodafone1</td>
<td>1 110 629 881</td>
</tr>
<tr>
<td>Government Employees Pension Fund (GEPF)</td>
<td>257 865 457</td>
</tr>
<tr>
<td>Yebo/ithu Investment Company (Pty) Limited (Yebo/ithu)</td>
<td>114 451 180</td>
</tr>
<tr>
<td>Wheatfield Investments 276 (Pty) Limited</td>
<td>15 421 231</td>
</tr>
<tr>
<td>Institutional investors</td>
<td>285 177 562</td>
</tr>
<tr>
<td>Retail positions</td>
<td>45 374 584</td>
</tr>
<tr>
<td>Other1</td>
<td>6 947 066</td>
</tr>
<tr>
<td>Total</td>
<td>1 835 864 961</td>
</tr>
</tbody>
</table>

1. Directly held by Vodafone Investments SA (Pty) Limited and Vodafone International Holdings BV.
2. Balance of remaining holdings.

Geographical institutional shareholding, excluding GEPF (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2022</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>39.5</td>
<td>40.7</td>
</tr>
<tr>
<td>South Africa</td>
<td>23.9</td>
<td>27.0</td>
</tr>
<tr>
<td>UK</td>
<td>16.1</td>
<td>14.4</td>
</tr>
<tr>
<td>Europe</td>
<td>9.6</td>
<td>9.3</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>10.8</td>
<td>8.6</td>
</tr>
</tbody>
</table>

Our listed companies – market cap

<table>
<thead>
<tr>
<th>Company</th>
<th>FY2022 (Rbn)</th>
<th>FY2021 (Rbn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodacom Group Limited</td>
<td>293.7</td>
<td>231.8</td>
</tr>
<tr>
<td>Vodacom Tanzania Limited</td>
<td>10.9</td>
<td>11.0</td>
</tr>
<tr>
<td>Safaricom Plc</td>
<td>173.9</td>
<td>156.1</td>
</tr>
</tbody>
</table>

Price earnings analysis

<table>
<thead>
<tr>
<th>Company</th>
<th>Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodacom Group</td>
<td>15.3</td>
</tr>
<tr>
<td>Vodacom Group, excluding Safaricom</td>
<td>14.4</td>
</tr>
</tbody>
</table>

Source: Bloomberg and company estimates.
Dear shareholders

On behalf of the Board, I am pleased to present the FY2022 remuneration report for the Vodacom Group. This report includes our remuneration philosophy and policy for executive and non-executive directors (NEDs) and provides a description of how the policy has been implemented. It also discloses payments made to non-executive and executive directors during the year.

Together with other leading companies in the world, we have learned to live with the continued challenge of the COVID-19 pandemic. The only significant adaptation we implemented last year was to drop the service revenue condition used in our short-term incentive (STI) and weight our short-term incentives for the FY2023 STI. Otherwise, we have again been able to provide for the service revenue condition.

We are acutely conscious of issues of pay fairness and equity and have noted the proposals in the draft Companies Amendment Bill. We have been monitoring the “vertical pay gap” between the highest and lowest paid in the company is still ongoing, we continue to monitor this dialogue and will disclose the required statutory pay gap statistics when this is determined.

We specifically reward our Spirit behaviours which, we believe, closely align with the delivery of our purpose. Our Spirit behaviours are based on four distinct pillars:

1. Be a leader: Drive the business with focus and passion.
2. Be customer focused: Always put our customers at the heart of everything we do.
3. Be a global player: Think big and take risks to break new ground.
4. Be a great place to work: We give and take ownership and learn from the rest.

We are courageous in creating a world that is fairer, more equal and more just, that provides superior returns to our investors.

Vodacom is committed to implementing fair, responsible and transparent remuneration practices that support our purpose-led business model and the achievement of our strategy. Our Board, assisted by the Group’s RemCo, shapes and governs our remuneration approach, including our policy and reward framework. This remuneration report delivers against the transparency principles and disclosures set out in King IV, the Companies Act and the JSE Listings Requirements.

RemCo contracted Bowmans to provide independent external advice and is satisfied with its independence and objectivity.

The RemCo board members and committees are committed to upholding the highest standards of governance and transparency. Each RemCo meeting, including relevant discussions and key decisions made.

Our governance

Our Board, assisted by our RemCo, is responsible for overseeing the implementation and execution of Vodacom’s remuneration policy, as well as ensuring we achieve the objectives contained therein. RemCo operates according to its Board-approving charter, which is updated annually. The RemCo chairman provides feedback to the Board after each RemCo meeting, including relevant discussions and key decisions made.

Background statement

Our purpose shapes remuneration practices and our Spirit

Vodacom’s purpose, to connect for a better future, is enabled by our multi-product strategy – Vodacom’s system of advantage – and brought to life by our employees. Our remuneration practices reflect this integration to ensure we:

- Attract and retain high-calibre talent.
- Reward employees for living the Spirit of Vodacom.
- Act as an ethical and fair-pay employer.
- Motivate our employees to execute our strategy and live our purpose.

We specifically reward our Spirit behaviours which, we believe, closely align with the delivery of our purpose. Our Spirit behaviours are based on four distinct pillars:
Remuneration report continued

Remuneration policy

Our remuneration policy aim is to ensure that Vodacom’s compensation strategy is dynamic and effective in ensuring that employees are well rewarded for their contribution. To this end, Vodacom follows a competitive and transparent remuneration policy that is designed to ensure the fair and responsible remuneration of employees.

Dynamic approach to ensure competitive pay

We regularly review our approach to reward and remuneration to ensure it aligns with Vodacom’s purpose, market trends and the legislative and regulatory environment of the countries in which we operate.

We are committed to competitive remuneration and undertake local benchmarking of guaranteed pay (GP) and target total cash (guaranteed pay plus STI) at least every second year. We strive to set remuneration trends with the implementation of our employees’ life-cover proposition in Vodacom DRC, a new development for the market.

Pay for strategy execution

We structure remuneration around the execution of our strategy, which is measured by performance objectives. We pay for performance, and the different components of our reward structure reflect the short- and long-term needs of the business.

We employ a robust performance management system to implement incentives (page 166), with certain employee categories eligible to receive additional share allocations driven by top performance. High-performing employees who display the Spirit behaviours can receive a share of performance-related pay, e.g. bonus, shares or a share incentive.

We review our internal pay ranges annually and apply them consistently throughout the organisation. Our OpCos conduct an annual fair-pay analysis to identify any possible instances in which pay that requires attention and remedial action is implemented. The fair-pay analysis focuses on the elements above. As a result of this analysis, we believe our rewards decisions are based on merit and do not discriminate based on gender, race, religion or belief, disability, age, sexual orientation, or gender identity and expression.

Relevant and sustainable

We manage the total cost of employment and ensure the benefits provided are relevant, affordable and sustainable. We also apply bonus and clawback provisions to disincentivise inappropriate behaviour.

We are committed to providing transparent and understandable information regarding our reward programmes, policies and processes to employees. We provide clear and effective communication of the total reward package offered to ensure our employees understand what they receive, why they receive it and how their performance can influence the value of what they receive.

Fair and responsible remuneration

Our total reward framework is underpinned by our commitment to Fair Pay. It encourages and rewards our Spirit, which is essential for our digital transformation. Vodacom seeks to eliminate discrimination in our remuneration, whether direct or indirect based on race, sex, gender or disability — by applying the principle of equal remuneration for work of equal value. We pay competitive salaries, rewarding individuals based on their skills, experience and external market positioning.

RemCo’s role and responsibilities

RemCo assists the Board to discharge its responsibilities by:
- Monitoring salary movements for senior leadership teams and ensuring that remuneration practices keep pace with the market.
- Setting the parameters for both short and long term incentives and monitoring and approving the achievement thereof.
- Determining and agreeing on the remuneration and overall compensation package for Vodacom’s CEO, CFO and other executive directors appointed to the Board, as well as Vodacom Execs members.
- Determining, agreeing and developing the Group’s overall policy on remuneration in line with the requirements of applicable laws, JSE Listings Requirements and King IV to give effect to the Board’s direction on fair, responsible and transparent remuneration.
- Overseeing the implementation and execution of the Group’s remuneration policy to achieve its objectives.
- Reviewing and recommending to the Board the criteria necessary to measure the performance of executive management in discharging its functions and responsibilities.
- Ensuring remuneration is disclosed in an annual remuneration report.
- Reviewing the fairness and reasonableness of executive remuneration in the context of overall employee remuneration, making recommendations on how this should be addressed and disclosed in the annual remuneration report.
- Developing, implementing and disclosing a remuneration philosophy to enable a reasonable assessment of reward practices and governance process by stakeholders.
- Considering other special benefits or arrangements of a substantive financial nature.
- Reviewing the relevant human resource policies in terms of the delegation of authority.
- Ensuring compliance with applicable laws and codes, including King IV and the JSE Listings Requirements.
- Appointing external remuneration consultants from time to time.
- Reviewing and reporting on the remuneration policy and implementation report.
- Making recommendations on how this should be addressed and disclosed in the annual remuneration report.

RemCo’s key decisions

RemCo held three meetings in FY2022, during which the following key decisions were made:
- Approved the annual increase budget for executives, senior management and employees as informed by external benchmarking.
- Approved individual increases for the Execs.
- Reviewed the metrics of the variable short-term incentive (STI) plan and the variable long-term incentive (LTI) plan, making changes where appropriate.
- Approved STIs for executives, senior management and employees.
- Evaluated the LTI vesting conditions for the FY2019 awards and approved the final vesting percentages.
- Recommended increases in NED fees to the Board for shareholder approval.

Reinstituting STI structure

Due to the uncertainty caused by COVID-19, service revenue was temporarily removed as a metric from the STI in FY2021. However, considering the improvements to general economic conditions and the importance of this measure in driving our strategy, it was reinstated during the year. Currently, our STI includes three financial measures focusing on our business’s core operations and one customer satisfaction measure.

Shareholder voting

At the Group’s AGM in July 2022, shareholders will vote on:
- An advisory non-binding vote on the remuneration policy, and
- An advisory non-binding vote on the implementation report.

Details can be found in the notice of AGM available online at www.vodacom.com.

Should either non-binding vote receive 25% or more votes against it:
- We will invite shareholders to engage with Vodacom regarding their dissatisfaction through collective and/or individual engagements to discuss and record their concerns and objections.
- RemCo will deliberate the concerns and provide shareholders with a formal response and any action taken.
- RemCo will implement in response, along with detailed responses to concerns where Vodacom, despite shareholder feedback, believes its current policy and/or implementation is adequate.

Results of shareholder voting at the most recent AGM are indicated below:

<table>
<thead>
<tr>
<th>Year</th>
<th>NED fees</th>
<th>FY2021</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021</td>
<td>98.70%</td>
<td>99.96%</td>
<td>99.76%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2020</td>
<td>97.43%</td>
<td>98.89%</td>
<td>98.91%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2019</td>
<td>98.33%</td>
<td>98.86%</td>
<td>98.91%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Looking ahead

RemCo constantly assesses executive remuneration trends and governance frameworks, and in FY2023, will focus on:
- STI measures;
- LTI performance conditions;
- Reward related to the acquisition of Vodafone Egypt; and
- Fair and responsible pay.

For executive remuneration, we consider the following additional inputs for benchmarking purposes:
- Outcomes of the Remchannel and Mercer Top Talent Surveys.
- Peer group data from the JSE telecommunications sector and other listed companies of similar market capitalisation and revenue.

In Vodacom, benchmarking for executive directors is done for all elements of remuneration – GP, target STI and target LTI – and we target the 75th percentile of the market for target cash, which is GP plus STI. For our CEO and CFO, RemCo follows a similar approach to the executive cohort, benchmarking pay, industry-specific comparators, information disclosed by our peer group and Mercer’s executive remuneration survey.

Shareholders:
- Our Total Reward framework is underpinned by our commitment to Fair Pay. It encourages and rewards our Spirit, which is essential for our
Remuneration report continued

Our remuneration structure

### Strategic intent

<table>
<thead>
<tr>
<th>Description</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forms the basis for competitive remuneration to attract and retain the best talent (page 110). It reflects:</td>
<td>All employees.</td>
</tr>
<tr>
<td>Job-specific competence and skills, as well as the</td>
<td></td>
</tr>
<tr>
<td>marketability and scarcity of these skills.</td>
<td></td>
</tr>
<tr>
<td>Industry knowledge and experience.</td>
<td></td>
</tr>
<tr>
<td>Contribution to achieving the strategy.</td>
<td></td>
</tr>
<tr>
<td>To aid retention and remain competitive in the markets in which we operate.</td>
<td>All employees.</td>
</tr>
<tr>
<td>Provide financial security when needed by employees.</td>
<td></td>
</tr>
<tr>
<td>Encourages ownership and loyalty by aligning the</td>
<td></td>
</tr>
<tr>
<td>performance over the long term.</td>
<td></td>
</tr>
<tr>
<td>Designed to motivate employees and incentivise the</td>
<td>All employees, excluding</td>
</tr>
<tr>
<td>delivery of performance against set business targets,</td>
<td>employees on commission</td>
</tr>
<tr>
<td>comprising:</td>
<td>or quarterly incentive plans.</td>
</tr>
<tr>
<td>Financial metrics to drive our growth strategies and</td>
<td></td>
</tr>
<tr>
<td>improve operating efficiencies.</td>
<td></td>
</tr>
<tr>
<td>The strategic measures of customer appreciation to</td>
<td></td>
</tr>
<tr>
<td>ensure excellent customer experience is a key focus.</td>
<td></td>
</tr>
<tr>
<td>To motivate and incentivise delivery of sustained</td>
<td>Variable in the form of Vodacom forfeitable shares, which vest over three years.</td>
</tr>
<tr>
<td>performance over the long term.</td>
<td>Executive directors,</td>
</tr>
<tr>
<td>Encourages ownership and loyalty by aligning the</td>
<td>members of the SLT and</td>
</tr>
<tr>
<td>interests of participants with those of the Group and</td>
<td>senior management.</td>
</tr>
<tr>
<td>our shareholders.</td>
<td></td>
</tr>
<tr>
<td>Supports employee retention.</td>
<td>SLT and selected</td>
</tr>
<tr>
<td>Vodacom retention share awards are as per the</td>
<td>employees as determined</td>
</tr>
<tr>
<td>forfeitable share plan (FSP), but only have</td>
<td>by our internal policy,</td>
</tr>
<tr>
<td>time-based performance vesting conditions.</td>
<td>other than the CEO</td>
</tr>
<tr>
<td>Vodafone shares are conditional share with</td>
<td>Executive directors and</td>
</tr>
<tr>
<td>performance conditions, where shares are</td>
<td>members of our SLT.</td>
</tr>
<tr>
<td>settled at the time of vesting and dividends</td>
<td></td>
</tr>
<tr>
<td>only accrue from that point onwards.</td>
<td></td>
</tr>
<tr>
<td>Continuously position Vodacom as an employer of</td>
<td>Access to lifestyle benefits, including</td>
</tr>
<tr>
<td>choice.</td>
<td>employee discounts: cellphone, data and fibre</td>
</tr>
<tr>
<td></td>
<td>benefits; maternity and parental leave; and</td>
</tr>
<tr>
<td></td>
<td>annual executive health checks.</td>
</tr>
</tbody>
</table>

### Benefits

- **GP**
  - Across our markets, this component varies from an approach of guaranteed total cost of employment to basic pay plus market-related cash allowances and cost of benefits. This is determined by local market legislation, market benchmarking and best practice.

- **STI**
  - Business measures are reviewed annually to ensure they support our strategy and drive the right behaviour. The STI is paid in cash in June each year for performance against the previous year’s targets.
  - Executive directors, members of the SLT and senior management.
  - Vodacom workforce with benefits designed as appropriate for our employees. We do not offer post-retirement medical benefits and have no such liabilities.
  - Executive directors and members of our SLT.
  - The ratio of GP versus variable pay differs for each employee band, with the weighting on variable performance-based pay higher at higher pay levels.
  - Executive directors, members of the SLT and senior management. The financial measures are reviewed annually to ensure a continued appropriate balance of executive rewards.
  - Executive directors and members of our SLT.
  - Access to lifestyle benefits, including employee discounts: cellphone, data and fibre benefits; maternity and parental leave; and annual executive health checks.
  - Executive directors, members of the SLT and senior management. The financial measures are reviewed annually to ensure a continued appropriate balance of executive rewards.
  - Executive directors, members of the SLT and senior management. The financial measures are reviewed annually to ensure a continued appropriate balance of executive rewards.

### LT1

- Vodafone shares are conditional share with performance conditions, where shares are settled at the time of vesting and dividends only accrue from that point onwards.
- Executives and members of our SLT.

### Other programmes

- Access to lifestyle benefits, including employee discounts: cellphone, data and fibre benefits; maternity and parental leave; and annual executive health checks.
- Executives and members of our SLT.

### Vodacom’s EVP

**Our purpose: Connect for a better future**

- **Opportunity**
  - Embrace a world of experiences that will challenge you and help you thrive.
  - Competitive pay and benefits
  - Flexible ways of working
  - Care for your well-being

### Benefits

Our OpCos across the Group provide benefits in line with local country practice and legislative requirements.

**Retirement funding**

In South Africa and Lesotho, we have private retirement funds. In South Africa, the Vodacom Group Pension Fund – a defined contribution pension scheme – is compulsory for all permanent employees. Employees at management level must also participate in the Vodacom Group Provident Fund, also a defined contribution scheme. Other employees can join the Vodacom Group Provident Fund on a voluntary basis. Contributions to the pension fund are based on pensionable salary, and employees select either 70% or 85% of GP. Employees select their investment portfolio based on their individual risk profiles. Vodacom Lesotho has a provident fund which is compulsory for all permanent employees. In the DRC, Mozambique and Tanzania, employees participate in the government-run social security fund as required by legislation.

**Medical cover**

The plans available within Vodacom Group were selected to address the needs of the diverse Vodacom workforce with benefits designed as applicable for each country. We review the medical cover plans annually to assess their appropriateness for our employees. We do not offer post-retirement medical benefits and have no such liabilities.

**Pay mix**

The ratio of GP-versus-variable pay differs for each employee band, with the weighting on variable performance-based pay higher at executive and senior levels. In line with our principle of paying for performance and encouraging and rewarding behaviours that support our Spirit.

**Measurement**

The measures, bonus levels and weightings are reviewed annually to ensure a continued link to strategy and the direct influence of management. The financial measures are typically determined based on budgets. After a temporary removal due to the economic uncertainty arising from the COVID-19 pandemic, service revenue has been reinstated as a metric for FY2022.

For FY2023, the STI will be based on business performance and is capped at 200% of target, which is the maximum business multiplier, with no personal performance multiplier.

**For FY2022, 100% of the on-target STI is payable on the full achievement of annual targets. If the targets are exceeded, the STI is capped at 200% of the target. If the targets are not achieved in full, a reduced STI is payable. If performance is below threshold no STI is payable.**

The on-target and maximum STI percentages are set out below:

<table>
<thead>
<tr>
<th>Role</th>
<th>On-target % of GP FY2023</th>
<th>Maximum % of GP FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>100%</td>
<td>150%</td>
</tr>
<tr>
<td>CFO</td>
<td>75%</td>
<td>150%</td>
</tr>
</tbody>
</table>

1. Vodafone retention and performance conditional share plan (CSP) awards. Details regarding performance conditions of vesting periods for the Vodafone awards can be found in Vodafone’s FY2022 annual report on https://investors.vodafone.com/reports-information/results-reports-presentations.
Remuneration report continued

The measurement methodology for each component of the STI metrics is set out below. The aggregate outcome of this measurement sets our business performance multiplier, which ranges from 0% to 200%.

### Description of metrics and range

- **Weighting**: EBIT (25%); OFCF (25%); Customer appreciation (25%); Service revenue (25%)
- **Threshold**: 95% of service revenue target
- **Target**: 100% of service revenue target
- **Above target**: 105% of service revenue target

#### Weighting

<table>
<thead>
<tr>
<th>Element</th>
<th>Service revenue</th>
<th>EBIT</th>
<th>OFCF</th>
<th>Customer appreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighting FY2021 versus FY2022</td>
<td>25% (n/a 25%)</td>
<td>25% (33.3% 25%)</td>
<td>25% (33.3% 25%)</td>
<td>25% (33.3% 25%)</td>
</tr>
</tbody>
</table>

#### Description of metrics and range

- **Service revenue**: All revenue for ongoing services, including, but not limited to, monthly access charges, airtime usage, financial and digital services, fixed and fibre services, roaming, incoming and outgoing network usage by non-Vodacom customers, and interconnect charges for incoming calls.
- **EBIT**: Earnings before interest, taxation, impairment losses and profit/loss from associated and joint ventures. Cash generated from operations less additions to PPE, intangible assets, and proceeds on disposal of PPE and intangible assets.
- **OCF**: Cash generated from operations less additions to PPE, intangible assets, and proceeds on disposal of PPE and intangible assets.
- **Customer appreciation**: Assessment of the following metrics:
  - NPS
  - Active base
  - churn
  - Revenue market share.

NPS measures the extent to which our customers would recommend us. Active base is the measurement of customer activity on the network. Churn is the average number of monthly customers divided by the annualised number of disconnections during the period.

#### Personal multiplier

Vodacom removed the personal multiplier in FY2021, however, we continue assessing individual performance based on the achievement of their objectives. Both the CEO and CFO do not have a personal performance multiplier. Their STIs are only based on business performance and performance set out against specific individual goals that are linked to Vodacom’s overall strategic objectives and assessed annually.

#### LTI

LTI aim to retain key skills and motivate executives and select employees over the long term, which is essential for sustainable performance. The use of free cash flow as the principal performance measure ensures we apply prudent cash management and rigorous capital discipline to our investment decisions. The use of TSR, along with a performance period of not less than three years, means we focus on the long-term interests of our shareholders. Finally, the inclusion of ESG components supports an even closer alignment with our purpose.

The on-target and maximum LTI, as well as the split of awards for the CEO and CFO, are set out below.

#### LTI performance conditions

<table>
<thead>
<tr>
<th>Metric</th>
<th>Weighting award FY2021</th>
<th>Weighting award FY2023</th>
<th>Weighting award FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCF</td>
<td>60%</td>
<td>60%</td>
<td>70%</td>
</tr>
<tr>
<td>TSR relative to a peer group</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>ESG target</td>
<td>10%</td>
<td>10%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**LTI metric**

Vodacom determines the targets for OCF according to the achievement of the three-year budget plan. TSR achievement is calculated based on the position in the selected TSR peer group.

The vesting of Vodacom performance scheme shares is based on the following scale:

<table>
<thead>
<tr>
<th>Scheme</th>
<th>OCF</th>
<th>TSR relative to peer group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold</td>
<td>40%</td>
<td>At 50th percentile of the index</td>
</tr>
<tr>
<td>Target 100%</td>
<td>Three-year plan</td>
<td>Average of the 50th and 75th percentile of the index</td>
</tr>
<tr>
<td>Maximum 200%</td>
<td>Three-year plan</td>
<td>75th percentile of the index</td>
</tr>
</tbody>
</table>

**ESG measure metric**

From June 2020, we enhanced our LTI measurement framework to include an ESG-related component. This component comprises targets across our purpose pillars and accounts for a 10% weighting of LTI. ESG targets that extend over the next three years to FY2025 will be set at or before the next RemCo meeting.

**Digital society**

- Reach 7.6 million financial services customers by 2024.

**Inclusion for all**

- Drive 38.3% female representation at senior management level and above by 2024.

**Planet**

- Reduce GHG emissions by 25% cumulatively across all sites in South Africa by 2024 (against a 2020 baseline).
Malus and clawback
Vodacom has a malus and clawback policy in place, with a provision allowing Vodacom, through its Board, to reduce or claw back certain elements of an executive employee’s remuneration in circumstances where a trigger event has occurred.

Clawback means the recoupment during the clawback period of all or a portion of the clawback amount from an executive after vesting or payment. Malus refers to reducing unvested or unpaid awards before the end of the vesting period (LTI) or before payment (STI).

The Board adopted this policy to further align the interests of our executives and senior management with the long-term interests of the Group. Furthermore, this policy ensures excessive or inappropriate risk-taking is not rewarded, stipulates that any errors can be corrected and ensures a fair outcome when variable remuneration is awarded.

The policy sets out the circumstances where the Board, following the advice of RemCo, may apply its discretion to reduce or claw back incentive awards (in whole or in part) in line with the policy. Currently, Vodacom’s executive directors and SLT will be subject to the provisions of this policy. This limited scope of application will be reviewed from time to time to ensure it is appropriate and in line with market practice for South African listed companies. This policy applies to variable remuneration – STIs and LTIIs.

Vodacom Siyanda Employee Trust
Established in 2019, the Vodacom Siyanda Employee Trust holds an equity investment in the Group through its interest in Yebi/izethu. Select employees were allocated units (Siyanda units) in the trust based on a varying percentage of their GP, depending on their employment bands, race and gender. Each share is equivalent to one unit, with the unit representing vested rights to the underlying Yebi/izethu ordinary shares. The service condition will lift in three equal tranches at the end of years three, four and five, and will only become fully tradable in the BEE segment of the JSE in three equal tranches over three years starting from the end of the fifth year i.e. years six, seven and eight. In March 2022, the first tranche was transferred to employees, with the next two tranches to be transferred in March 2023 and March 2024.

Executive contracts and policies
Executive management are permanent employees and must serve a notice period of six months. The notice periods for the CEO and CFO are 12 months and six months, respectively.

Payments for termination of office
The maximum termination benefit potentially payable is limited to six months. These benefits do not apply to a normal voluntary resignation or retirement.

In terms of the current Vodacom policy, the CEO and CFO would be entitled to the following on termination of office, on a good-leaver basis:

STI
- STI would be pro-rated for the period of service during the financial year and will reflect the extent to which Vodacom’s performance was achieved.
- RemCo has the discretion to reduce the entitlement of the STI plan to reflect the individual’s performance and circumstances of termination.
- No STI is payable in the event of a standard resignation.

LTI
- The LTI will vest in line with scheme rules and, once the achievement of the performance conditions is approved, pro-rated for the proportion of the vesting period that elapsed from date of allocation to the date of cessation of employment.
- RemCo has the discretion to vary the level of vesting as deemed appropriate and particularly, to determine that awards should not vest for reasons which may include, at their absolute discretion, departure in the case of poor performance, departure without the agreement of the Board or detrimental competitive activity; and
- All unvested shares will be forfeited in the event of a standard resignation.

Minimum shareholding requirement
Members of the ExCo are required to build up minimum levels of personal shareholding in the Group as a tangible demonstration of their commitment to the Group and to align with shareholders’ interests. Vodacom introduced the following minimum shareholding requirements:

- CEO: 300% or three times his GP; comprising 200% Vodacom shares and 100% Vodafone shares. Should the CEO not meet this requirement at the time of the LTI awards, the levels of the Vodacom and Vodafone awards will be reduced below the target award levels indicated.
- Other members of ExCo: 50% of GP.
Implementation report
This implementation report details the outcomes of implementing the approved remuneration policy, including executive directors and NEDs.

Fair and responsible pay
GP
We conduct benchmarking annually given the heightened competition for technology related skills and talent. The detail of salary increases by market are as indicated below:

<table>
<thead>
<tr>
<th>Country</th>
<th>FY2022 salary increase granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRC</td>
<td>3.0%</td>
</tr>
<tr>
<td>Lesotho</td>
<td>4.5%</td>
</tr>
<tr>
<td>Mozambique</td>
<td>6.5%</td>
</tr>
<tr>
<td>South Africa</td>
<td>5.0%</td>
</tr>
<tr>
<td>Tanzania</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Executive director FY2022\nFY2021 \n% increase
MS Aziz Joosub 13 310 325 12 676 500 5.0%
RK Morathi 9 675 000 9 000 000 7.5%

The GP figures above include contributions to pension and provident funds, medical aid and a company car.

Vodacom benchmarks its CEO remuneration through comparisons using:
- An appropriate premium and/or discount to the individual incumbents of direct competitors;
- A portfolio of similarly sized companies, where sizing is based on a combination of market capitalisation, number of employees, total assets and turnover; and
- A grade-based approach to a local executive remuneration survey.

Given the analysis of all three of these benchmarking approaches, and in analyzing both guaranteed and total remuneration (total including STI and LTI), RemCo approved 5.0% increase for Shameel Joosub as being appropriate for GP, and a 7.5% increase for Raisibe Morathi. In line with our strategy to attract and retain female talent, the CFO was awarded a slightly higher salary increase to ensure her pay remains competitive in comparison to her peers and market.

FY2022 STI performance
The graphic below shows the extent the Group’s targets were met for the year ended 31 March 2022.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Weight</th>
<th>Threshold 0%</th>
<th>Target 100%</th>
<th>Maximum 200%</th>
<th>Weighted result (Maximum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service revenue</td>
<td>25%</td>
<td>Threshold 0%</td>
<td>Target 100%</td>
<td>Maximum 200%</td>
<td>Weighted result</td>
</tr>
<tr>
<td>EBIT</td>
<td>25%</td>
<td>Threshold 0%</td>
<td>Target 100%</td>
<td>Maximum 200%</td>
<td>Weighted result</td>
</tr>
<tr>
<td>OFCF</td>
<td>25%</td>
<td>Threshold 0%</td>
<td>Target 100%</td>
<td>Maximum 200%</td>
<td>Weighted result</td>
</tr>
<tr>
<td>Customer appreciation</td>
<td>25%</td>
<td>Threshold 0%</td>
<td>Target 100%</td>
<td>Maximum 200%</td>
<td>Weighted result</td>
</tr>
</tbody>
</table>

Based on a combination of Group and individual performance (as detailed in the remuneration policy), the resultant STI awards for the CEO and CFO were:

Executive director FY2022 FY2021 % increase
MS Aziz Joosub 16 744 389 17 683 718 -5%
RK Morathi 9 128 563 3 895 490 134%

FY2022 LTI performance
Achievement of the FY2022 LTI represents the final vesting percentage for awards made in June 2019, where the three-year performance period concluded on 31 March 2022. These shares will vest in June 2022 and will be disclosed in the table of single total figure of remuneration using the closest practicable share price of R147 for Vodacom shares as at 31 May 2022.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Weight</th>
<th>Threshold 40%</th>
<th>Target 100%</th>
<th>Maximum 200%</th>
<th>Weighted result of maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>OFCF</td>
<td>70%</td>
<td>Threshold 0%</td>
<td>Target 100%</td>
<td>Maximum 200%</td>
<td>Weighted result of maximum</td>
</tr>
<tr>
<td>TSR</td>
<td>30%</td>
<td>93.0%</td>
<td>200%</td>
<td>60.0%</td>
<td></td>
</tr>
</tbody>
</table>

The overall achievement of target is 125.0%
The comparable Group LTI achievement for FY2021 was 118.7%.

1. The awards made represent a maximum achievement award of 200%. The above achievement percentages represent the amount of this award which will vest.
### Outstanding share awards (value of shares)

In the tables below, the value at award represents the face value of shares at the time of award. The value at year end, after adjusting for share price movements and the targeted vesting level, thus represents the current estimate of value likely to accrue to participants.

The column indicated by “settled in the year” represents the cash value of all awards that were settled per King IV’s disclosure requirements. Similarly, the column indicated by “forfeited in the year” represents the cash value forfeited by participants in the year.

#### Financial year | Data Awarded | Value at award Date | Estimated effect of share price | Estimated effect of performance targets | Forfeited in the year | Settled in the year | Value at year end | Currency
--- | --- | --- | --- | --- | --- | --- | --- | ---
### Conditional benefit – restricted shares
2014 | May 2013 | 23,669,391 | 6,996,279 | – | – | – | 30,665,670 | ZAR

### Vodacom shares – with company performance vesting conditions
2019 | Jun 2018 | 29,680,063 | 8,144,057 | (20,172,075) | – | – | 20,172,075 | ZAR
2020 | Jun 2019 | 42,866,299 | 5,702,207 | (24,284,253) | – | – | 24,284,253 | ZAR
2021 | Jun 2020 | 44,567,781 | 5,479,772 | (24,923,776) | – | – | 24,923,776 | ZAR

### Vodafone conditional shares
2019 | Jun 2018 | 293,288 | (100,644) | – | (84,812) | – | 332,378 | GBP
2020 | Jun 2019 | 316,238 | 16,140 | – | – | – | 332,378 | GBP
2021 | Nov 2020 | 305,589 | 8,617 | – | – | – | 314,206 | GBP

### Siyanda units
2019 | Mar 2019 | 700,690 | 734,870 | – | – | – | 1,435,560 | ZAR
2020 | Nov 2020 | 7,120 | 7,832 | – | – | – | 14,952 | ZAR
2022 | Mar 2022 | 6,536 | 6,384 | – | – | – | 6,384 | ZAR

---

1. The estimated effect of share price is based on the share price movement between the date of award and the closing price on 31 May 2022.
2. The estimated effect of performance targets is based on the targeted 50% vesting being applied.
3. Shares settled and forfeited in the year at a share price of R135.49 for both scheme and matching awards.
4. Value has been calculated using the closest practicable share price, as at 31 May 2022, being R147.00 for the Vodacom share price, GBP1.30 for the Vodafone share price at an exchange rate of R19.64 and R42.00 for the Siyanda units.
Remuneration report continued

Raisibe Morathi (CFO)

<table>
<thead>
<tr>
<th>Min</th>
<th>On target</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>10%</td>
<td>75%</td>
<td>150%</td>
</tr>
<tr>
<td></td>
<td>135%</td>
<td>270%</td>
</tr>
</tbody>
</table>

- The maximum STI for Raisibe is twice the target. This is the maximum business performance multiplier as no personal multiplier is applicable.
- Similarly to the STI, Raisibe does not have an individual performance multiplier on LTI. Therefore, the maximum represents the potential maximum of shares that could vest, whereas on target represents the number of shares that are anticipated to vest.
- Dividends are received in cash on all outstanding unvested scheme awards at each dividend declaration date. Since the dividend varies from period to period, it was not included in the pay mix above.

Tables of single total figure of remuneration

The following tables were prepared in line with King IV and relevant practice notes, and include an LT I amount. The LT I shares vesting in June 2022 are valued as at 31 May 2022, the closest practicable date at a share price of R147.00 for Vodacom shares and GBP1.30 for Vodafone shares.

### Outstanding share awards (value of shares)

In the tables below, the value at award represents the face value of shares at the time of award. The value at year end, after adjusting for share price movements and the targeted vesting level, thus represents the current estimate of value likely to accrue to participants.

The column indicated by “settled in the year” represents the cash value of all awards that were settled per King IV’s disclosure requirements. Similarly, the column indicated by “forfeited in the year” represents the cash value forfeited by participants in the year.

#### Financial year

<table>
<thead>
<tr>
<th>Financial year awarded</th>
<th>Date awarded</th>
<th>Value at award date</th>
<th>Estimated effect of share price1</th>
<th>Estimated effect of performance targets2</th>
<th>Forfeited in the year</th>
<th>Settled in the year</th>
<th>Value at year end3</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vodacom shares – with company performance vesting conditions</td>
<td>2022</td>
<td>Jun 2021</td>
<td>4 499 987</td>
<td>555 784</td>
<td>(2 527 886)</td>
<td>–</td>
<td>–</td>
<td>2 527 885</td>
</tr>
<tr>
<td>Vodacom shares – without company performance vesting conditions</td>
<td>2021</td>
<td>Nov 2020</td>
<td>5 999 960</td>
<td>1 035 756</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>7 035 716</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>Nov 2020</td>
<td>5 999 960</td>
<td>1 035 756</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>7 035 716</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>Jun 2021</td>
<td>4 499 987</td>
<td>555 784</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>5 055 771</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>Nov 2021</td>
<td>1 600 097</td>
<td>104 074</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1 704 171</td>
</tr>
<tr>
<td>Vodafone shares</td>
<td>2022</td>
<td>Jun 2021</td>
<td>113 756</td>
<td>4 794</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>118 550</td>
</tr>
<tr>
<td>Siyanda units</td>
<td>2021</td>
<td>Nov 2020</td>
<td>1 123 268</td>
<td>339 593</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1 462 861</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>Mar 2022</td>
<td>6 536</td>
<td>(152)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>6 384</td>
</tr>
</tbody>
</table>

1. The estimated effect of share price is based on the share price movement between the date of award and the closing price on 31 May 2022.
2. The estimated effect of performance targets is based on the target 50% vesting being applied.
3. Value has been calculated using the closest practicable share price as at 31 May 2022, R147.00 for the Vodacom share price, GBP 1.30 for the Vodafone share price at an exchange rate of R19.64 and R42.00 for the Siyanda units.

#### Tables of single total figure of remuneration

The following tables were prepared in line with King IV and relevant practice notes, and include an LT I amount. The LT I shares vesting in June 2022 are valued as at 31 May 2022, the closest practicable date at a share price of R147.00 for Vodacom shares and GBP 1.30 for Vodafone shares based on an exchange rate of R19.46 as at 31 May 2022.

<table>
<thead>
<tr>
<th>RK Morathi</th>
<th>FY2022</th>
<th>FY20214</th>
<th>% increase currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>GP</td>
<td>9 506 250</td>
<td>3 750 000</td>
<td>153.5 ZAR</td>
</tr>
<tr>
<td>Other5</td>
<td>1 606 720</td>
<td>601 600</td>
<td>(73.2) ZAR</td>
</tr>
<tr>
<td>STI4</td>
<td>9 128 363</td>
<td>3 895 503</td>
<td>134.3 ZAR</td>
</tr>
<tr>
<td>LT I</td>
<td>7 030 716</td>
<td>–</td>
<td>– ZAR</td>
</tr>
<tr>
<td>Vodacom shares</td>
<td>7 030 716</td>
<td>–</td>
<td>– ZAR</td>
</tr>
<tr>
<td>Vodafone shares</td>
<td>–</td>
<td>–</td>
<td>– ZAR</td>
</tr>
<tr>
<td>Dividends4</td>
<td>1 194 671</td>
<td>560 022</td>
<td>231.8 ZAR</td>
</tr>
<tr>
<td>Total (pre-tax)</td>
<td>28 466 720</td>
<td>14 007 125</td>
<td>103.2 ZAR</td>
</tr>
<tr>
<td>Total (post-tax)</td>
<td>15 656 696</td>
<td>7 703 919</td>
<td>103.2 ZAR</td>
</tr>
</tbody>
</table>

1. This includes the Vodacom cellphone benefit and a cash payment for bonus loss from previous employer.
2. These amounts relate to the STI payable in June 2022, derived from performance for the year ended 31 March 2022.
3. Includes on-shares awards – expected to vest in November 2022.
4. These amounts represent the gross amount.
5. Post-tax values are indicative using a 45% taxation rate applied to the gross amount.
6. The figures for FY2021 reflect for 5 months remuneration as FY2022 which is for 12 months.

### Outgoing office payments

No termination of employment payment for executive directors was made in FY2022.

### Policy compliance

The disclosure presented in this report is based on awards to qualifying employees. All remuneration decisions were made in total compliance with the remuneration policy as previously approved by shareholders.

No known deviations from the policy in FY2022.

### Shareholding

Details of the beneficial interests of directors in Vodacom’s ordinary shares (excluding interests in the LT) are set out in the directors’ report in the consolidated AFS.

Funding of share plans and dilution details of the shares awarded for the scheme are included in the Group’s consolidated AFS and directors’ report, available online on www.vodacom.com.

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Based on Board and committee membership during the year, the following payments were made to NEDs for the financial year ended 31 March 2022:

### FY2022 fees

<table>
<thead>
<tr>
<th>Name</th>
<th>Director</th>
<th>ARCC Chairman</th>
<th>ARCC member</th>
<th>RemCo Chairman</th>
<th>RemCo member</th>
<th>NomCo member</th>
<th>SEC Chairman</th>
<th>SEC member</th>
<th>Other committees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SJ Macaronea</td>
<td>3 336 116</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>3 336 116</td>
</tr>
<tr>
<td>DH Brown</td>
<td>716 535</td>
<td>405 555</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1 122 085</td>
</tr>
<tr>
<td>F Blanco</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>P Klotz</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>P Mahanyele-</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>Dabengwa</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>NC Nqweni</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>A O’Leary</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>P Mahanyele-</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>KL Shuenyane</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>S Soo</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>CB Thomson</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>LS Wood</td>
<td>524 933</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>524 933</td>
</tr>
<tr>
<td>S Sood</td>
<td>5 901 981</td>
<td>405 555</td>
<td>659 647</td>
<td>293 900</td>
<td>519 536</td>
<td>437 403</td>
<td>240 383</td>
<td>307 955</td>
<td>912 707</td>
<td>13 078 967</td>
</tr>
</tbody>
</table>

Notes:
1. Fees paid to Vodafone and not the individual director.
2. All fees were paid in accordance with the fees approved by shareholders at the AGM on 19 July 2021. FY2022 ad hoc committee fees relate to the investment in Vodacom Egypt.
3. Fees excluding VAT paid.

### Normalised growth

All amounts in this integrated report marked with a “*” represent normalised growth, which presents performance on a comparable basis. This adjusts for trading foreign exchange, foreign currency fluctuation on a constant currency basis (using the current year as base) and excludes the impact of merger, acquisition and disposal activities, at a constant currency basis where applicable, to show a like-for-like comparison of results. We believe that normalised growth, which is not intended to be a substitute for or superior to reported growth, provides useful and necessary information to investors and other interested parties for the following reasons:

- It provides additional information on underlying growth of the business without the effect of certain factors unrelated to the operating performance of the business;
- It is used for internal performance analysis; and
- It facilitates comparability of underlying growth with other companies, although the term normalised is not defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies.

### Non-IFRS Information

This report contains certain non-IFRS financial measures which have not been reviewed or reported on by the Group’s auditors. The Group’s management believes these measures provide valuable additional information in understanding the performance of the Group or the Group’s businesses, because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group’s industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to the comparable IFRS measures.

### Forward-looking statements

This integrated report, which sets out the annual results for Vodacom Group Limited for the year ended 31 March 2022, contains forward-looking statements which have not been reviewed or reported on by the Group’s auditors, in respect of the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives. In particular, such forward-looking statements include, but are not limited to: statements in respect of expectations regarding the Group’s financial condition or results of operations, including the confirmation of the Group’s targets and expectations for the Group’s future performance generally; expectations regarding the operating environment and market conditions and trends; intentions and expectations regarding the development, launch and expansion of products, services and technologies; growth in customers and usage; expectations regarding spectrum licence acquisitions; expectations regarding adjusted EBITDA, capital additions, free cash flow and foreign exchange rate movements; and expectations regarding the integration or performance of current and future investments, including the combination of the Group’s targets and expectations for the Group’s future performance generally.

While management believes these measures provide valuable additional information in understanding the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives, and for internal use, they are not necessarily comparable to similarly titled measures reported by other companies, which may use different methods of calculation.

### Trademarks

Vodafone, the Vodafone logo, M-Pesa, Connected Farmer, Vodafone SuperNet, Vodacom Mobile Broadband, Vodafone WeSolutions, Vodafone Passport, Vodafone Live!, Power to You, Vodacom, Vodacom 4 Less and Vodacom Change the World are trademarks of Vodafone Group Plc (or have applications pending). Other product and company names mentioned herein may be trademarks of their respective owners.

### Disclaimer

This report contains certain non-IFRS financial measures which have not been reviewed or reported on by the Group’s auditors. The Group’s management believes these measures provide valuable additional information in understanding the performance of the Group or the Group’s businesses, because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group’s industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to the comparable IFRS measures.

All amounts in this integrated report marked with a “*” represent normalised growth, which presents performance on a comparable basis. This adjusts for trading foreign exchange, foreign currency fluctuation on a constant currency basis (using the current year as base) and excludes the impact of merger, acquisition and disposal activities, at a constant currency basis where applicable, to show a like-for-like comparison of results. We believe that normalised growth, which is not intended to be a substitute for or superior to reported growth, provides useful and necessary information to investors and other interested parties for the following reasons:

- It provides additional information on underlying growth of the business without the effect of certain factors unrelated to the operating performance of the business;
- It is used for internal performance analysis; and
- It facilitates comparability of underlying growth with other companies, although the term normalised is not defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies.

While management believes these measures provide valuable additional information in understanding the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives, and for internal use, they are not necessarily comparable to similarly titled measures reported by other companies, which may use different methods of calculation.

This report contains certain non-IFRS financial measures which have not been reviewed or reported on by the Group’s auditors. The Group’s management believes these measures provide valuable additional information in understanding the performance of the Group or the Group’s businesses, because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group’s industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to the comparable IFRS measures.

All amounts in this integrated report marked with a “*” represent normalised growth, which presents performance on a comparable basis. This adjusts for trading foreign exchange, foreign currency fluctuation on a constant currency basis (using the current year as base) and excludes the impact of merger, acquisition and disposal activities, at a constant currency basis where applicable, to show a like-for-like comparison of results. We believe that normalised growth, which is not intended to be a substitute for or superior to reported growth, provides useful and necessary information to investors and other interested parties for the following reasons:

- It provides additional information on underlying growth of the business without the effect of certain factors unrelated to the operating performance of the business;
- It is used for internal performance analysis; and
- It facilitates comparability of underlying growth with other companies, although the term normalised is not defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies.

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Glossary

- **BEE**
  Black economic empowerment is a program launched by the South African government to redress inequalities by giving previously disadvantaged groups opportunities previously not available to them. It includes measures such as employment equity, skills development, ownership, management, socioeconomic development and preferential procurement.

- **Churn**
  Churn is calculated by dividing the annualised number of disconnections during the period by the average number of monthly customers during the period.

- **Consumer**
  A customer in their individual capacity accessing mobile and/or fixed products and services.

- **EBITDA**
  Earnings before interest, taxation, depreciation and amortisation; impairment losses; profit/loss on disposal of investments, property, plant and equipment and intangible assets; and profit/loss from associate and joint ventures, restructuring costs and BEE income/charges.

- **Enterprise**
  A customer that is a business or company accessing mobile and/or fixed products and services.

- **FTTx**
  The number of fixed-line connections in South Africa, which includes fibre to the home and fibre to the business.

- **International**
  International comprises the segment information relating to the non-South Africa-based cellular networks in Tanzania, the Democratic Republic of Congo, Mozambique and Lesotho, as well as the operations of Vodacom International Limited and Vodacom Business Africa.

- **n/a**
  Not applicable.

- **n/m**
  Not measured.

- **Smart devices**
  Smart devices include smartphones, tablets and modems.

- **South Africa**
  Vodacom South Africa is commonly referred to as South Africa in the integrated report. It relates to Vodacom (Pty) Limited, a private limited liability company duly incorporated in accordance with the laws of South Africa and its subsidiaries, joint ventures and SPVs.

- **TSR**
  Total shareholder returns consist of the aggregate share price appreciation and dividend yield.

Corporate information

Vodacom Group Limited
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(ISIN: ZAE000132577 Share code: VOD)
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