

# About our report

## Driving value creation through 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 Integrated Reporting Framework.

As we connect for a better future our purpose-led strategy is designed to positively influence our operating context and meaningfully contribute to the United Nations Sustainable Development Goals (UN SDGs).

**PG** For more information on the SDGs refer to Page 21.

**ESG** Refer to our ESG report for more information on how we deliver on our three purpose pillars and our impact on the UN SDGs.

## Reporting boundary and scope

Through our FY2023 integrated report, we aim to provide concise communication about Vodacom's approach to value creation (page 24). This is provided in the context of our material matters (page 06) addressed through our purpose (page 22), strategy (page 25) and as informed by our key relationships (page 84), principal risks and associated opportunities (page 36), hot topics (page 42) and trade-offs (page 50). We also provide a succinct overview of our governance practices (page 14), business model (page 48) and capitals performance (page 52) for the financial year.

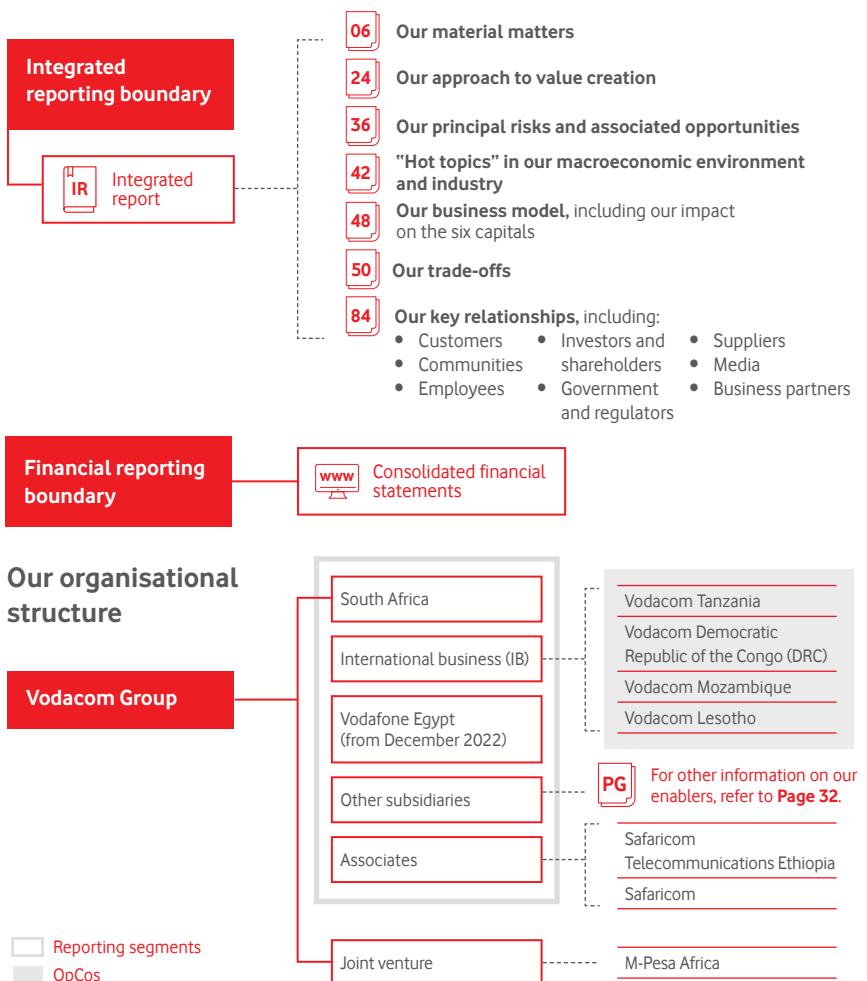
The information included in this report relates to our activities at a Group level, but also includes disclosure relating to our operating companies (OpCos). We consolidate both the financial and non-financial data of our OpCos. Where only data for Vodacom South Africa is available – which represents 64.1% (FY2022: 73.2%) of service revenue and

72.1% (FY2022: 78.9%) 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). It excludes the impact of mergers and acquisitions (M&A) and disposal activities, at a constant currency basis where applicable, to show a like-for-like comparison of results.

Vodafone Egypt Telecommunications SAE (Vodafone Egypt) was consolidated from 8 December 2022, representing the effective date of the transaction. No comparative information or growth rates are provided for Vodafone Egypt. We use ^ to indicate the Group's growth performance excluding Vodafone Egypt.

All growth rates quoted are year on year and refer to the year ended 31 March 2023 compared with 31 March 2022, 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 integrated reporting framework:

## Capitals impacted<sup>^</sup>

<b>FC</b> Financial capital	<b>SRC</b> Social and relationship capital
<b>MC</b> Manufactured capital	<b>IC</b> Intellectual capital
<b>HC</b> Human capital	<b>NC</b> Natural capital

<sup>^</sup> The six capitals have been defined from Page 52 of our capitals performance.

## Stakeholder groups

Customers	Communities	Employees
Investors and shareholders	Government and regulators	Suppliers
Media	Business partners	

## Strategic pillars

- 1 Footprint strengthened
- 2 Secure leadership in mobile and fixed
- 3 Scale financial and digital services
- 4 Digital partner of choice for enterprises
- 5 World-class loyalty and customer experience
- 6 Personalisation through customer value management (CVM) and Big Data
- 7 Optimise assets through sharing
- 8 Technology leadership in network and information technology (IT)
- 9 TechCo organisation and culture
- 10 Trusted brand and reputation

## Material matters

- |             |   |
|-------------|---|
| <b>MM 1</b> | Financial and digital inclusion             |
| <b>MM 2</b> | Network resilience and climate impact       |
| <b>MM 3</b> | Accelerating growth while enhancing returns |
| <b>MM 4</b> | Our people                                  |
| <b>MM 5</b> | Governance, ethics and transparency         |
| <b>MM 6</b> | Economic and political landscape            |
| <b>MM 7</b> | Complex regulatory environment              |
| <b>MM 8</b> | Competitive environment                     |

Value created	Value eroded	Value sustained
---------------	--------------	-----------------



## Materiality

The topics discussed in this report reflect the issues that could impact the role we play in society, as well as how our business deals with evolving market dynamics and allocates resources to ensure we deliver on our **System of Advantage**. In FY2023, we conducted a review of the material matters that could, in our judgement, significantly impact the value we create for our stakeholders. The content of this report is based on the outcome of this assessment.

**PG** For more information, refer to Page 06.

## Reporting frameworks and process

The Group's integrated reporting process is owned by the Executive Committee (ExCo), and the content and commitments are approved by executive management. The reporting suite is reviewed in detail by the Audit, Risk and Compliance Committee (ARCC), and ultimately signed off by our Board of Directors.

We align with best reporting practices and are guided by the principles and requirements in the International Financial Reporting Standards (IFRS); the Integrated Reporting Framework; King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)<sup>1</sup>; the JSE Limited (JSE) Listings Requirements; the Companies Act No 71 of 2008, as amended (the Companies Act); and the Global Reporting Initiative's Sustainability Reporting Standards. We also provide extracts from the condensed consolidated financial statements in this report. Vodacom's Social and Ethics Committee (SEC) fulfilled its mandate as prescribed by the regulations of the Companies Act, and there are no instances of material non-compliance to disclose.

**www** The complete set of consolidated financial statements and our suite of additional reports are available online or can be requested from investor relations.

## Combined assurance

We use a combined assurance model for assurance from internal and external providers. Ernst & Young Inc audited our FY2023 consolidated financial statements and issued an unmodified opinion thereon. While sections of our consolidated financial statements included in this report were extracted from audited information, such sections are not audited herein.

We extended the independent assurance of ESG metrics to encompass South Africa, Egypt<sup>2</sup>, Tanzania, Democratic Republic of Congo (DRC), Mozambique, Lesotho and Kenya<sup>3</sup> and have included additional metrics in scope. KPMG Inc. conducted limited assurance on selected ESG metrics and the information relating to the scope and conclusions are in the independent limited assurance report in our ESG addendum available on our Group website at [www.vodacom.com](http://www.vodacom.com).

The Group's internal audit function assesses financial, operating, compliance and risk management controls, which are overseen by the ARCC.

## Outlook

Throughout this report, we provide readers with forward-looking information on the challenges we are likely to face and opportunities we intend to pursue as part of our strategy. Where possible we articulate the implications thereof on our expected performance. It is, however, important to note that forward-looking statements are inherently predictive and speculative, and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

**PG** For more information, refer to Pages 11, 20 and 55.

1. Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.  
 2. Excluding carbon emissions which will be in scope from FY2024.  
 3. Number of financial inclusion customers only.