

Our material matters

Vodacom conducts an annual materiality review of the 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. This approach identifies and prioritises our material 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), also referred to as a double materiality. The outcome of this process guided the content of both our integrated and ESG reports.

Below, we provide an overview of the assessment we conducted in FY2023 to identify our material matters.



Our materiality determination process

Step

1

Board analysis and deliberation
of principal risks and associated opportunities

Step

2

Identifying and assessing
trends impacting our business context and external environment

Step

3

Reviewing
stakeholder engagement reports

Step

4

Compiling
a list of material matters with the potential to impact our ability to create sustainable value for stakeholders

Step

5

Receiving feedback
from internal and external stakeholders through an online survey to evaluate the importance of each potential material matter

Step

6

Interviewing
our SLT during report preparation to ensure the reporting suite content covers the identified material matters

Step

7

Reviewing and approving
the material matters as included in our integrated report at executive management level

Step

8

Validation
of material matters as included in our integrated report by the ARCC

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

Financial and digital inclusion MM 1

Capitals impacted: **FC** Pg 52 **IC** Pg 72 **SRC** Pg 84

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.

For more information, refer to our ESG report.

Network resilience and climate impact MM 2

Capitals impacted: **FC** Pg 52 **HC** Pg 100 **MC** Pg 66 **NC** Pg 94

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 impact of the energy supply challenges and the increasing occurrence of extreme weather events, such as heavy rainfalls 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. 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 ensuring we invest responsibly.

Our principal risks and associated opportunities **Page 36**. "Hot topics" in our macroeconomic environment and industry **Page 42**. For more information, refer to our ESG report.

Accelerating growth while enhancing returns MM 3

Capitals impacted: **FC** Pg 52 **IC** Pg 72 **SRC** Pg 84

Why this is important: As Vodacom transitions from a traditional telecommunications company (TelCo) to a fully fledged digital TechCo, we must deliver on our multiproduct strategy – 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 and world-class technology, we can distinguish ourselves from competitors and provide superior growth and returns to shareholders.

Our approach to value creation **Page 24**.

Our people MM 4

Capitals impacted: **HC** Pg 100 **IC** Pg 72

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 an agile, diverse and inclusive working environment to facilitate innovation and enable a digitally connected society. We prioritise the health, safety and well-being of our people to ensure they are able to do their best work.

For more information, refer to our ESG report.

Governance, ethics and transparency MM 5

Capitals impacted: **FC** Pg 52 **HC** Pg 100 **IC** Pg 72 **MC** Pg 66 **NC** Pg 94 **SRC** Pg 84

Why this is important: Vodacom must operate ethically and transparently through appropriate governance structures to maintain stakeholder trust and ensure legitimacy. As custodians of Group corporate governance, the Board must lead ethically and have the appropriate composition of skills and experience. Topical issues such as the governance of technology and social impact are top of mind for the Board and the Board supports industry advocacy to drive change at an industry level. The Board provides oversight of Vodacom's transparent disclosures related to the material matters set out in the reporting suite.

Our governance **Page 10**. Full governance report

Economic and political landscape MM 6

Capitals impacted: **FC** Pg 52 **SRC** Pg 84

Why this is important: High inflation and interest rates, currency volatility and lacklustre economic growth are constraints across our markets amid global socio-economic uncertainty. Unforeseen global shocks such as the COVID-19 pandemic and the war in Ukraine continue to impact economic development in Africa and increases concerns of future shocks. The erosion of social cohesion, social unrest, and high rates of unemployment across our markets increases pressure on all our stakeholders. As governments come under economic pressure taxation risks increase. The changing economic and political landscape further impacts Vodacom's ability to generate revenue and contain operating costs and capital expenditure (CAPEX).

Our principal risks and associated opportunities **Page 38**. "Hot topics" impacting our operating context **Page 42**.

Complex regulatory environment MM 7

Capitals impacted: **FC** Pg 52 **IC** Pg 72 **SRC** Pg 84

Why this is important: We operate in an environment characterised by complex regulatory and compliance requirements. Regulatory 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. Regulations related to data privacy and security, for example, are new and require appropriate implementation.

Our principal risks and associated opportunities **Page 39**. "Hot topics" impacting our operating context **Page 46**.

Competitive environment MM 8

Capitals impacted: **FC** Pg 52 **IC** Pg 72 **SRC** Pg 84 **MC** Pg 66

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. Within a complex operating environment, we must effectively manage customer experience and satisfaction by providing products and services that meet their needs.

"Hot topics" impacting our operating context **Page 45**.