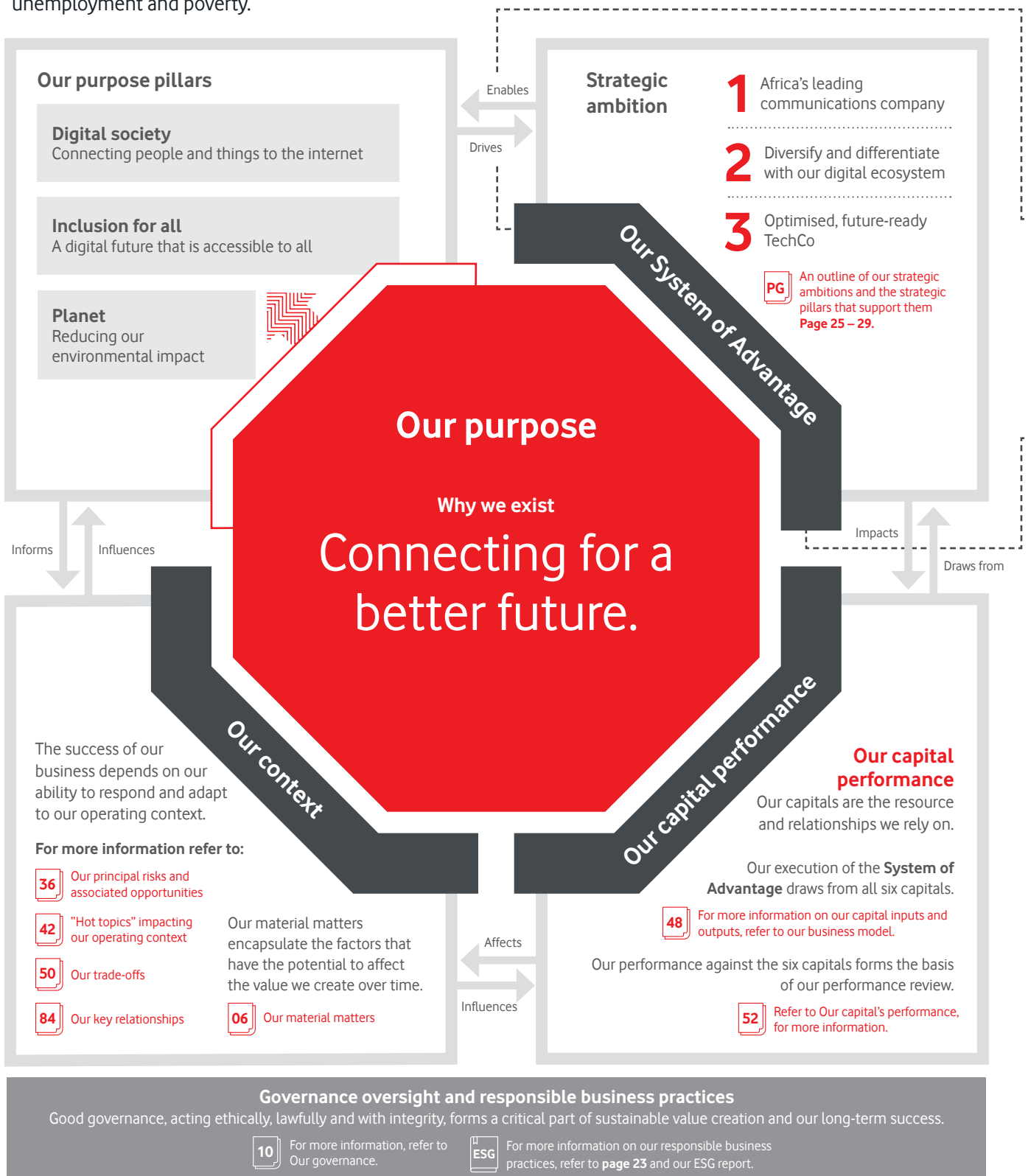


# Our approach to value creation

We are uniquely positioned to reach and empower millions of African consumers with our connectivity, and digital and financial solutions to connect for a better future. Our footprint across Africa provides us with the opportunity to play a significant role in the continent's socio-economic development, particularly regarding inequality, unemployment and poverty.



# Our strategic ambitions

## Our System of Advantage – strategic ambitions

Our powerful, multiproduct strategy – the **System of Advantage** – differentiates our Group in our selected markets and delivers superior returns to our stakeholders.

### 1 Ambition

#### Africa's leading communications company

Our legacy of leadership in mobile has positioned us well to further scale and diversify our market offerings into fixed, financial and digital lifestyle propositions through our **System of Advantage**. As we transition 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.

#### 1 Footprint strengthened

##### Supporting our purpose

Our recent expansion into Ethiopia and Egypt has extended 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.

##### Related material matters

- MM 1
- MM 3
- MM 5
- MM 6
- MM 7
- MM 8

##### Primary capitals utilised and impacted

- FC
- HC
- SRC
- MC

##### Looking ahead

##### Short-term priorities

- Integration of Vodafone Egypt.
- Extensive site expansion in Ethiopia.
- Launch mobile money in Ethiopia.

##### Medium-term priorities

##### Ambitions for Ethiopia:

- US\$1.5 billion to US\$2.0 billion investment in capex over the next five years.
- Network rollout of 10 000 to 12 000 sites in the next 10 years.
- Safaricom Ethiopia to reach EBITDA break-even in four years.
- EBITDA margin of 40% in 10 years.

##### Enablers

- Aggressive network expansion.
- SIM card penetration.
- Mobile Money product launch.

#### 2 Secure leadership in mobile and fixed

##### Supporting 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, and by accelerating fibre reach in South Africa with our pending joint venture in MAZIV, we will foster economic development and help bridge South Africa's digital divide.

##### Related material matters

- MM 1
- MM 2
- MM 3
- MM 5
- MM 6
- MM 7
- MM 8

##### Primary capitals utilised and impacted

- FC
- IC
- SRC

##### Looking ahead

##### Short-term priorities

- Secure 4G rural coverage financing partnerships, leveraging our existing relationships with global tech and developmental finance institutions.
- Accelerate our "future of home" initiative through fibre Independent Service Provider (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 and business fibre reach through our proposed joint venture in MAZIV.

##### Medium-term priorities

- Mid-single-digit Group service revenue.
- Democratise data and design compelling customer propositions.
- Make significant progress on our International Telecommunication Union Partner2Connect pledge to increase 4G population coverage by 70 million people by 2027.

## Our strategic ambitions continued



### Diversify and differentiate with our digital ecosystem

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.

#### 3 Scale financial and digital services

##### Supporting our purpose

We develop and scale affordable and accessible digital financial solutions to promote inclusion and provide platforms for consumers and merchants to grow. Our super-apps, VodaPay and M-Pesa support this ambition in South Africa and our International markets respectively. These platforms enhance and improve the lifestyles of our customers, through innovative and cost-effective personal finance and business solutions in payments, savings, e-Commerce, investments, lending and insurance.

We also leverage our technology capabilities to monetise data in both consumer and enterprise markets by growing our digital music, video, gaming and entertainment services platforms. We continue to encourage digital literacy and the development of digital communities with our various educational and informative platform offerings.

##### Related material matters

MM 1 MM 2 MM 3 MM 5  
MM 6 MM 7 MM 8

##### Primary capitals utilised and impacted

FC IC MC

##### Looking ahead

###### Short-term priorities

- Scale affordable financial services across lending, insurance, payments, savings and insurance offerings.
- Provide consumers and merchants with exceptional and personalised experiences driven by Big Data insights.
- Scale VodaPay and M-Pesa super-apps across our footprint.

###### Medium-term priorities

- Combine the power of connectivity with financial and digital services to:
- >77 million Group customers using financial and services.
  - >12% Financial services contribution to service revenue.
  - Expand our e-Commerce capabilities to drive inclusion, promote SME growth and better serve our customers through digital channels.
  - Partner with local and global service developers and brands to deliver a compelling ecosystem of third-party propositions.
  - Enable a seamless system for customers to use their mobile phones to connect, access entertainment, pay bills, invest, lend and insure.

#### 4 Digital partner of choice for enterprises

##### Supporting 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.

##### Related material matters

MM 1 MM 2 MM 3  
MM 6 MM 7 MM 8

##### Primary capitals utilised and impacted

SRC

##### Looking ahead

###### Short-term priorities

- Scale IoT.nxt and IoT Centres of Excellence.
- Expand SME offerings in collaboration with financial services.
- Accelerate our cloud offerings.
- Together with CIVH, expand our broadband coverage to support further SME inclusion through investment in MAZIV.
- Expand our wholesale offering to empower more partners.

###### Medium-term priorities

- >30% Contribution of new and digital services to Vodacom Business service revenue.
- Extend our SME propositions by delivering an online experience through our super-apps.
- Develop customer-centric propositions by leveraging Big Data insights.
- Continue to drive digital transformation to deliver a superior customer experience.
- Scale our fixed network and SD-WAN capabilities.
- Further build our end-to-end IoT solutions.
- Build our intelligent business and digital transformation capability to unlock cloud and hosting services.
- Platform expansion for education, health and agriculture across our footprint.
- Grow our managed services and partnerships to sell with, and sell through, to assist corporates with their digitisation.



**5 World-class loyalty and customer experience**

**Supporting 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 multiproduct 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.

**Related material matters**

MM 3 MM 4 MM 6 MM 8

**Primary capitals utilised and impacted**

SRC FC MC

**Looking ahead**

**Short-term priorities**

- Leverage customer experience boards to understanding root causes to reduce escalations and customer pain points.
- Extend VodaBucks to all customer segments across various platforms and business segments.
- Scale our VodaBucks (or equivalent) loyalty programme across all markets.
- Digitise, optimise and automate the end-to-end customer experience journey using robotic process automation (RPA) technology.

**Medium-term priorities**

- Achieve #1 NPS in all markets.
- Support customer journey with predictive analytics using RPA and Africa Service Operations Centre (ASOC) capabilities.
- Explore end-to-end RPA for financial services customer service.
- Ensure every customer experience is unique, adding value by deploying RPA and smart routing technologies in our call centres.

**6 Personalisation through CVM and Big Data**

**Supporting 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.

**Related material matters**

MM 1 MM 3 MM 5  
MM 6 MM 7 MM 8

**Primary capitals utilised and impacted**

FC IC MC

**Looking ahead**

**Short-term priorities**

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

**Medium-term priorities**

- 60% penetration of personalised offers through CVM across our markets.
- Increase active days on the network and Big Data-led recommendations, including upgrades.

## Our strategic ambitions continued

# 3 Ambition

### Optimised, future-ready TechCo

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 return on capital employed (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.

### 7 Optimise assets through sharing

#### Supporting 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.

#### Related material matters

MM 2 MM 3 MM 6 MM 8

#### Primary capitals utilised and impacted

FC IC MC

#### Looking ahead

##### Short-term priorities

- Realise efficiencies on TowerCo in South Africa.
- Develop a Group-wide data centre strategy.
- Explore further infrastructure partnership models with global technology companies and developmental finance institutions.

##### Medium-term priorities

- Maintain CAPEX intensity between 13.0% to 14.5%.
- Establish African FiberCo and TowerCo with strategic partners to accelerate fibre coverage across our International markets.
- Leverage ASCO to evolve our architecture towards TelCo 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.

### 8 Technology leadership in network and IT

#### Supporting our purpose

We invest in modern digital systems to connect our customers for a better future while also leveraging our experience in the latest technologies to drive accessibility and inclusive growth. Our Big Data capabilities drive intelligent decision-making, solutions and operations. We explore alternative energy options in our move towards greater energy efficiency, while also expanding our coverage and platforms to connect more people for a better future.

#### Related material matters

MM 1 MM 2 MM 3 MM 4  
MM 5 MM 6 MM 7 MM 8

#### Primary capitals utilised and impacted

FC NC MC

#### Looking ahead

##### Short-term priorities

- Retain the best network NPS in every market.
- Integrate MAZIV fibre assets post approval from regulatory bodies, and establish a model for expanding our fibre business across our international markets.
- Increase the resilience and quality of the network by leveraging newly acquired spectrum in Mozambique, South Africa and Tanzania.
- Achieve cyber security baseline score across markets.

##### Medium-term priorities

- Retain best network in every market.
- Build new capabilities and develop new skills through insourcing and reskilling.
- Enable the evolution of mobile and fixed network access, transport network simplification and TelCo cloud, focusing on making the network smarter through automation and artificial intelligence (AI).
- Develop new capabilities across our network and IT platforms, including increased accessibility to Big Data and machine learning capabilities.
- Embed security and privacy in our projects, products and services throughout their life cycle.
- Increase the speed of delivery and leverage economies of scale to reduce our cost of delivery.





**9 TechCo organisation and culture**

**Supporting our purpose**

We aim to build an organisation of the future underpinned by digital innovation and agility and develop a distinctively digital employee experience to motivate our customers to thrive. Above all, we value inclusivity and diversity, and embed a mindful organisational culture across our business to ensure every action is rooted in our purpose.

**Related material matters**

MM 3 MM 4 MM 6

**Primary capitals utilised and impacted**

IC SRC

**Looking ahead**

**Short-term priorities**

- Leverage Vodafone Egypt skills hub.
- Continue to transform the skills profile of the organisation to enable our transition to a TechCo.
- Gender diversity progress by market.

**Medium-term priorities**

- Embed a culture of inclusivity by promoting our commitment to workforce diversity and localisation.
- Promote skills development and youth empowerment.
- 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 programmes to attract these skills.
- Identify high-performing black females in the market to develop future skills and leadership through a female empowerment training programme.

**10 Trusted brand and reputation**

**Supporting 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.

**Related material matters**

MM 1 MM 2 MM 3 MM 4  
MM 5 MM 6 MM 8

**Primary capitals utilised and impacted**

NC SRC IC

**Looking ahead**

**Short-term priorities**

- Leverage tech for good platforms.
- Ensure foundations proactively deliver on their mandates.
- Accelerate the delivery of our purpose pillars – digital society, inclusion for all, and planet.
- Develop products and services with our purpose at the core.
- Improve communication on our purpose across all markets, ensuring appropriate investment in our Social Contract.

**Medium-term priorities**

- Retain brand leadership in all markets.
- 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.