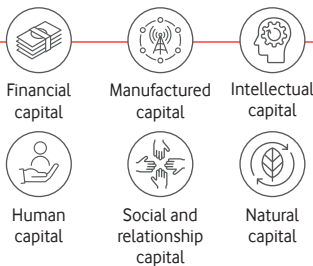


08 Our brand and reputation



We aspire to be a purpose-led organisation, connecting for a better future by enabling a digital society, inclusive for all, with the least environmental impact.

Capitals impacted:



How segmented propositions support our purpose

We aspire to be a brand that our customers love by earning their trust and providing positive experiences. Our brand value and reputation are embedded in everything we do to ensure our customers identify with our strategy and purpose.

As a sector and as a company we recognise that we cannot always meet the expectations of our customers, regulators and the general public. We are aware that we need to continuously earn the trust of customers and stakeholders.

Furthermore, guided by our Social Contract, we support our customers and operate an ethical business that **maintains trust with our diverse stakeholders.**

2021 at a glance

During the year, Vodacom was rated South Africa's strongest brand by Brand Finance, a global brand valuation consultancy. This accolade is even more significant in a year when the role of our company as a connectivity enabler of socially distanced families, learners, communities and businesses became paramount during the COVID-19 pandemic.

The year's anchor purpose campaign, Everyone.Connected, was a rallying call for Vodacom employees and partners. It was also our commitment to South Africa that Vodacom would stop at nothing until everyone was connected to the abundant potential of a digital society. We thrive on ensuring access to all critical services from education to health, the fight against GBV, empowerment of small businesses, financial inclusion and more. The campaign invited South Africans to explore the many ways Vodacom is working towards connecting this digital society.



Brand leadership position – **1st in South Africa.**



Reputation survey – **1st in all markets.**



In ESG, Sustainalytics ranked Vodacom second out of almost 200 companies in its Telecommunications Service industry grouping and the **top 5%** of its Global Universe of 13 000 companies.



We **maintained** our **AAA-rating** from MSCI, which is the highest ESG rating.



We established an ESG steering committee consisting of key executives to drive our sustainability strategy across our markets.



Maintaining a strong reputation

We track Vodacom's brand awareness and reputation, as well as the levels of trust from our stakeholders, through various methods. We measure the quality of our customers' experiences through the tNPS. We also 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 reputation index is measured against five metrics, which provide deeper insights into our reputation performance: overall impression, overall trust, favourability, quality of products and services, and economic or financial success.

The most recent survey conducted found that Vodacom continues to be a reputational leader in the telco sector, with stakeholders rating us higher than our competitors – which is comparable with non-telco benchmark brands. According to the survey, three of our five markets perform above the global telecommunications index average of 69, and we are in the top 33 percentile of mobile services globally.

Our reputation index performance in 2021 ¹		Relative to competitors
South Africa	87.5	1st
Tanzania	92.7	1st
DRC	85.6	1st
Mozambique	62.4	1st
Lesotho	65.1	1st

1. Index score is based on a scale of -50 to 150.

The survey and regular 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 aimed at building mutual trust.

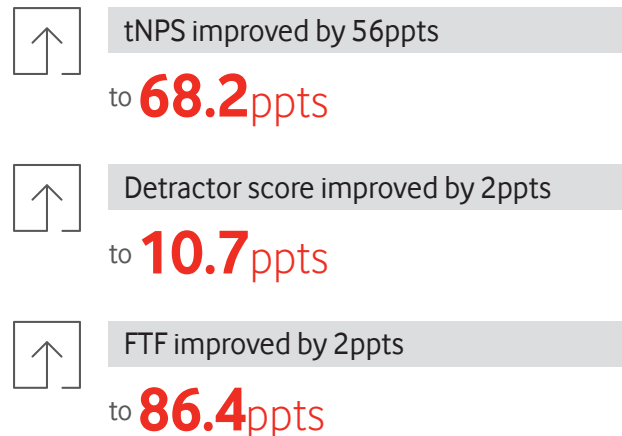
We are also proud that Vodacom was ranked first by companies and NPOs for having the most significant developmental impact within South Africa, according to Trialogue's corporate development impact 2020 rating. It was the fourth consecutive year that Vodacom was ranked first by companies and the first time we received this ranking from NPOs, which ranked us third in the past three years. This further signals the brand's commitment to its Social Contract to create a more inclusive digital society.

Our NPS performance rating

Country	2021	2020	2019	2018
South Africa	2nd	1st	1st	1st
Tanzania	1st	1st	1st	1st
DRC	1st	1st	1st	1st
Mozambique	2nd	3rd	2nd	1st
Lesotho	2nd	2nd	1st	1st

In South Africa, our touchpoint NPS reached customer satisfaction highs of 56ppts, and our Android store ratings were a strong 4.4 stars. Our Digital ID and single sign-on functionality enabled customers to register a unified profile across our app and website. The introduction of this functionality also streamlines our fibre customers' experience by enabling them to easily manage their accounts and remain updated on relevant information about new offers and features.

Nevertheless, the ultimate measure of customer satisfaction in our retail environment, the NPS, improved through incremental meaningful changes within our stores. Our detractor and first-time fix (FTF) scores also improved.



Delivering on our purpose and Social Contract

Vodacom fundamentally believes that technology can improve lives. This positioning empowers us to realise our purpose to connect for a better future and enable an inclusive and sustainable digital society. Our brand position is inspired by insights that reveal the role of technology in profoundly transforming people's lives. Research findings have identified how technology has evolved from something that simply excites people on a personal level into a tool that can be used to play a more meaningful part in the world at large. Technology is particularly able to make a difference in education, gender empowerment and sustainability.

At the centre of our strategy is Vodacom's Social Contract, which emphasises partnerships and good relationships with our stakeholders – based on trust, fairness and leadership. Our Social Contract also served as the foundation of our COVID-19 response strategy, helping us build our reputation and deliver our promises to our stakeholders. Our COVID-19 interventions delivered significant levels of success with respect to our reputation, which strengthened our resolve to deliver on our Social Contract in the middle of the crisis. An independent study rated Vodacom among the top 10 South African brands consumers perceived as leading the field in protecting them and making a positive impact during the COVID-19 lockdown. We continue to strengthen our reputation by securing the trust of our stakeholders and ensuring that our ongoing COVID-19 efforts leverage our network, digital platforms and data analytics capabilities to deliver economic value for society, government and business.

For more information on our Social Contract, refer to our 2021 LC sustainability report.



Our sustainability business strategy, spearheaded by our Environmental, Social and Governance Committee, helps us to deliver on our ambition to provide affordable access to the internet for the next 100 million lives in our market and halve our environmental impact by 2025 across three pillars:



To this end, Vodacom continues to support the UN SDGs, focusing on goals that are most aligned to our core business.

Digital society

Our approach to closing the digital divide is categorised into three focus areas: providing mobile and fixed services that are affordable and accessible to everyone, providing inclusive coverage, and enhancing the digital knowledge and readiness of those currently not using mobile internet.



Internet for all

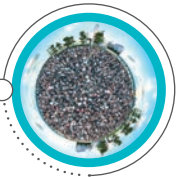
- Vodacom has 2 788 (2020: 2 592) rural network sites in South Africa.
- Across our Vodacom international markets, we deployed 262 2G sites, 322 3G sites and over 1 072 4G sites in the current year. We accelerated 4G roll-out by approximately 40%.
- In South Africa 99.9% of the population is covered by the 3G network.
- About 15.5 million people accessed the ConnectU platform in South Africa, which included free access to Facebook Flex.

Digital platforms transforming lives

- There are 5 935 SVS service points.
- The mVacciNation solution supported the administration of vaccinations in South Africa.
- More than 90 600 farmers (76% female) use Connected Farmer in the DRC.
- There are 87 677 active users of citizen engagement platforms.
- More than 5.6 million IoT connections have been made.

Financial inclusion

- We have 57.7 million financial services customers, of whom 44.5 million are M-Pesa customers and 13.2 million are financial services customers in South Africa.
- Across our M-Pesa platform we processed more than US\$24.5 billion in transactions a month in the last quarter of the financial year.
- More than 10.8 million customers use Airtime Advance to the value of R12 billion in South Africa.
- VodaLend granted funding of R74 million to more than 330 individual SMEs.
- VodaPay POS devices have processed R92 million in transactional value on a monthly basis, and 5 000 merchants have already applied.
- Our nano-lending solutions Fuliza and Songesha granted US\$3.3 billion of loans in the year. Credit risk on these products is carried by partner banks.



Inclusion for all

Vodacom believes that opportunities and the promise of a better digital future should be accessible to all. Through our technology, we will help bridge the digital divides that exist in our societies. Our digital inclusion approach provides solutions that connect women and youth, and promotes education, health and wellness while preparing the next generation for a digital society. These solutions are supported by the Vodacom Foundation with an investment of R173 million in corporate social investment projects across our markets.



Poverty alleviation through education



- There are 1.25 million registered Vodacom e-School users in South Africa.
- There are 150 000 and 113 840 registered Instant School users in Tanzania and the DRC, respectively.
- About 305 700 teachers trained in 92 teacher centres.

Gender empowerment



- Code like a Girl trained 1 672 young girls across the Group.
- Healthy Pregnancy Healthy Baby has 1.3 million users, while M-Mama Emergency Transportation assisted 11 330 women in Tanzania.
- There are 1.9 million Mum & Baby users.
- As part of our focus on preventing Gender Based Violence (GBV), the Vodacom Foundation launched the zero-rated Bright Sky SA, an education and resource mobile app. This launch formed part of our core capability of using technology to respond to societal challenges. We also invested R4.5 million in digital skills training for GBV survivors in South Africa.



Planet

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Energy and climate change



- Total energy costs saved the sum of R16 million.
- GHG emission reductions came to 12 272 metric tonnes of carbon dioxide equivalent (mtCO₂e) (additional GHG emissions were avoided with energy efficiency investments).
- Total electricity saved was 11 971 megawatt hours (MWh).
- Over 1 088 solar-powered sites exist across our markets.
- Renewable energy, procured through renewable independent power producers (IPP) covers 36 base station sites in South Africa.
- Electricity amounting to 52 035 megawatt hours (MWh) was saved.
- Fuel consumption (petrol and diesel) is 20 million litres.



Waste reduction and the circular economy

- A whopping 1 066 tonnes of e-waste were recycled, and over 1 066 tonnes of batteries rejuvenated and re-introduced across our markets.
- More than 6 500 phones were identified for responsible recycling in South Africa.
- Network waste was reduced by 75%.
- Food waste weighing 104 997kg was diverted from landfill by composting, a 20% reduction in the year.
- 5 316kg of plastic recycled, 23 179kg of general office waste. (cardboard and paper) recycled, 161kg of food packaging recycled and 407kg of polyconfibre cups recycled.
- More than 430kg of fluorescents were diverted from landfills.



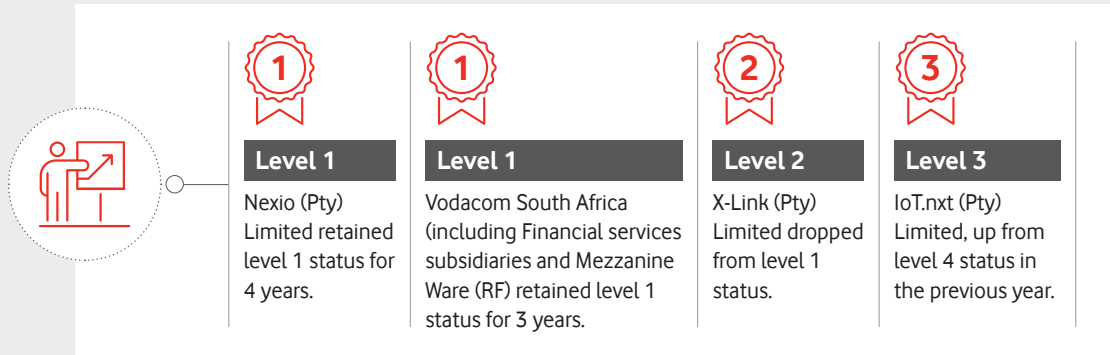
Water-wise products and practices

- Total water consumption has decreased by 43%, largely due to low occupancy in office buildings.



B-BBEE results for Vodacom Group

In a move that positively deepens Vodacom’s transformational role in South Africa and demonstrates our commitment to the ideals of B-BBEE, Vodacom Group Limited (including all South African subsidiaries) achieved the highest B-BBEE contributor status of Level 1 for the second consecutive year. Vodacom’s Level 1 B-BBEE status is a clear demonstration of our unwavering commitment, especially related to the rebuilding of our economy post-COVID-19. In addition to retaining our Level 1 status, the Group also saw an impressive increase in total points to 123.40 (2020: 120.84 points).



In addition, VBA and its subsidiary, GS Telecoms (Pty) Limited were consolidated under Vodacom Group.

Given the challenges of COVID-19 during the past financial year, the Group improved significantly across all elements except for a slight drop in points for enterprise and supplier development. This drop was as a result of Vodacom South Africa exceeding its projected net profit after tax (NPAT) for the year.

Scoring element	Target points	Achieved points 2021	Achieved points 2020	Achieved points 2019
Ownership	25	23.23	22.75	21.33
Management control	23	18.23	15.90	17.39
Board representation	8	6.83	4.67	5.83
Top management representation	5	4.90	4.82	5.00
Employment equity	10	6.50	6.41	6.56
Skills development	20	21.97	20.90	23.32
Enterprise and supplier development	50	47.98	49.29	43.65
Procurement	25	22.05	21.29	19.54
Supplier development	10	8.93	11.00	7.11
Enterprise development	15	17.00	17.00	17.00
Socioeconomic development	12	12.00	12.00	12.00
Total	130	123.41	120.84	117.69

Ownership
Vodacom’s increased in ownership percentage, calculated using the normal flow-through principle, increased from 30.71% to 32.35%. This resulted in an increase of 0.84 points from 22.75 to 23.23 points. Net asset value points also increased from 5.75 to 6.23 out of eight points.

Management control
This element achieved an increase of 2.33 points from 15.9 points to 18.23 points, resulting from increased black female representation on the Board, improvement in black representation on Exco and an increase in black female representation against all occupational levels. Vodacom South Africa demonstrated the biggest improvement, while Nexio (Pty) Limited and IoT.NxT (Pty) Limited declined.

Skills development
The Group’s combined spend for skills development increased by R48.9 million from the previous year – an increase that resulted in R324 million spend on training of black employees and black people, of which over R18 million was spent on training for persons living with disabilities. In addition, the Group retained 45 learners more than the previous year, ensuring that 89 unemployed persons on learnerships obtained full-time employment. This element saw a 1.07 point increase from 20.90 to 21.91 points.

Procurement

The Group increased its spend by R5 billion in FY2021 to R43 billion, up from R38 billion the previous year. Of this, R38 billion was spent on suppliers of Level 4 or higher, R6.4 billion on greater than exempted micro enterprises/qualifying small enterprise suppliers, R14.9 billion on greater than 51% black-owned suppliers and R18 billion on suppliers with greater than 30% black female ownership. Over R1.2 billion spend went to black designated suppliers. Points increased from 21.29 to 22.05.

Supplier development

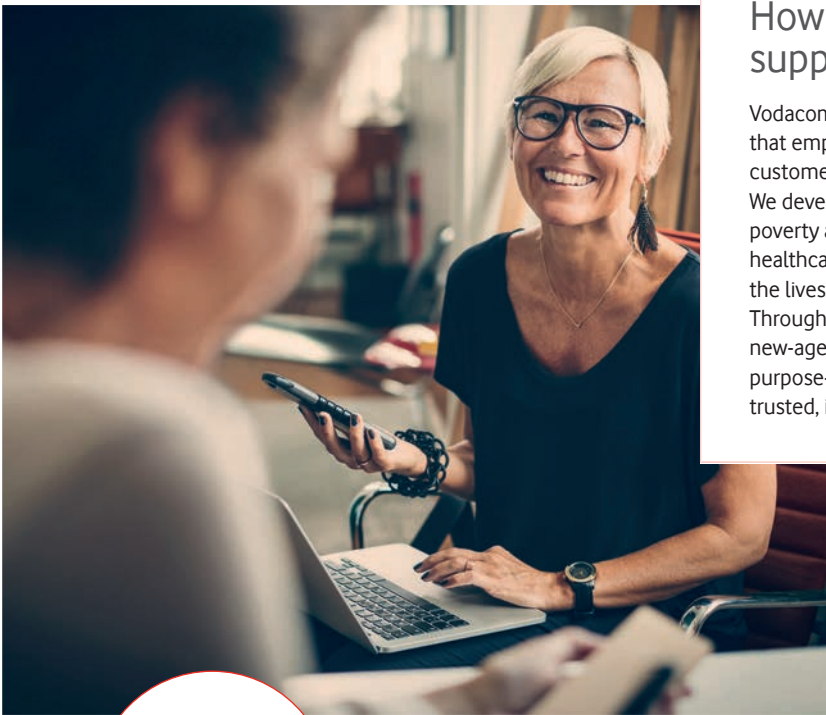
This element incorporates various transformation initiatives, from retail transformation and deep rural tower transformation to equipment support through grants and more importantly, especially given the onslaught of COVID-19 on SMME businesses, our SMME early payment terms. Notwithstanding the fact that the company invested over R200 million in the various initiatives, we paid over R1.1 billion to SMME suppliers within three days from invoice. We experienced a 2.07 point drop (8.93 points down from 11 points) in overall score as a result of exceeding net profit after tax projections for the year.

Enterprise development

An investment of over R405 million went towards the development and support of close on to 200 black-owned SMME and youth entrepreneurs operating in the broader ICT sector. The full points plus bonus was once again attained.

Socioeconomic development

Our investment of R278 million was focused on development programmes for women, youth, people living with disabilities, healthcare and education programmes excluding the COVID-19 obligations. Full points were attained against this element.



How our brand and reputation support the system of advantage

Vodacom is determined to be a leading digital company that empowers a connected society and grows with our customers, based on the belief that “trust is everything”. We develop innovative and smart technologies to reduce poverty and provide access to essential services such as healthcare, financial inclusion and education while making the lives of our customers easier, healthier and smarter. Through our brand strategy, we effectively represent our new-age technology communication company as a purpose-led organisation, and build one of Africa’s most trusted, innovative and loved brands.



Vodacom’s 2021 sustainability report explains how we are accelerating socio-economic transformation in the markets where we operate. We detail the progress we made to empower a connected society during the year and reflect on how we implemented eight of the UN SDGs, as well as how we strive to be a leading digital company by ensuring our operations are responsible, ethical and accountable. The sustainability report is available on our website.

Vodacom
Vision
2025

This is an exciting juncture in the brand’s story as we launch a refreshed global strategy that, at its heart, is about combining Vodacom’s technology with the infinite potential of the human spirit. We can think of no better time to work with society and bring to life a digital society that can go a long way in democratising a more hopeful and prosperous future.