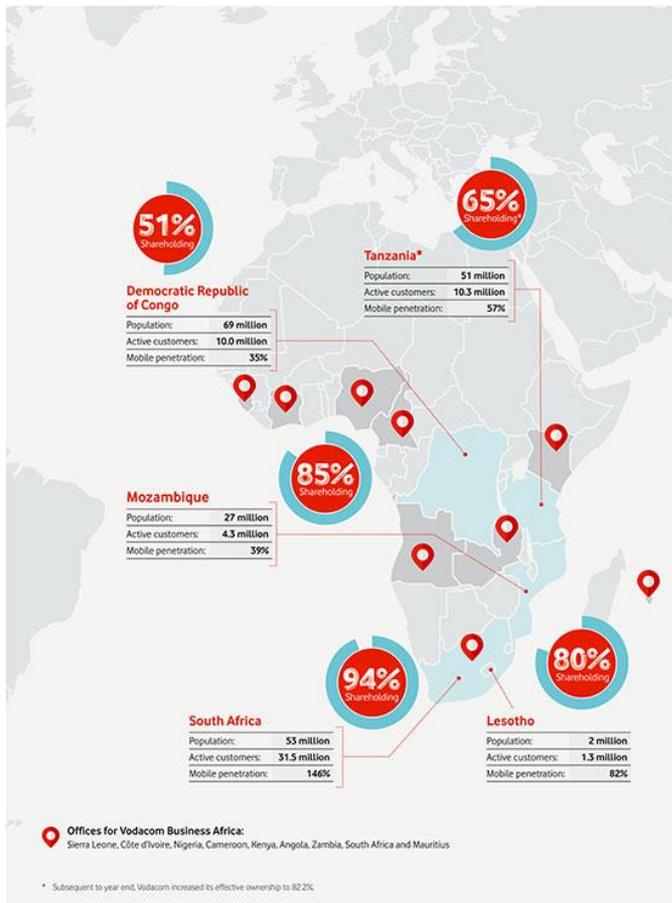




**Vodacom's approach to  
delivering value through  
social investment**

# Who we are



- A leading African mobile communication company providing a wide range of communication services, including mobile voice, messaging, data and converged services to over 61 million customers.
- From our roots in South Africa, we have grown our mobile network business to include operations in Tanzania, the DRC, Mozambique and Lesotho. The mobile networks cover a total population of approximately 200 million people.
- Through Vodacom Business Africa (VBA), we also offer business managed services to enterprises in over 30 countries across the continent.
- Vodacom is majority owned by Vodafone (65% holding), one of the world's largest mobile communications companies by revenue. Vodacom is listed on the JSE Limited and our head office is in Midrand, South Africa.



# What we do

- We:
  - secure access to spectrum
  - Invest in mobile and fixed telecommunications networks
  - Develop and distribute tailored products and services, and run a strong customer care and brand programme
- The combination enables us secure additional customers, ensure revenue growth and cash generation which is used to reinvest in the resources and relationships we rely on to do business.
- This virtuous circle of investment, revenue growth, cash conversion and reinvestment generates value across our stakeholder groups and regions of operation.



# Strategic pillars



# Economic performance



# The value we create & how our performance is measured

- Connecting people and enabling businesses are the main outcomes of the mobile and fixed network services we offer.
- Access to communication services improves quality of life, enables efficiency, connects supply and demand, and supports the sharing of information and data between individuals and businesses.
- The corporate sector — in SA like almost anywhere else in the world — traditionally has been assessed in terms of the revenue it generates and the maximisation of shareholder value.
- We see ourselves are more than just a revenue generator for shareholders – **Vodacom, in all countries it operates in, is a major investor, taxpayer, employer and purchaser of local goods and services and contributes to value creation through capital expenditure and the provision of income, incentives and benefits to our employees.**

## Our contribution to economies

- Invest in our business - **R12.8 billion invested in infrastructure**
- Contribute to public finance – **total cash contribution amounted to R14.7 billion** (direct, indirect and non-tax revenue)
- Invest in our people – **R7.5 billion distributed to 7 538** full-time employees in salaries and benefits
- Invest in our communities – **R106 million invested to support communities** within which we operate.



# BEE | Level 2 contributor

**98.25**

Most empowered  
telco in South Africa

**R841m**

spent on  
developing  
SMME ICT  
businesses

**R218m**

spent on  
uplifting  
communities

**R112m**

spent on skills  
development

**R7.2bn**

to >51% black-  
owned suppliers

**R5bn**

to >30% black  
women-owned  
suppliers

**R26bn**

weighted spend  
on BEE-status  
suppliers





# Vodacom's social contribution

Operations  
People  
Reputation

# Social contribution

- We deliver transformational services and remain committed to extending the coverage of our networks create tangible socio-economic benefits, while simultaneously building our customer base.
- We're working to diversify our product offerings by launching non-traditional services, such as financial services.
- Given the high levels of financial exclusion and limited financial infrastructure in our markets, financial services are becoming a key revenue driver for us. M-Pesa, our mobile money transfer service, is growing strongly in our International operations, especially in Tanzania where the number of transactions continues to increase.
- We partner with stakeholders in all our operations, including governments, non-governmental governmental organisations (NGOs') and community groups, to identify opportunities to make a positive social impact.



## Our approach to delivering social value...

### Social/People

- Vodacom Foundations in all markets
- Yebo Yethu BBBEE scheme
- Staff training and development
- Bursaries
- Innovator Trust
- Bottom of the Pyramid products (Power bundles)
- M-pesa
- Consumer protection

### Environmental/ Planet

- Manage the environmental footprint – achieve a reduction in CO<sub>2</sub> emissions
- Socially Responsible Investment (SRI) listing
- Carbon Disclosure Project

### Financial/Profit

- Our financial results
- Board structures, composition and governance
- Business value

**...is built on embracing sustainability principles and triple bottom framework**



# Commitment to delivering value through social investments

- For over **17 years** Vodacom has, through the Vodacom Foundation, contributed to societal development through social investments by providing relevant communication and technology solutions that promote socioeconomic upliftment.
- We've **invested over R 1 billion** in communities with a focus on employing mobile technology to support education, health and safety initiatives.
- For last financial we **invested R106 million across markets** and R86 million in SA in projects focused on improving access to education, addressing community health challenges and combatting gender-based violence.
- At the heart of Vodacom's social investments in communities is **using our communication solutions to bring about positive social change**

*“Our core belief is that through our social investments and providing relevant communication and technology solutions we can change the lives of people in our communities.” – Shameel Joosub, Vodacom Group CEO*



# Developmental challenges in countries we operate in



South Africa

Inequality, unemployment, quality of education and public health system is under massive pressure, safety and security



Lesotho

Poverty, education, unemployment, health (2<sup>nd</sup> HIV prevalence among adults in the world)



Mozambique

Poverty, health (malaria) and education



Tanzania

Economic growth, access to education, health and nutrition



DRC

Employment, poverty, education, safety and security - 2.3 million displaced persons and refugees

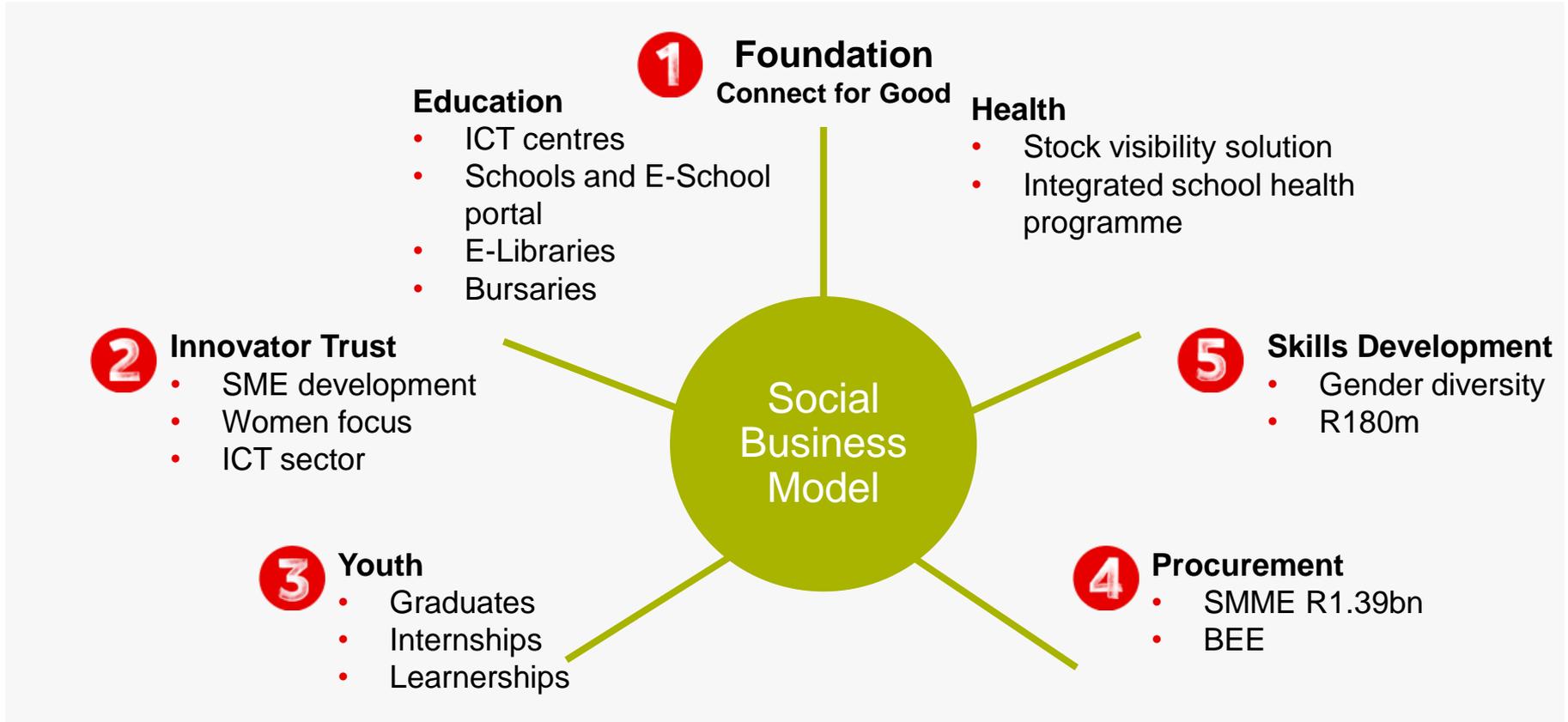


# We've aligned social interventions with national development priorities

	<b>Government priorities</b>	<b>Vodacom contributions</b>
	South Africa Jobs, education, health, crime and rural development	<ul style="list-style-type: none"><li>• Enterprise development, Innovator Trust</li><li>• National Dept. of Education partnership for ICT integration in education delivery, e-School</li><li>• mHealth partnerships – Stock Visibility Solution</li><li>• Safety partnership with Dept. of Social Development</li></ul>
	Lesotho Poverty, health and education	<ul style="list-style-type: none"><li>• Financial inclusion through M-Pesa</li><li>• Partnerships in health to combat HIV/AIDS – Moyo Lesotho</li><li>• mEducation partnerships</li></ul>
	Mozambique Poverty, health and education	<ul style="list-style-type: none"><li>• Increased network coverage</li><li>• mHealth partnerships relating to malaria</li><li>• eLearning partnerships</li></ul>
	Tanzania Economic growth, education and health	<ul style="list-style-type: none"><li>• Smart school in partnership with Samsung and Ministry of Education</li><li>• Use of technology to support anti-malaria initiatives</li><li>• Partnership with the Ministry of Health for maternal health</li></ul>
	DRC Employment, poverty and education	<ul style="list-style-type: none"><li>• Ultra-low cost sites in rural areas</li><li>• Partnerships to integrate ICT in education</li></ul>



# In SA our social model is driving sustainable change...



...and contributing to government's long term social goals



# Using mobile for good

**R106m**

spent by  
Vodacom  
Foundation

**+ 3200  
clinics**

Using a stock  
visibility solution

**Vodacom  
eSchool**

free education  
portal 150k  
registered  
learners

**20**

volunteers for  
Change the  
World

**24 hour**

call center for  
victims of  
gender-based  
violence

**3 087**

schools  
connected -  
Universal Service  
obligations



# Mobile education programme

- Partners include the Department of Basic Education, Microsoft®, Cisco and Mindset.
- We have **equipped and connected 81 ICT Resource Centres** that provide teachers throughout South Africa with better access and understanding on integrating ICT in their teaching experience.
- Programme has **boosted the skills of around 10 000 teachers in maths and science**. In addition, Vodacom hosts a teachers' online portal called the Digital Classroom that enables teachers to communicate, share knowledge and access teaching material.
- Our school connectivity programme has **connected 2 194 schools across the country**. Overall, we have **connected 3 087 schools with data access and exceeded our target for universal service obligations**.
  - Each school receives free internet connectivity as part of this project, as well as 26 tablets, a laptop, an interactive whiteboard, a data projector, a printer and educational aids.



# Vodacom e-school

- Responding to the challenge posed lack of access to learning material such as textbooks by learners, in **January 2015 we launched the Vodacom e-school learning platform** that enables learners who are Vodacom subscribers to access curriculum-aligned content on their mobile devices for all major subjects free of charge; we have zero-rated browsing on the portal so that learners do not get charged for data.
- The secure online learning platform provides **access to basic education content for all grade 4-12 learners including daily lessons** (consisting of notes, videos and assignments in the form of quizzes) as well as personalised progress reports.
- The underlying **philosophy was to create a multimedia-based platform that is fun, inspiring and convenient, encouraging learners to study smarter not harder.** The interactive elements of the portal allow the learning to be self-paced, enabling the user to control the learning process.
- The portal has **over 150 000 registered learners** and can be accessed by visiting [www.vodacom.co.za/e-school](http://www.vodacom.co.za/e-school) from a cellphone, tablet or laptop.



# Youth skills development

- A spin-off from our ICT Resource Centre initiative
- Now in its second year of funding partnership with the Independent Development Trust (IDT) and the Media Information and Communication Technologies Sector and Training Authority ('MICT Seta') the programme trains young adults in basic computer skills, IT essentials, enterprise development and business skills.
- The technical component of the training enables learners to apply their training in network maintenance and computer repairs that culminates in a Cisco-certified qualification.
- The partnership also provides stipends to the trainees.
- To date, 273 trainees have gained basic computer skills, IT essentials, enterprise development and business skills.



# Addressing health challenges and promoting safety

- We have partnered with the National Department of Health to successfully deploy a custom-built mobile application (app) to over 3 200 primary health care clinics across the country to monitor drug stock levels and reduce drug stock-outs.
- The Stock Visibility Solution (SVS), is a mobile platform developed by Vodacom through its long-standing partnership with the Department of Health.
- Each clinic has one trained nurse to use the application to record medicine stock levels.

*“The Department of Health is using the latest technology to improve health care service delivery and patient outcomes in South Africa. The Stock Visibility Solution enables us to increase access to medicine as it is needed by allowing the Department of Health to track critical supply chains at any given time”*

*- Dr Aaron Motsoaledi, Minister of Health*



# Promoting safety

- In support of efforts to provide assistance and counselling for victims of gender-based violence we invested R4.2 million to establish a 24-hour call centre in partnership with the Department of Social Development.
- The Vodacom Foundation provided financial support to the Memeza Shout Crime Prevention organisation, which specialises in providing affordable connected community safety technology, in an effort to safeguard women against gender-based violence through innovation.
- The project was piloted in Diepsloot, a township in the north of Johannesburg, South Africa. A total of 600 effective, low cost alarm systems were installed in homes across the township.
- The Vodacom Foundation also contributed to the purchase of over 1 250 personal alarms to be distributed to women and children in and around the Diepsloot area. There has since been an encouraging reduction in crime in Diepsloot.

## Solution Components

An innovative combination of integrated technologies:



1 - The GBV Command Centre

2 - Location based services

3 - Mobile application for field social workers



## Closing remarks

- Our most significant societal contribution comes from our core business activities.
- Providing access to reliable and affordable voice and data services is a critical enabler of socioeconomic development, and has been shown to make a material contribution to GDP growth and job creation.
- Through our continuing leadership in infrastructure investment, the provision of low cost devices and the development of innovative mobile data services – in inclusive finance, education, agriculture and health – we are having a meaningful positive impact on individuals and communities in each of our markets.



Thank you



2016

**Did you know?**  
Vodacom was rated 1<sup>st</sup> in  
telecoms sector and  
4<sup>th</sup> overall in 2016  
Top Companies Reputation  
Index

