# Material matters

**Materiality is the threshold at which sustainability topics become sufficiently important that they should be reported. We are guided by the below process when determining our material matters:**

1

**Using a risk-based approach, we identify matters that are potentially material**

We reflect on the following:

- Our business strategy
- Our capital allocation process
- Our financial and operating performance
- Our budgets and business plans
- Our risk registers
- Our opportunity set
- Our engagements with stakeholders
- Our operating environment
- Our societal and environmental impact and obligations

2

**We interrogate the matters we have identified to prioritise the material ones**

We prioritise material matters based on their ability, potential and/or likelihood to meaningfully affect the creation, preservation or erosion of value through their impact on our business, our key stakeholders, our capitals and our internal and external operating environment. We consider both positive and negative matters, including a determination of what is material for our various stakeholders.

3

**We review, address and report on our material matters**

The material matters identified are issues on our board and/or committee agendas. These matters are methodically discussed and addressed.

## Our material matters are as follows:

### Customer satisfaction (perpetual material matter)

#### Our customers are always our primary focus.

Delivering value to our customers is critical to our ongoing business success. To ensure we achieve this, we focus on developing, launching and improving relevant products and services, while designing excellent customer service experiences to support our offerings.

Optimising the elements that support customer acquisition and retention is a key driver of our operating performance, given our largely fixed-cost business. We also need to accommodate exogenous pressures such as tightening consumer spend and affordability across our markets, along with unique challenges around the availability of electricity and mobile broadband connectivity.

#### Link to risks:

- Economy
- Disruption and competition

#### Link to strategic priorities:

Subscribers Content SVOD

#### Link to opportunities:

- Large and growing addressable Pay-TV market
- A unique understanding of our customers' needs and experiences
- Rapidly developing linear and VOD OTT streaming market

#### Link to stakeholders:

Subscribers

# Material matters continued

## Evolution of our industries (perpetual material matter)

### The sectors that we operate in undergo perpetual change, requiring us to adapt accordingly.

The global video entertainment industry continues to evolve as new technologies and business models provide differentiated and disruptive offerings. This presents both a risk of increased competition for subscribers and content, and an opportunity to scale or adapt our business model, e.g. through our OTT and aggregation offerings.

The same principle applies to our Advertising business, DStv Media Sales, our Technology business, Irdeto, and our investees in key verticals, namely KingMakers, Moment and NMSIS. This principle has also partially informed our strategy to develop our platform beyond pure video entertainment.

**Link to risks:**

- Economy
- Disruption and competition
- Changing customer viewing dynamics

**Link to strategic priorities:**

Content SVOD Ecosystem

**Link to opportunities:**

- All

**Link to stakeholders:**

Customers Suppliers and partners

## Executing on our strategic priorities (short to medium term material matter)

### We operate in a complex environment requiring focused strategic execution and capital allocation.

**South Africa:** Focus is on subscriber retention in the linear base, growth in the OTT base, and profit and free cash flow generation.

**Rest of Africa:** Focus is to return to trading profit breakeven and sustainable free cash flow generation through scale, pricing and cost controls to offset extensive foreign exchange and other macro headwinds.

**Showmax:** Focus is on scaling the business while managing costs and funding requirements to move through the investment curve to breakeven.

**Rest of group:** Focus is to support group revenues, profits and free cash flows through established businesses like Irdeto and DStv Media Sales, while driving scale and growth into our core verticals through KingMakers, Moment and NMSIS.

**Link to risks:**

- Economy

**Link to strategic priorities:**

Efficiency

**Link to opportunities:**

- All

**Link to stakeholders:**

Shareholders Suppliers and partners

## Attracting and retaining talent (perpetual material matter)

### Our people are fundamental to our ongoing success.

Attracting and retaining the right people to achieve our goals is a key aspect of our strategic thinking. We are passionate about creating a workplace where people are engaged and inspired to create the best solutions for our customers.

Key focus areas include growing diverse and representative talent in critical areas of differentiation (such as content, engineering and data science), and developing succession plans for leadership and critical strategic and technical roles to ensure growth and continuity.

**Link to risks:**

- Talent and skills scarcity

**Link to strategic priorities:**

Content SVOD

Ecosystem Efficiency Growth Technology

**Link to opportunities:**

- All

**Link to stakeholders:**

Employees

# Material matters continued

## Developing local entertainment and sports industries and African entrepreneurs (short to medium term material matter)

### Supporting the entertainment and sports industries across our footprint, and supporting African entrepreneurs, benefits all our stakeholders.

Our investment in local entertainment content creates jobs across the spectrum of the creative industries and provides a platform for homegrown talent to shine. Our investment in local sports supports sports bodies, enabling them to generate sustainable income streams and continue developing their codes and talent.

We also aim to contribute beyond just our business.

Our strategic CSI initiatives are aimed at promoting sport and content production across sub-Saharan Africa, while positively addressing issues such as health, education and empowerment.

### Link to risks:

- Economy
- Disruption and competition

### Link to strategic priorities:

Content

### Link to opportunities:

- A unique understanding of our customers' needs and experiences

### Link to stakeholders:

Suppliers and partners

Society and the environment

## Government policy, regulatory and tax environment (perpetual material matter)

### Policies and regulations underpin market structure, but need to be well considered, while tax revenues support governments but need to be judiciously and reasonably applied.

We operate across multiple highly regulated industries with varying regulations. An overly stringent or constantly changing regulatory environment may curtail economic activity if personal, property and contractual rights are not sufficiently protected. Taxation frameworks can disincentivise investment and economic activity if not applied with sufficient consideration.

Our approach to policies, regulation and taxation remains proactive as we engage with regulators and authorities constructively through our dedicated teams. This ensures we keep abreast of all developments, while providing input that promotes a balanced and evidence-based regulatory environment and fair taxation policies and implementation.

### Link to risks:

- Regulatory and licensing

### Link to strategic priorities:

None

### Link to opportunities:

- None

### Link to stakeholders:

Governments and regulators