

# STAYING AHEAD OF THE CURVE

## HIGH PERFORMING INNOVATIVE ORGANISATION

Innovation is fundamental to everything we do at Safaricom. Many of our products and services are industry firsts and have set the benchmark for telecommunication innovation in Africa and beyond. We were the first to introduce our ground-breaking mobile banking solution, M-PESA, in 2007, which transformed the lives of millions of Kenyans. In addition, we created the airtime sharing service, 'Sambaza', emergency top-up service, 'Okoa Jahazi', and micro savings and credit service, 'M-Shwari', amongst others.

We never stop thinking about how to improve, enhance and transform the lives of Kenyans and this year was no different. We introduced several new services and products with our customers' needs in mind.

### Vuma Online

Vuma Online was launched in June 2013 to create 3G WiFi hot spots in public transport vehicles, commonly known as *matatus*. This service has enabled the youth, who are unable to afford internet costs, to conduct academic research while travelling. It has also helped business owners on the programme differentiate themselves. Every day 24.5 GB worth of data is consumed in the *matatus*.

### Safaricom Mymarket

Safaricom Mymarket is an online merchandising platform introduced in December 2013, which offers free auction services through mobile phones. The service, which can be accessed via USSD, currently includes jobs, classifieds, automobiles, property, mobile phones and electronics.



### Google Free Zones

This was a 60-day Google campaign launched in March 2013 to give Safaricom mobile users free access to Google+, Gmail and Google Search without incurring data charges. Customers were warned about data charges if they attempted links that redirected outside the Free Zone. The service saw 100,000 customers convert to users over the two month period.

### Bonga part payment and tablet offers

'Jisort na Bonga' gives customers the option of using part cash and part loyalty points to purchase internet-capable devices. This campaign contributed to over 1 million devices being sold since the launch in 2012. The campaign has since been extended to include tablets.

### Cashless FMCG distribution using M-PESA

In another pioneering move, Safaricom partnered with Fast Moving Consumer Goods (FMCG) companies in Kenya to introduce cashless payments via M-PESA. The cashless offering has benefited distributors and M-PESA agents alike with FMCG companies cutting their cash handling costs dramatically.

### Chattitude and 10+10 for 10

10 +10 for 10 is a daily internet bundle that offers more value to the customers by integrating data and SMS. At a cost of only Kshs 10 daily, our customers access 10MB of data for their internet browsing and 10 on-net SMS.

### The Safaricom Appstore

In another innovation aimed at giving our customers a compelling reason to use data, we collaborated with Vodafone to introduce the Safaricom Appstore, which allows customers to download apps on their smart or feature phones. Safaricom subscribers are encouraged to visit the Safaricom Media store at [www.safaricom.com](http://www.safaricom.com), browse through its more than 5,000 applications, view information and reviews and download and install them on their devices. The appstore also gives Kenyan applications developers the opportunity to upload and monetise their apps.

### The Safaricom Appwiz competition

This is an annual programme focused on building and nurturing local startups that are using mobile technology as an enabler. The objective is to support skill set and capacity building of tech developers in Kenya in providing world class solutions. It also provides a platform which enables Safaricom to leverage on external innovation through commercial partnerships with promising startups to enrich our offering to our customers.

**WE NEVER STOP THINKING ABOUT HOW TO IMPROVE, ENHANCE AND TRANSFORM THE LIVES OF OUR CUSTOMERS**



### THE SAFARICOM APPSTAR COMPETITION

We launched the Safaricom Appstar Challenge in partnership with Vodafone, a challenge that is designed to enable developers across the Vodafone emerging markets showcase their talents in software and application development at both a local and international platform. For the developers, this will provide visibility to their applications in the participating countries including South Africa, Kenya, India and Tanzania through the Appstore. This helps spark developers into building better solutions through mobile application development. Kenya has won Season 1 and Season 2 of the Appstar challenge.

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## EMPLOYER OF CHOICE

Transforming the lives of our employees is inextricably linked with transforming the lives of our people and communities. As a world class employer of choice, we have gone to great lengths to ensure that the needs of our workers are well taken care of. We have focused on adopting various best practices to create a friendly work environment and encourage a work-life balance.

### Employee Facilities

This year Safaricom invested in a second crèche to support working parents. The state-of-the-art day care facility is fully equipped and run by child care professionals. A hygienic and private room has been provided for working mothers to attend to their babies. In addition, there are two medical clinics on-site, which offer consultations to employees and their families.

In the interest of promoting a healthy workforce, employees have access to fully equipped gymnasiums. This is coupled with a games room to help employees unwind and socialise. Those who are unable to access the company-owned gymnasiums due to their work locations have been given access to third party gymnasiums.

### People Survey

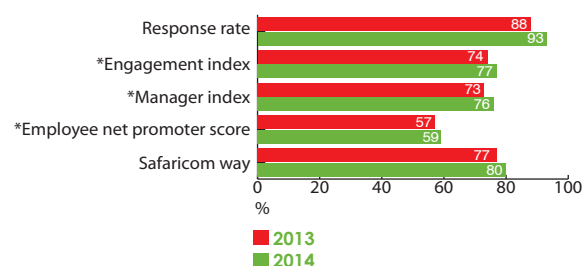
The Safaricom people survey is an opportunity for employees to make a difference to how the organisation is run. By listening to our employees, we receive information that allows us to review and improve the way we do things.

This year, the survey was completed online and looked at the following trends:

- Themes arising from the previous year's survey feedback;
- The organisation climate as measured through the engagement index and manager index;
- Leadership capacity as measured by the manager index; and
- Safaricom's position against global high performing organisations.

### People Survey Results

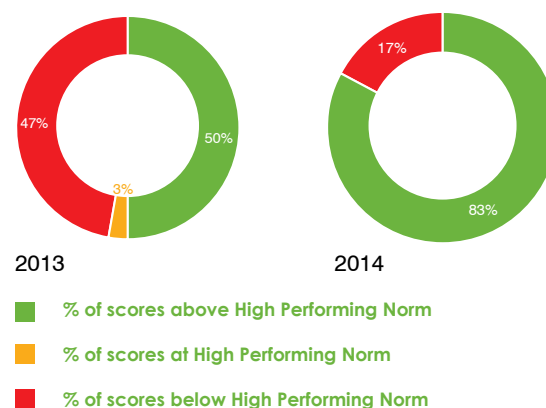
Compared to last year's people survey, all indices improved as shown below:



- \* **The Engagement index** measures each employee's pride, motivation, overall workplace rating and intention to stay with Safaricom
- \* **The Manager index** examines people management and the aspects of team climate that are within a manager's control
- \* **Employee Net Promoter Score** measures the overall willingness of employees to recommend Safaricom's products and services to other people

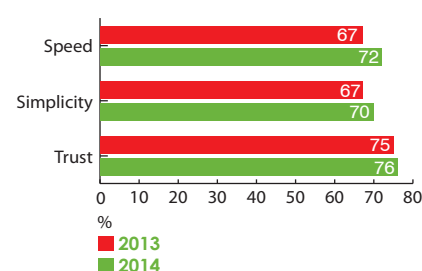
### High Performing (HP) organisations

Our comparison to High Performing (HP) organisations improved significantly as shown below:



### Safaricom Way Values

There was a statistically significant improvement in Speed and Simplicity. Trust improved marginally.





## SAFARICOM WAY HEROES PROGRAMME

To sustain our Safaricom way culture, we launched the Safaricom way heroes programme. At the launch, nine individuals and six teams were recognised for demonstrating the values of Speed, Simplicity and Trust. Going forward, we will nominate and recognise people and teams on a quarterly basis. This will culminate in an annual recognition gala.



Gideon Kago  
SIMPLICITY



Fridah Mwai  
SIMPLICITY



Frankline Okata  
SIMPLICITY



John Kabuga  
SIMPLICITY



Martin Muiruri  
SIMPLICITY



Edwin Odhiambo  
SIMPLICITY



Clement Miano  
SIMPLICITY



Data Cleansing – Retail Stock Management  
SIMPLICITY



Core API Initiative  
SIMPLICITY



Lipa na M-PESA Innovation  
SIMPLICITY



Martin Muriithi  
SIMPLICITY



Monte Carlo Initiative  
SPEED



Zungeza Initiative  
TRUST



Rehema Mumtaz  
TRUST

Teams and individuals are recognised for exhibiting the values of speed, simplicity and trust

# STAYING AHEAD OF THE CURVE

## DIVERSITY AND INCLUSION

Our diversity and inclusion agenda saw us improve our facilities to more adequately accommodate physically challenged members of staff and customers. Some of the initiatives include sign language training for our care desk staff, which allows them to better serve hearing impaired customers.

For our employees, large screens for the visually impaired, specialised chairs and ramps to make it easier for the physically challenged to access the facilities and a firemans lift at the Jambo contact centre for safe evacuation in cases of emergency.

In October 2013, we transformed the lives of previous non-employees by creating 1,200 employment opportunities in the organisation. The tables below show the headcount statistics:

Headcount statistics	FY 2012/13	FY 2013/14
No. of employees	2,666	4,022
No. of non-employees	588	47
Total employees	3,254	4,069

Gender Ratio	FY 2012/13	FY 2013/14
Male: Female (Total employees)	1:1	1:1
Male: Female (Senior Leadership Team)	2:1	3:2
Male: Female (Heads of Department)	1:1	3:2

## BUILDING CAPABILITY

We invested significantly in the development of our employees, equipping them with the skills and competencies needed to succeed in our highly competitive and ever changing industry. We have fostered an environment that promotes self-learning and recognises achievements at an annual Safaricom graduation ceremony. This year, we awarded 5,682 certificates to 2,789 staff members.

In addition, we developed three signature programmes to develop personal effectiveness, managerial and leadership competencies in the year. This training is tailored for entry level, mid-level and senior level employees. In summary:

- Over 500 employees have been trained in the Safaricom Employee and Safaricom Manager programs;
- Continued focus on both commercial and technical capability for data products and services offering;
- Data capability and other certifications for 128 employees.



Safaricom CEO, Robert Collymore conferring various certificates to E-class Graduates at the Safaricom Kasarani Stadium

## ACCOLADES

We were named the tax payer of the year by the Kenya Revenue Authority for the sixth consecutive year. We are extremely proud of this recognition as it is only through the transparent and diligent payment of taxes that the country is able to develop to meet the growing demands of its people. Since inception Safaricom has contributed Kshs 305 billion in taxes, duties, spectrum fees and dividends to the Government of Kenya.







## Health and Safety

The health, safety and wellbeing of our employees and business partners is key to our operations. To this end, we have identified five risk areas to help us ensure nobody gets hurt when working or interacting with us. They are:

- Driving while at work;
- Working at height;
- Electrical work;
- Contractor management; and
- Legacy infrastructure.

We established seven absolute rules, which all our employees, contractors and service providers must comply with to ensure that the above risks are proactively managed.

This focus has seen our health and safety performance for the year improve significantly compared to last year, with one fatality recorded this year compared to six in the prior year.

The implementation of a fleet management system (FMS) has fostered positive employee road traffic behaviour as evidenced by the reduction of road traffic fatalities to zero compared to four before the implementation of FMS.

While it is everybody's responsibility to ensure they remain safe and healthy, the CEO and his team take direct ownership of health and safety across the business. This has resulted in the entrenchment of a safe working environment across our business operations.

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AND WELL-BEING OF  
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