



WHERE WILL WE  
**GO NEXT?**

**Our Leadership**



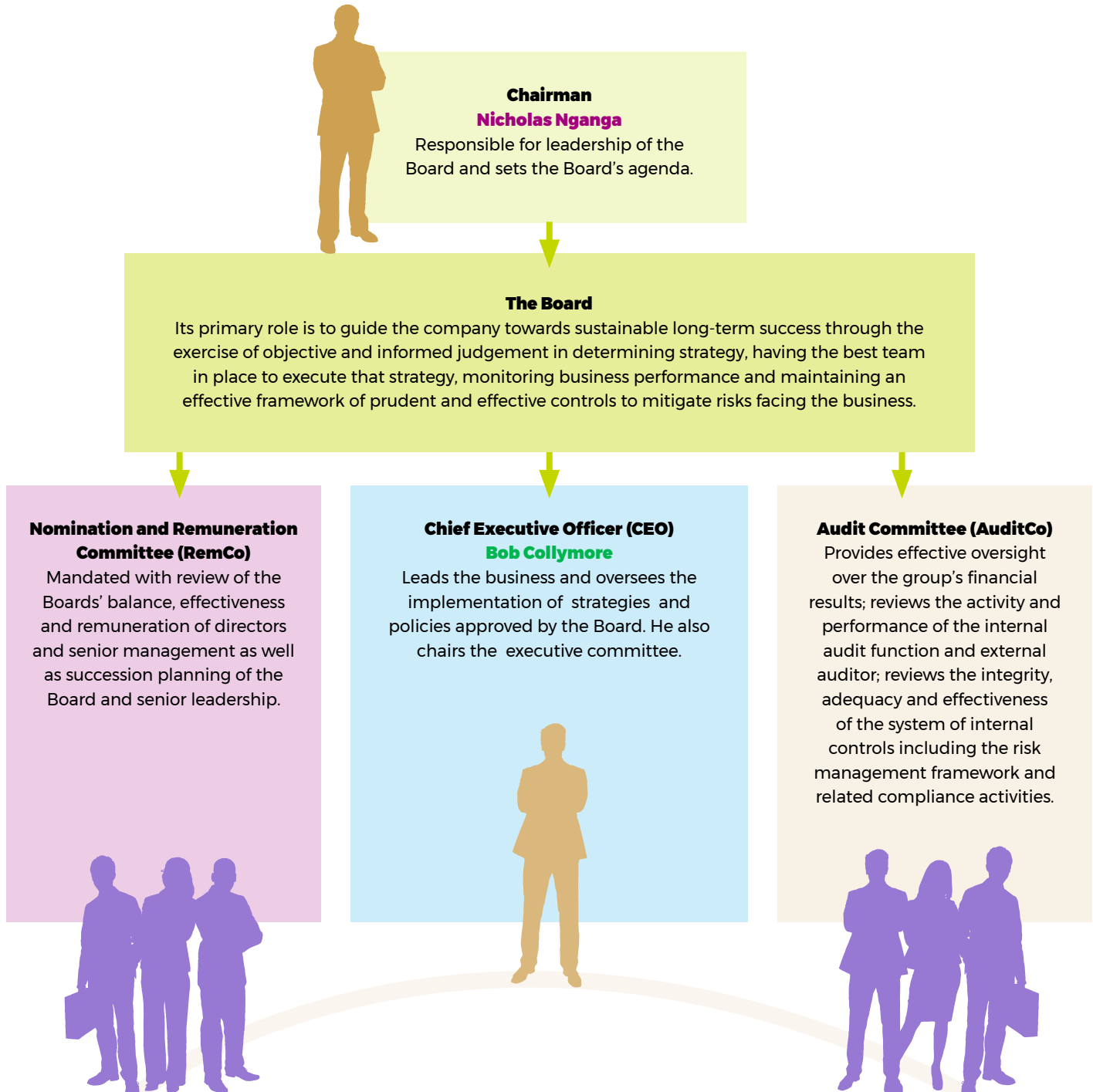
WHERE WILL WE  
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Our Leadership



## Our Governance Structure

We have a strong and effective governance system. Responsibility for good governance lies with the Board of Directors.





## Board of Directors

**Nancy W. Macharia**  
Non-executive Director and  
member of AuditCo.

**John Otty**  
Non-executive Director and  
member of the AuditCo.



**Sateesh Kamath**  
CFO and alternate  
to Bob Collymore.

**Esther Koimett**  
Alternate to Henry Rotich. Member  
of both AuditCo and RemCo.

**Nicholas Nganga**  
Chairman and non-executive Director.  
Chairman of RemCo.



**Michael Joseph**  
Non-executive Director  
member of RemCo.

**Kathryne Maundu**  
Company secretary.

**Gianluca Ventura**  
Non-executive Director and  
member of RemCo.

**Vivek Bidranath**  
Non-executive Director.



**Bob Collymore**  
CEO and Executive Director.

**Bitange Ndemo**  
(not in photo)  
Non-executive and  
Independent Director.

**Susan Mudhune**  
Non-executive and Independent  
Director. Chairperson of AuditCo  
and member of RemCo.



## Senior Leadership Team



**Bob Collymore**  
*Chief Executive Officer*

With over 30 years experience in the telecommunications sector, Bob has a global perspective that is supplemented by his international affiliation with organisations such as the B-TEAM, Acumen and the UN Global Compact.



**Sateesh Kamath**  
*Chief Financial Officer*

Sateesh has over 20 years experience in both mature and emerging markets across Asia, Europe and Africa, where he has built a strong background in strategic performance management and streamlining robust operations across the telecoms, FMCG and manufacturing sectors.



**Steve Chege**  
*Director, Corporate Affairs*

Stephen has a wealth of telecommunications professional experience spanning over 14 years in various organisations, including Vodafone Group UK. He has a deep background in Regulatory, Public Policy, Legal and High-Level Stakeholder Management.



**Paul Kasimu**  
*Director, Resources*

Paul brings in vast, pan-African experience from a variety of non-telco roles. He is an accredited executive coach and HR professional with distinct expertise in business partnering in the implementation of HR strategy, leadership & talent development, and employer branding



**Rita Okuthe**  
*Director, Enterprise Business*

Rita has several years work experience in brand management and has successfully managed company transitions at all stages. She has vast experience in marketing in industries ranging from the FMCG to the Telecommunications sector.



**Joseph Ogutu**  
*Director, Strategy & Innovation*

With over 25 years of experience, Joe works closely with the CEO in formulating strategic direction for the business. He focuses on developing Safaricom's position as an industry leader in driving innovation in products and services. He also serves as the Chairman of Safaricom Foundation, Safaricom Staff Pension Trust and sits on the board of TEAMS Limited.



**Jannet Atika**

**Director, Customer Operations**

Jannet has over 21 years of experience working in the telecommunication sector in various fields such as Public Relations, Sales, Marketing and Customer Service. She rose from being a shop manager to her current role in 16 years.



**Nicholas Mulila**

**Director, Risk Management**

Nicholas has over 15 years' experience in Finance, Business Analysis, Strategy formulation and Execution. He rose through a variety of roles ranging from finance to strategy before taking his current role.



**Sylvia Mulinge**

**Director, Consumer Business**

Sylvia has spent over a decade in marketing with half of this in the telecommunications industry. She has a keen understanding of customer needs and segments.



**Steve Okeyo**

**Director, Regional Sales & Operations**

Steve has over 15 years of global experience in non-telco operations. He is well versed in strategic planning, marketing management, commercial transformation and General Management having worked in Africa and Europe.



**Denish Osodo**

**Director, Internal Audit**

Denish has over 14 years experience in Audit and Risk Advisory Services. He has vast experience in offering audit and business advisory services to several companies across different industries in both Kenya and the UK.



**Thibaud Rerolle**

**Director, Technology**

Over the last 17 years, Thibaud has built a wealth of capability in acquiring and adapting technologies for networks across three continents. His expertise covers Networks, Management and Customer Service, which he has worked on in Africa, Europe and South America.

WHERE WILL WE  
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Our Corporate  
Governance Statement

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# Corporate Governance Statement

## Introduction

We remain committed to the highest standards of corporate governance and business ethics.

Good corporate governance practices are essential to the delivery of long term and sustainable stakeholder and shareholder value.

The company continues to adhere to its obligations as a public listed entity in Kenya in compliance with the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015. In this regard, the Company undertook a review of its level of compliance as at 31 July 2017, with the provisions of the CMA Code of Corporate Governance for Issuers of Securities to the Public, 2015 and submitted its report to the CMA for review. The company also adheres to other regulations promulgated by the CMA and the Nairobi Securities Exchange and the ethical standards prescribed in the Company Code of Conduct. In addition, Safaricom abides by the tenets of the Constitution of Kenya and all other laws as a law-abiding corporate citizen.

We believe that good corporate governance is critical, not only at the corporate level but also at the national level. We require our partners to adhere to the highest level of integrity and business ethics in their dealings with us or with other entities.

In the financial year under review, we continued to achieve high levels of corporate governance by focusing on the following areas:

- Continuing to implement our strategy for the long-term prosperity of the business;
- Timely and relevant disclosures and financial reporting to our shareholders and other stakeholders for a clear understanding of our business operations and performance;
- Ensuring execution of strong audit procedures, audit independence and continuously enforcing strong internationally recognised accounting principles;
- Focus on clearly defined board and management duties and responsibilities;
- Ensuring director competencies through

induction for new directors and on-going trainings for all directors;

- Focusing on compliance with relevant laws and upholding the highest levels of integrity in the organisation's culture and practices.

## Board charter

The Board Charter is critical to the company's governance framework, and offers guidance on matters including but not limited to the following;

- The separation of the roles, functions, responsibilities and powers of the board and its individual members;
- Powers delegated to the board committees;
- Matters reserved for final decision-making and approval by the board;
- Policies and practices of the board on matters of corporate governance, directors' declarations and conflict of interest, conduct of board and board committee meetings; and
- Nomination, appointment, induction, ongoing training and performance evaluation of the board and its committees.

The Charter is not a substitute or a replacement of any laws and regulations that govern the running of the company.

## Board size, composition and appointments

The constitution of the company's board is stipulated by the company's Articles of Association. It comprises of 10 directors of whom nine are non-executive directors and one is an executive director. Of the nine non-executive directors we now have two independent directors.

The non-executive directors, other than those appointed by Vodafone and the government of Kenya, are subject to retirement by rotation and must seek re-election by shareholders in accordance with the Articles of Association.

The board is responsible for recommending independent directors for election by shareholders at the annual general meetings. Nominated directors undergo a formal screening

process conducted by the Nominations and Remuneration Committee of the board before they are formally appointed. The committee also considers and screens director nominees recommended by shareholders. Between annual general meetings, the board may appoint directors to serve until the next AGM. Any such appointment of independent directors must be ratified by the shareholders at the next AGM following their appointment.

## The role and responsibilities of the board

The primary role of the board remains to guide the company towards sustainable long term success through the exercise of objective and informed judgement in determining the strategy of the company, having the best team in place to execute that strategy, monitoring business performance and maintaining an effective framework of controls to mitigate risks facing the business.

## How the board works

The board is solely responsible for its agenda. However, it is the responsibility of the chairman and the company secretary, working closely with the chief executive officer, to come up with the annual board work plan and an agenda for the board meetings.

The Safaricom board meets at least four times a year and the meetings are structured in a way that allows for open discussions.

Comprehensive board papers are prepared and circulated to all directors for all substantive agenda items at least two weeks prior to the meeting. This allows time for the directors to undertake an appropriate review of the board papers so as to facilitate full and effective discussions at the meetings. The submissions and notification period may be waived should any urgent and critical matters arise within the two-week period to the date of the meeting.

The senior leadership team members may be invited to attend the board meetings if deemed necessary. Where directors are unable to attend a meeting, they are advised on the matters to be discussed and given the opportunity to make their views known to the chairman or the chief executive officer prior to the meeting.

The non-executive directors are responsible for ensuring that the business strategies proposed are fully discussed and critically reviewed, as they do not form part of the executive management team. This enables the directors to promote the success of Safaricom for the benefit of its shareholders, with consideration of, among other matters, the interests of employees, the fostering of business relationships with customers, suppliers and other stakeholders.

The non-executive directors oversee the operational performance of the business. To perform these tasks, they have full access to all relevant information, with updates provided on governance, regulatory and other matters affecting the company.

The executive committee members and other senior executives can be invited, as appropriate, to board meetings to make presentations on their areas of responsibility. This serves as an opportunity to give the directors greater insights into their business areas. Non-executive directors are also occasionally invited to attend the senior leadership’s strategic and operations review meetings to gain further insights into different aspects of the business. A summary of the board meetings and attendance is shown below;

**Overall board meetings: Members’ attendance for 2016/17**

Board Member	Position	10th May 2016	1st Sept 2016	3rd Nov 2016	2nd Mar 2017
Nicholas Nganga	Chairman & NED	✓	✓	✓	✓
Michael Joseph	NED	✓	✓	✓	✓
Nancy Macharia	NED	✓	✓	✓	✓
John Otty	NED	✓	✓	✓	✓
Susan Mudhune	NED	✓	✓	✓	✓
Serpil Timuray	NED	✓	✓	✓	N/A
Gianluca Ventura	NED	✓	✓	✓	✓
Esther Koimett	AD	✓	✓	✓	✓
Vivek badrinath	NED	N/A	N/A	N/A	✓
Bob W Collymore	CEO & ED	✓	✓	✓	✓
John Tombleson	CFO & AD	✓	N/A	N/A	N/A
Sateesh Kamath	CFO & AD	N/A	✓	✓	✓
Kathryne Maundu	Company Secretary	✓	✓	✓	✓
Anne Eriksson	External Auditor	N/A	N/A	✓	N/A

Key: ED - Executive Director, NED - Non-Executive Director, AD - Alternate Director

\* John Tombleson (CFO) resigned on July 31, 2016 and was replaced by Sateesh Kamath on August 1, 2016

\*\*Vivek Badrinath joined the Board on January 12, 2017.

**Separation of powers and duties of the chairman and the chief executive officer (CEO)**

The separation of the functions of the chairman (a non-executive director) and the CEO (executive director) supports and ensures the independence of the board and management.

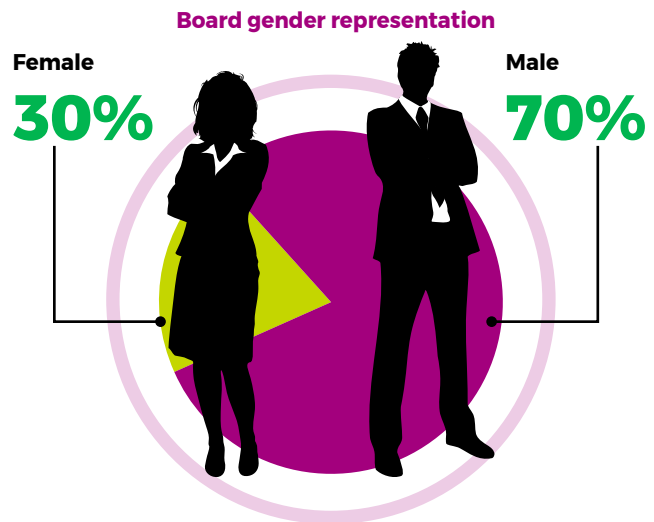
The balance of power, increased accountability, clear definition of responsibilities and improved decision making are attained through a clear distinction between the non-executive and executive roles.

The chairman’s responsibilities include the operation, leadership and governance of the board. The chief executive officer’s roles and responsibilities remains the day-to-day management of the company’s business and overseeing the implementation of strategy and policies approved by the board.

**Board diversity**

The Board appreciates diversity and recognises its role in bringing different perspectives into board debates and offers better anticipation of the risks that are inherent in the business and the opportunities that the business pursues. The Safaricom board has the appropriate mix of skills, knowledge and experience to perform its role effectively.

The areas of expertise of the current board of directors are business management, telecommunications, banking and finance, electrical engineering, IT, mobile money, corporate communications, economics, marketing, project management, risk management, human resources, governance, and legal and ethics issues.



**Board and directors’ effectiveness**

Board effectiveness in its oversight and leadership role is enhanced by a robust support system. This is facilitated through the following;

**Board induction and training**

Board members undergo regular training and education to enable them fulfill their responsibilities. All board members receive an induction upon joining. This provides an overview of the company, new developments in the environment in which the company operates, accounting and financial reporting developments, as well as any regulatory changes.

**Access to independent advice**

The board recognises that there may be occasions when one or more directors considers it necessary to take independent legal and/or financial advice at the company’s expense. This is provided for in the board charter.



## Nomination

There is a formal screening process conducted by the Nominations and Remuneration Committee of nominees before they are formally appointed to the board. The process aims at ensuring that they have the requisite capabilities to carry out their responsibilities.

## Evaluation

In line with the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the board undertook an annual evaluation of its performance as an entity, its committees, the chairman and each individual director and the company secretary. This was aimed at enabling the board and its members and the committees to gauge their performance and identify areas of improvement. An independent consultant was hired to carry out the evaluation.

## Board committees

The board has two standing committees: an Audit Committee and a Nominations and Remuneration Committee. Each committee has formal and approved terms of reference.

The board periodically reviews the terms of reference for each of these committees to ensure they are in line with current legislation and best practice. The committees are provided with all necessary resources to enable them to undertake their duties effectively.

## Audit Committee

### Membership and functions of the Board Audit Committee

The Audit Committee consists of four non-executive directors and reports to the board after every committee meeting. The chairperson is an independent non-executive director.

### Functions of the Audit Committee

To fulfill its oversight responsibility, the Audit Committee receives reports from management, the internal auditors and external auditors, as appropriate.

The responsibilities and role of the Audit Committee fall under four categories:

#### 1. Risk management and internal controls

- Review and assess the company's risk management process and the adequacy of the overall control environment;
- Review reports on internal audits conducted from the Director of Internal Audit and ensure appropriate action is taken to address any weaknesses identified;
- Receive reports from the Director of Internal Audit, CFO or Director, Risk Management on any fraud, material or not, that involves management or other employees who have a significant role in the company's internal controls;
- Review results of the company's key controls questionnaire and ensure appropriate action is taken to address any weaknesses identified;
- Monitoring compliance with statutory and listing requirements for any exchange on which the company's shares and debt instruments are quoted.

#### 2. Financial reporting and disclosure matters

- Review the published financial statements and recommend their approval to the board of directors;
- Review and discuss with management and the external auditor any significant events or transactions affecting the company's financial reporting;
- Consider findings from the external and internal auditors on material weaknesses in accounting and financial control systems.

#### 3. External auditor oversight responsibilities

- Review the independence, objectivity and effectiveness of the external auditor including their quality control procedure and steps taken to respond to changes in regulatory and other requirements;
- Review the scope and extent of both audit and non-audit services provided to the company by the external auditors and any associated fees and terms of engagement, including the assessment of the non-impairment of the auditor's judgement and independence;
- Ensure that the external auditor submits a formal written statement delineating all relationships between themselves and the Company;
- Review and discuss with management and auditors the preliminary results, interim information and annual financial statements.

#### 4. Internal audit oversight responsibilities

- Oversee the activity and credentials of the company's internal audit division, including a review of the internal audit charter, code of ethics, plans, resource requirements, staffing and organisational structure;
- Consider the appointment, replacement or dismissal of the director of internal audit and make recommendations to the board;
- Approve the annual audit plan ensuring its consistency with the company business plan;
- Receive reports on the status of significant findings, recommendations and management's responses.

A summary of Audit Committee meeting members' attendance is shown below;

### Audit Committee meetings: Members' attendance for 2016/17

Board Member	Position	9th May 2016	31st Aug 2016	2nd Nov 2016	1st Mar 2017
Susan Mudhune	Chairperson	√	√	√	√
Esther Koimett	Member	√	√	√	√
Nancy W Macharia	Member	√	√	√	√
John Otty	Member	√	√	√	√
Bob W Collymore	CEO & ED	√	√	√	√
Nicholas Mulila	Director, Risk	√	√	√	√
Denish Osodo	Director, Audit	√	√	√	√
Sateesh Kamath	CFO & AD	N/A	√	√	√
John Tombleson	CFO & AD	√	N/A	N/A	N/A
Kathryne Maundu	Company Secretary	√	√	√	√
Anne Eriksson	External Auditor	√	√	√	√

### Nominations and Remuneration Committee

The committee is mandated to review the balance and effectiveness of the board and remuneration of directors and senior management as well as the succession planning at board and senior leadership levels.

#### Membership and functions of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee is established by the board of directors; comprises five directors and meets four times a year.

The purpose of the committee is to assist the board by:

- Monitoring the size and composition of the board and its succession plans;
- Recommending individuals for nominations as members of the board and its committees;
- Reviewing executive appointments, succession and development plans and
- Proposing the remuneration structures of executive and non-executive members of the board.

The summary of the Nominations and Remuneration Committee meetings attendance is shown below;

### Nominations and Remuneration Committee meetings: Members' attendance for 2016/17

Board Member	Position	9th May 2016	31st Aug 2016	2nd Nov 2016	1st Mar 2017
Nicholas Nganga	Chairman	√	√	√	√
Susan Mudhune	Member	√	√	√	√
Esther Koimett	Member	√	√	√	√
Gianluca Ventura	Member	√	√	√	√
Michael Joseph	Member	√	√	√	x
Bob W Collymore	CEO & ED	√	√	√	√
Maria Shipiri	Director, Resources	√	√	√	N/A
Joseph Ogutu	Director (Ag), Resources	N/A	N/A	N/A	√
Kathryne Maundu	Company Secretary	√	√	√	√

### Special committees

The Board is authorised by the Company's Articles of Association to form ad hoc or special committees to deal with specific matters for a defined term period. The Board retains oversight authority over such committees.

One such Committee is the Ethics Committee which plays an oversight role on behalf of the Board with regard to matters of ethics, integrity and best business practices.

### Role of the Company Secretary

- Providing a central source of guidance and advice to the board, and the company, on matters of statutory and regulatory compliance and good governance;

- Providing the board and the directors individually with guidance on how their responsibilities should be discharged in the best interests of the company;

- Facilitating the induction training of new directors and assisting with the directors' professional development as required. This includes identifying and facilitating continuous board education;

- In consultation with the CEO and the chairman, ensuring effective flow of information within the board and its committees and between senior management and non-executive directors. This includes timely compilation and distribution of board papers and minutes, as well as communication of resolutions from board meetings;

- Guiding the company in taking the initiative to not only disclose corporate governance matters as required by law, but also information of material importance to decision-making by shareholders, customers and other stakeholders;

- Keeping formal records of board discussions and following up on the timely execution of agreed actions.

### Directors' shareholding

Directors can purchase or sell shares of the company in the open market. None of the directors as at the end of financial year under review held shares in their individual capacity of more than 1% of the company's total equity. The breakdown of the directors' personal shareholding in the company as at March 31, 2017 is as follows:

Name of Director	2017	2016	Change
Nicholas Nganga	855,100	855,100	-
Robert Collymore	1,518,600	1,222,200	296,400
Michael Joseph	1,178,600	1,178,600	-
Esther Koimett	517,600	517,600	-
Susan Mudhune	51,200	51,200	-
Henry Rotich	2,200	2,200	-
Nancy Macharia	70,000	43,000	27,000
Sateesh Kamath	50,000	N/A	N/A



## Board remuneration

Non-executive directors are paid a sitting allowance for every meeting attended. They are however, not eligible for pension scheme membership and do not participate in any of the company's remuneration or compensation schemes.

Details of the fees for the non-executive directors and remuneration of the executive directors paid in the financial year under review are set out on page 131 in note 29 of the financial statements part of the annual report.

## Conflict of interest

The directors are obligated to fully disclose to the board any real or potential conflict of interest, which comes to any director's attention, whether direct or indirect.

The statutory duty to avoid situations in which the directors have or may have interests that conflict with those of the company has been observed by the board in the financial year under review.

All business transactions with all parties, directors or their related parties are carried out at arm's length. An acknowledgement that should it come to the attention of a director that a matter concerning the company may result in a conflict of interest, obligates the director to declare the same and exclude himself/herself from any discussion or decision over the matter in question.

## Relationship and communication with shareholders

Safaricom remains committed to relating openly with its shareholders by providing regular as well as ad hoc information on operating and financial performance and addressing any areas of concern. This is achieved through the following:

Interim and annual results and publication of extracts of its financial performance in the daily newspapers, preparation of annual audited accounts and holding of the annual general meeting.

Copies of the annual reports are made available to shareholders at least 21 days before the date of the AGM and they are free to raise questions to the board during the meeting.

Safaricom responds to daily queries from shareholders, their representatives and financial analysts through a dedicated investor relations team.

The Safaricom website has a specific webpage dedicated to the information requirements of the shareholders and investment analysts.

Investor briefing sessions are held immediately after the announcement of interim and full year results.

Local and international investor road shows are held after interim and full year results announcements; representatives of the company's senior leadership team in collaboration with known stock brokerage firms organise meetings with institutional investors, individual shareholder groups and financial analysts.

## Ethics and code of conduct

Safaricom directors and employees are expected to act with honesty, integrity and fairness in all their dealings with one another and with stakeholders and to respect the diverse cultures of the Kenyan people.

Safaricom has a code of conduct that binds both directors and employees. When joining Safaricom, every employee is provided with a copy of the code and must commit to abide by its requirements as part of the employment contract with the company.

## Whistle blowing policy

We have a whistle blowing policy that provides for an ethics hotline managed by an independent, accredited and external institution. Through the hotline, anonymous reports on unethical/fraudulent behaviour can be made without fear of retaliation from the suspected individuals.

Whistle blowing statistics are reported to the Ethics Committee and the Audit Committee on a quarterly basis. Staff members and business partners are also regularly sensitised on the need to report any suspected unethical business practices.

## Corporate Social Responsibility

We recognize that Corporate Social Investment (CSI) issues are of increasing importance to our stakeholders and are fundamental to the continued success of the business. Thus, we have a CSI policy that ensures we operate our business in a responsible manner at all times for the benefit of our customers, staff, suppliers, and the wider community. We exercise CSI by partnering with and investing in communities to find sustainable solutions. We also encourage our employees to take part in CSI initiatives aimed at improving the standards of living of the communities that they come from. Our CSI activities are disclosed every year in the social impact section of this report, sustainability and foundation reports.

## Procurement policies

We have in place procurement policies that promote a fair and transparent procurement process, with emphasis on value for money and building mutually beneficial relationships with our suppliers. A Management Tender Committee oversees the award of tenders and there's appropriate Risk assurance for procurement activities.

## Insider trading policy

The company has a policy on insider trading. Directors and staff are made aware that they ought not to trade in the company's shares while in possession of any material insider information that is not available to the public or during a closed period.

## Going concern

The board confirms that the financial statements are prepared on a going concern basis and is satisfied that the company has adequate resources to continue in business for the foreseeable future.

In making this assessment, the directors consider a wide range of information relating to present and anticipated future conditions, including future projections of profitability, cash flows, capital and other resources.





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**Our Risk Management**



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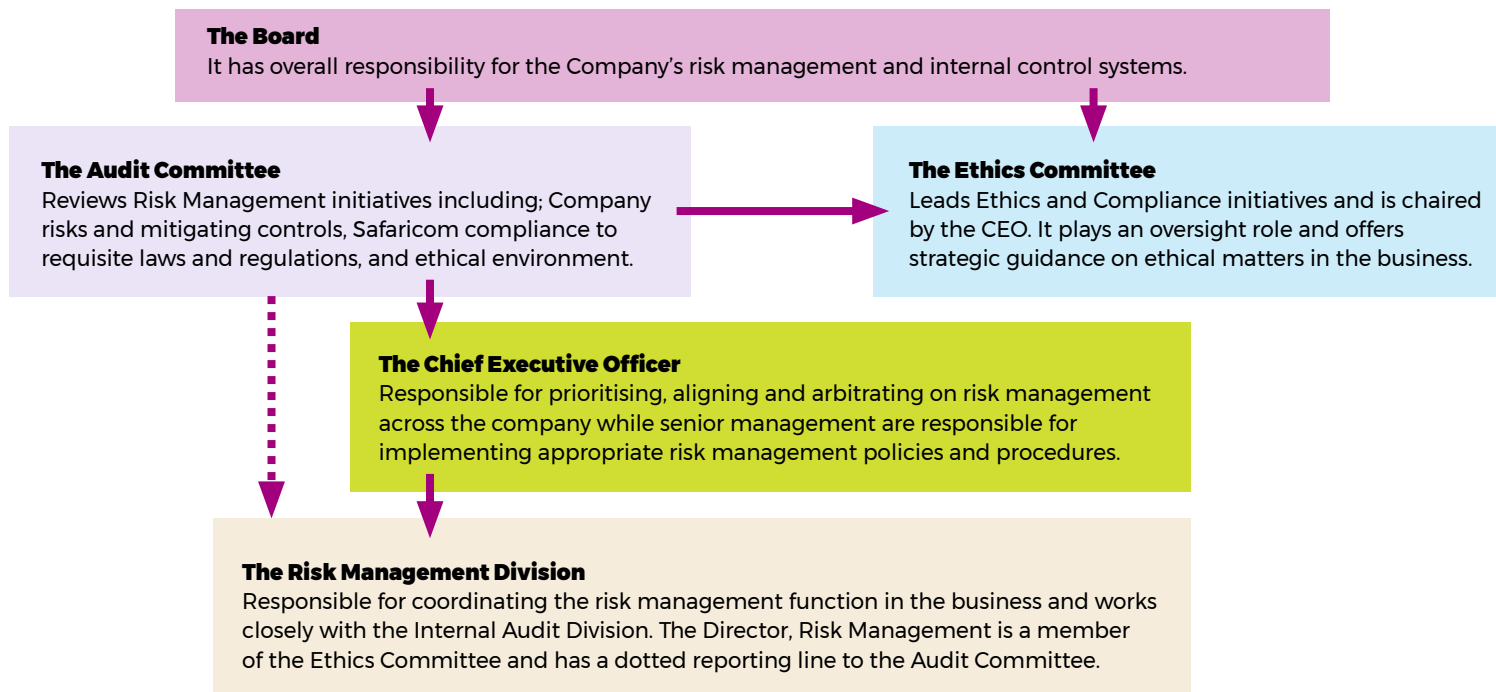




# How we Manage Risk

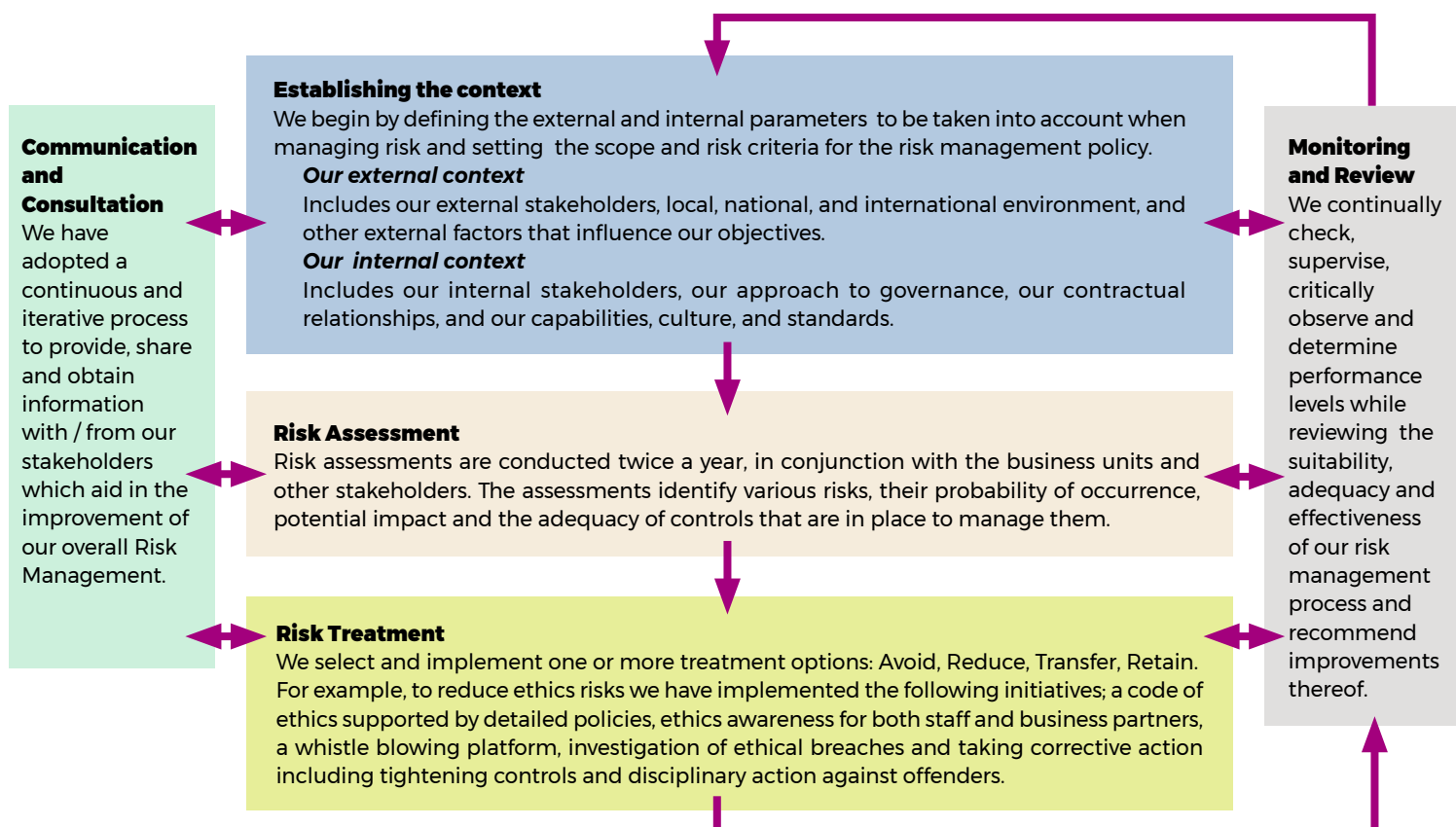
## Risk Management Governance

Safaricom remains committed to robust risk management practices as an integral part of good management.



## Our Risk Management Framework

We are guided by the ISO 31000 in our Risk Management Framework. This requires us to continuously review our risk management framework which provides the foundation and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. The key components of the framework are outline below;



### Our Principal Risks and what we are doing about them

Our risk identification and mitigation processes have been designed to be responsive to the ever-changing environment that we operate in. We classify our risks into two categories; Strategic and Operational.

The following are Safaricom's principal risks and mitigation strategies. The fact that we disclose details of these risks means that each receives the close management attention.

#### Strategic risks

##### Regulatory environment

The regulatory environment that Safaricom operates in is complex and remains a key area of focus. The dominance debate continues to receive a lot of attention and we are closely monitoring developments. The nature of the products and services that we provide requires we comply with a wide range of rules and laws from our key regulators, namely the Communications Authority, the Competition Authority of Kenya and the Central Bank of Kenya.

##### Mitigation

We continue to build constructive relationships with the regulators and other stakeholders as well as contribute to discussions on emerging legislation and regulations as we prepare to comply with the same. Our products and services are carefully and continuously monitored to ensure they do not contravene competition/ dominance and other regulations.

##### Economic growth prospects

Kenya from time to time experiences challenges related to changes in currency exchange rates, inflation and interest rates. The 2017 general election is also likely to cause uncertainty among investors who may shy away from local investment opportunities.

##### Mitigation

We continue to proactively monitor these factors, implement measures to mitigate the effects and cushion the business from adverse effects.

##### Competition

The industry has become increasingly competitive in terms of product and service offerings such as: Over-The-Top (OTT) players offering voice calls through the Internet such as WhatsApp and rollout of digital and mobile payments platforms such as PesaLink that offer near real-time transfer of funds. Other competitive threats are from Mobile Virtual Network Operators offering mobile money services off the network and local fibre operators offering home Internet and entertainment such as television on demand.

##### Mitigation

We focus on growing and retaining our customers by offering quality services and leveraging strategic partnerships with different players to ensure we provide our customers with relevant products and services.

#### Operational risks

##### Security

Sporadic terrorist activity in parts of the country remains the key security concern. This impacts negatively on the economy and introduces shifting of priorities with greater spending on security.

##### Mitigation

We have invested in the appropriate systems and infrastructure to ensure our staff, contractors and assets are protected and we continue to work closely with law enforcement authorities to ensure our customers' interests are well protected. In addition, we carry out proactive intelligence gathering, screening and security surveillance to enhance our preparedness. We continue to invest in security training and awareness as well as maintenance and improvement of our security infrastructure and tools.

##### Information and cyber threats

An external cyber-attack, insider threat or supplier breach (malicious or accidental) could result in service interruption and/or the breach of confidential data, with resulting negative impact on customers, revenues and reputation, and potential costs associated with fraud and/or extortion.

##### Mitigation

Safaricom has enhanced its capacity to handle cybercrime incidents and technology related crime. Of particular note are robust cyber security controls complemented by the 24/7 Security Operations Centre to ensure we safeguard the services that we offer.

Our ISO 27001 Information Security Certification is an independent confirmation to our customers that we have implemented appropriate processes and controls relating to our M-PESA, billing, mobile data, customer support and cloud services to protect the privacy of their information.



