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FOR YOU



# PARTNERING FOR GROWTH: TRANSFORMING LIVES

2022 SUSTAINABLE BUSINESS REPORT



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## HELP US IMPROVE OUR REPORTING

We hope this report provides a clear and meaningful understanding of what sustainable business means to Safaricom, how it unites us and informs our approach to transforming lives.

We welcome all constructive feedback, which can be shared via email to: [sustainability@safaricom.co.ke](mailto:sustainability@safaricom.co.ke)



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# OUR BUSINESS



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# WELCOME TO OUR SUSTAINABLE BUSINESS REPORT



## ABOUT OUR THEME

The theme for our 2022 Sustainable Business Report is **Partnering for Growth: Transforming Lives**. Our focus on partnership reflects the Kenyan proverb "Sticks in a bundle are unbreakable". In other words, together we are stronger, together we can do more to transform lives. Together with our partners, we have demonstrated unwavering commitment to this vision and will continue to do so.

We continue to partner with others and leverage our connectivity, platforms and technology as we work to realise our strategy of transforming Safaricom into a purpose-led, technology organisation by 2025. In this, we are guided by our priority United Nations Sustainable Development Goals (UN SDGs) as outlined throughout this report.

We aspire to be a digital first, insights-led organisation that enables platforms and ecosystem partnerships. We always look beyond the expected to deliver the most favourable outcomes for all our stakeholders, particularly our customers. In doing so, we connect people to people, people to knowledge and people to opportunities for growth – today and tomorrow.

## ABOUT THIS REPORT

This 11<sup>th</sup> Sustainable Business Report sets out to disclose our efforts to achieve our goal of transforming lives by partnering for growth. We report transparently on our successes and our setbacks, with narrative supplemented by four-year graphs and tables to provide relevant, material and comparable information.

We cover highlights, stakeholder issues, how we went beyond the expected in FY22, together with our future focus areas, all of which are important to our business and of interest to our various stakeholders. This report covers our fiscal year from 01 April 2021 to 31 March 2022. For a more detailed overview of the value we add to our stakeholders and our impact on society, this report should be read together with the 2022 Safaricom Annual Report and Financial Statements.

## OUR REPORTING STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Our report also serves as our Communication on Progress – an explicit responsibility of our continued membership of the UN Global Compact (UNGC) and the Global Compact Network Kenya (GCNK).

## RESPONSIBILITY FOR OUR REPORTING

The Board is responsible for ensuring that sustainability is at the heart of our overall business strategy. For more information on our governance structure and the responsibilities of the relevant governing bodies, please refer to the governance section of the 2022 Safaricom Annual Report.

On behalf of the Board, we acknowledge that our responsibility is to ensure the integrity of this Sustainable Business Report and we are confident that it presents the progress we have made towards our goal of building a more sustainable future with satisfactory accuracy and impartiality.

**Michael Joseph**

Chairman & Non-Executive Director

**Peter Ndegwa**

Chief Executive Officer





# SAFARICOM AT A GLANCE

## YEAR FOUNDED

2000



## HEADQUARTERS

Nairobi



## PERMANENT EMPLOYEES

4 411



## NETWORK SITES

6 046



## FIBRE OPTIC FOOTPRINT

10 880km



## TOTAL CUSTOMERS

42.4m



## NO. OF AGENTS

262 000



## NO. OF DEALERS

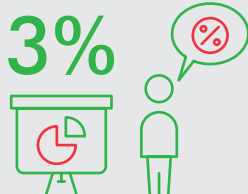
435

M-PESA



## MARKET SHARE

65.3%



## TOTAL REVENUE IN FY22

KSh 298b



## KENYAN POPULATION CONNECTED TO 2G

98%



## KENYAN POPULATION CONNECTED TO 3G

98%



## KENYAN POPULATION CONNECTED TO 4G

97%







# MESSAGE FROM OUR CHAIRMAN



## ACKNOWLEDGING OUR PEOPLE AND OUR CEO

The Board is encouraged by the recovery from the COVID-19 pandemic in the past year and the return to pre-pandemic growth. This upward recovery will unlock opportunities, especially for micro, small and medium enterprises (MSMEs) who lie at the heart of Kenya's – and Africa's – economy.

Our strong financial and ESG performance over the last year are the result of placing our customers at the heart of our business priorities and are due, in no small part, to the commitment

of our employees, ably led by our Chief Executive Officer, Peter Ndegwa. From the time of his appointment, Peter has demonstrated that he truly understands the DNA of Safaricom – that our purpose is not just about profits and that we are not just a utility, but that we are focused on transforming lives.

Under his guidance, we have made significant progress in realising our strategy of transitioning from a telco to a technology company. We have also demonstrated resilience in living true to our commitment of being a sustainable purpose-driven business – one which has delivered consistent returns to shareholders. During the year, the Board declared an interim dividend of KSh 0.64 per ordinary share amounting to KSh 25.64 billion. The Board recommended to shareholders a final dividend of KSh 0.75 per ordinary share amounting to KSh 30.04 billion that was approved in the last AGM held in September 2022.

## LIVING UP TO PREVIOUS COMMITMENTS

A significant development in FY21 was that we were the first operator in East Africa to launch 5G with the aim of empowering our customers with super-fast internet at work, at home and on the move. 5G can support up to 1 million connected devices per square kilometre compared to 4G which can only support up to 100 000 connected devices in a similar area. This makes 5G suitable for providing super-fast internet speeds in high density areas and for linking thousands of connected devices in a manufacturing environment and supply chain management for businesses.



*"Our strong financial and ESG performance over the last year are the result of placing our customers at the heart of our business priorities."*



We are confident that we have overcome the regulatory challenges and consumer's suspicions associated with 5G and we believe that traction is set to accelerate, positioning us ahead of the curve as a company and as a country.

One of the highlights of FY22 was the announcement at the beginning of the year that the consortium led by Safaricom had won the bid for a telecommunications operator licence in Ethiopia. I am delighted to be able to report progress in this regard:

We have signed a five-year lease agreement with Ethiopian Electric Power (EEP), the Ethiopian state-owned power utility company, to share fibre optic infrastructure. Under the deal, Safaricom will use an existing network of fibre optic ground wire cables along high voltage transmission lines – currently standing at 15 000 kilometres – owned by EEP. We have also built two data centres, made the first test call, sent the first SMS, completed the first data session and successfully tested the SIM card registration process.

*"We have signed a five-year lease agreement with Ethiopian Electric Power (EEP), the Ethiopian state-owned power utility company, to share fibre optic infrastructure."*

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We remain more committed than ever to establishing a foundation for a digital society in Ethiopia and to providing quality, competitive technology services across the country. Both the Board and I have confidence that getting in on the ground floor will have significant benefits for our investors and for Ethiopian society.

## CELEBRATING 15 YEARS OF M-PESA

In 2007, we made a significant investment to establish M-PESA which today is a household name. At the time, no one thought it would be viable but today, I think it's safe to say, M-PESA has revolutionised the financial services sector – particularly for low-income people living in remote areas. M-PESA has opened new avenues for people to interact with financial services, providing access to affordable, convenient finance; enabling people to make financial transactions remotely; removing the necessity for travelling long distances to bank outlets and avoiding the risks of transporting physical cash from one place to another.

That initial investment has continued to show rewards with M-PESA revenue growing 30.3 % year-on-year.

We continue to invest in new products and services on M-PESA that include savings, wealth management and insurance. At year end, downloads for the M-PESA Super App stood at 5.3 million while M-PESA Business App downloads were recorded at 462 000.

## IMPACTING LIVES THROUGH OUR FOUNDATIONS

Our Safaricom and M-PESA Foundations continued their work to transform lives, partnering with local and national authorities and others to make a tangible difference across all levels of society.

The Foundations have now impacted over 4.2 million lives over the past three years in areas such as education, health and economic empowerment.

While agriculture is integral to the Kenyan economy, productivity in the sector is low. Accordingly, we are more determined than ever before to play an enabling role in the success of small-scale farmers by providing end to end products and services and scaling the Digifarm model. Our overarching aim is to have a million farmers active on the platform.

*"The Foundations have now impacted over 4.2 million lives over the past three years in areas such as education, health and economic empowerment."*

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## LOOKING FORWARD

There are several important local and international events set to take place in the year ahead, among these the national 2022 elections. I am encouraged by the fact that, unlike other years, there appears to be no downturn in tourists and no sign of let down in economic activity. There could be some tension around local issues, but I anticipate legal challenges rather than rigging challenges.





The Ukraine-Russian crisis was still dragging on at the end of our financial year. This has had a major impact on oil supply and prices, agricultural commodities and metal prices around the world. Spikes in global oil prices have resulted in inflationary pressures that are currently being experienced through increased food, transport and manufacturing costs – all of which have been exacerbated by poor rains in Kenya. Once again, Safaricom has stepped in to help. Shortly after year-end we will be launching the Pamoja Tuungane initiative to provide a vehicle through which Kenyans can support others in areas affected by drought.

A key event on the international calendar is COP 27 in Egypt – the third time this event has taken place on the African continent. The frequency and intensity of extreme weather events has increased in Kenya over the past decade, with mean surface temperatures projected to increase 1°C to 1.5°C by 2030.

While Kenya accounts for a miniscule percentage of global greenhouse gas (GHG) emissions, the county is working to tackle climate hazards head on. The most recently submitted Nationally Determined Contribution (NDC) targets commits to abate GHG emission by 32% by 2030 relative to the business-as-usual scenario of 143 MtCO<sub>2</sub>e in line with the sustainable agenda and national circumstances.

As a responsible corporate citizen and in line with our commitment to SDG7: *Affordable and Clean Energy*, we are determined to help drive emissions abatement by increasingly moving to sources of green energy and planting five million trees by 2025.

## CONTINUING TO TRANSFORM LIVES

The digital economy has played and will continue to play a key role in overcoming socio-economic challenges by expanding regional business networks, making local communities become more resilient against economic threats. As outlined in this report, Safaricom is helping to accelerating the digital economy not only in terms of economic empowerment, but also across areas as diverse as agriculture, education and healthcare.

We recognise that the digital landscape is constantly shifting and in response, we are constantly innovating, refining and redesigning the digital experience as we work to realise our strategy of becoming a technology company by 2025.

This, Safaricom's 11<sup>th</sup> Sustainable Business Report articulates how we are doing so as we continue to deliver new innovative products and services that help to drive inclusive sustainable development and transform lives.

**Michael Joseph**

Chairman & Non-Executive Director  
Safaricom PLC



# MESSAGE FROM OUR CEO

## TRANSFORMING LIVES IN A CHALLENGING YEAR

The year under review was challenging for us as a company and a country as we shifted our focus from surviving the COVID-19 pandemic to co-existing with the disease. Economic growth slowed, due in large part to the impact of the war in Ukraine, the associated impact on commodity prices and the concomitant increase in import costs. In addition, another poor rainy season in Kenya hampered crop production, further compounding the economic situation.

Despite these challenges, I am pleased to report a financial year of strong performance with significant commercial momentum.

While I am proud of these results, I am even prouder of the resilience and commitment our people showed as they upheld the four cardinal virtues of the Spirit of Safaricom – namely Customer Obsession, purpose, innovation and collaboration.

Our Foundations, our people and our partners have leveraged these virtues to positively impact 4.2 million lives over the last three years.

## PUTTING OUR CUSTOMERS FIRST

Our aim is to put our customers at the centre of everything we do. This means putting ourselves in the shoes of ordinary Kenyans, understanding what they go through and getting to know their needs, aspirations and priorities. This approach is anchored in our Agile way of working which fosters collaboration across the organisation and speeds up decision-making, bringing us closer to our customers.

In this way, we enrich our customers' digital lifestyles and deliver a superior customer experience as we transition to become a purpose-led technology company by 2025. Our focus this year was to embed Customer Obsession at the core of our culture by delivering superior customer experiences.

## LEVERAGING THE INNOVATION EMBEDDED IN OUR DNA

Innovation helps us to stay ahead of the ever-changing environment and to be more responsive to customers, colleagues and community needs. As a sustainable business, we do not innovate simply because we have the resources, but because we want to combine technology and innovation to transform lives and the society in which we live and work.



*"I am pleased to report a financial year of strong performance with significant commercial momentum."*

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The usefulness of technology does not lie in its uniqueness but in its ability to solve a pressing societal problem. While unique is good, a functional solution that solves a societal problem is better.

Our telemedicine initiative that targets over 32 000 children in Homabay, Samburu, Baringo and Lamu Counties is one example of solving a societal issue. It is also an example of the power of partnerships. As a technology company, we do not have the expertise to overcome healthcare challenges on our own. However, working closely in partnership with the national and county governments and others, we can scale solutions to support access to quality paediatric healthcare and a healthy workforce.

Yet another example is our partnership with Zeraki Learning to provide secondary school learners with access to affordable education services from well trained teachers leveraging informative video lessons on a digital platform. Education is one of our priority areas and we will continue to invest in this sector through our products, services and Foundations.

We want to continue to play a key role in driving healthcare and education inclusion as well as enabling smallholder farmers to become wealthier and commercially sustainable.

Innovation can also be leveraged to promote the inclusion of unserved markets, as we demonstrated in the reporting year with the launch of Halal Pesa, a shari'ah-compliant digital product for savings and credit. We saw over two million opt-ins on the product in the reporting period.

*"We want to continue to play a key role in driving healthcare and education inclusion as well as enabling smallholder farmers to become wealthier and commercially sustainable."*

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## CELEBRATING LIFE-SAVING FINANCIAL SERVICES

The launch of M-PESA ushered in an era of life-changing financial services for millions of customers. In 15 years, M-PESA has served over 51 million customers in seven countries and has

grown by 15% in the last five years to become the largest fintech platform in Africa. Today, M-PESA has evolved from a simple money transfer service to become a robust payment platform and driver of financial inclusion for Kenyans. During the reporting year, we reached the milestone of 30 million monthly active M-PESA customers in Kenya.

M-PESA is a genius invention. However, I believe we are yet to scratch the surface of its potential when leveraged as a platform that supports other fintech ideas. The M-PESA super-app which we launched in the past year is the start of this. The super app enables the use and completion of transactions without bundles or even when offline. Customers can download 'mini-apps' within the app to complete tasks ranging from ticket booking to shopping and licence applications. The super app also incorporates comprehensive security features.

*"During the reporting year, we reached the milestone of 30 million monthly active M-PESA customers in Kenya."*

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The super app won a prestigious Global Mobile Award at the Mobile World Congress in Barcelona in the category 'Best Mobile Innovation for Connected Living'.

The award builds on M-PESA's legacy of consistently delivering innovations that meet the needs of our customers in line with our purpose of transforming lives. We will maintain this commitment into the future to deliver digital financial innovations and enhance our customers' experience as more of our customers move to smartphones.

## COLLABORATING TO ACCELERATE NEW GROWTH AREAS

In October 2020, we rolled out our new corporate strategy, the overarching aim of which is to Transform Lives. The third pillar of this strategy was based on 'winning in select digital ecosystems'. Based on our view that we have progressed well in achieving this pillar, we have now recalibrated this ambition to 'accelerate new growth areas'.

Partnerships are a key strategic enabler underpinning this ambition. This is highlighted by our collaboration with the Central Bank of Kenya to implement merchant interoperability between the various mobile money networks in the country. Customers can now pay merchants regardless of which network the latter use – a development which benefits both merchants and their customers and aligns with yet another of our strategic pillars of being a ‘financial services provider’.

Consumers want to be able to shop and pay anywhere, anytime, safely and at a low cost while also being able to spend and send money internationally as easily as at home. Safaricom has already transformed how money moves in Kenya. We are excited to be working with Visa to develop new and innovative payments products and services that can eliminate barriers to global commerce for merchants and consumers in sub-Saharan Africa, through Visa’s global footprint. We launched the M-PESA GlobalPay Visa Virtual Card in June 2022 to support international online payments.

I am optimistic that our strategic partnership with Visa will go a long way in opening the global e-commerce market to Kenya's significant unbanked and underbanked population.

In July 2020, we partnered with Google to empower Kenyans to acquire smartphones that they can pay-as-they-use. Since then, over 600 000 Kenyans have benefitted from our Lipa Mdogo Mdogo initiative to enjoy the transformative power of the internet.

Yet again, this partnership demonstrates our commitment to bridging the digital divide and providing our customers with relevant solutions that enable them to unlock opportunities.

*“I am optimistic that our strategic partnership with Visa will go a long way in opening the global e-commerce market to Kenya's significant unbanked and underbanked population.”*

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## DECREASING OUR ENVIRONMENTAL IMPACT

The world has seen unprecedented climate events in the last few years. Climate change is having a growing impact on the African continent, hitting the most vulnerable hardest, and contributing to food insecurity.

We take our commitment to SDG7: *Affordable and Clean Energy* very seriously and are committed to becoming a net zero emitting company by 2050. We are achieving this in several ways which include solarising sites, modernising power systems and moving away from fossil power. Against the backdrop of rapidly rising energy costs, this makes sense from a financial, as well as an environmental perspective.

Our view is that environmental sustainability will boost our growth in various ways and positively impact our customers and the communities in which we operate.

Environmental consideration is strongly linked to our purpose. One of our ongoing priorities is our carbon offset reforestation programme which aims to plant five million trees by 2025. In partnership with local communities and Kenya Forest Services, we planted 372 000 trees in FY22, bringing the total number of trees planted to date to just over one million. The programme is transforming lives through income generation, skills and climate mitigation.

*“Our view is that environmental sustainability will boost our growth in various ways and positively impact our customers and the communities in which we operate.”*

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## REACHING OUT TO DROUGHT-STRICKEN COMMUNITIES

As a purpose-led company, Safaricom cannot thrive when the communities around us are in anguish. Kenyans in 23 Arid and Semi-Arid Lands (ASAL) counties are suffering the effects of a prolonged drought. Accordingly, we launched the Pamoja





Tuungane campaign which aims to complement the Government initiatives in tackling famine by providing emergency food relief to Isiolo, Samburu, Marsabit and Turkana Counties. We set aside KSh 100 million for relief food to kickstart the campaign and have appealed to Kenyans to join us in this initiative. They can do so by donating their Bonga points which will then be used to purchase food hampers for distribution to the communities hardest hit by drought.

## EMPOWERING KENYANS TO DREAM... AND DREAM BIG

Under the auspices of the Safaricom Foundation, our Ndoto Zetu initiative partners with Kenyans to bring community dreams to life. I am inspired and humbled by the dreams Kenyans have for their communities. These range from beating stigma around cancer to providing equipment to youth clubs and schools enabling the differently abled to empowering young farmers, to cite just a few. Ndoto Zetu has reached approximately three million people over three years, with Phase 3 implemented in the reporting year benefitting approximately 1.2 million people.

Sport is another area where we encourage people to dream. Over the last 20 years, we have been one of the biggest corporate sponsors of sports in Kenya, investing over KSh 1 billion in sports ranging from football, athletics, motorsport and rugby to golf and charity runs. Our deep involvement has helped us recognise the role sports plays in empowering people.

Against this backdrop, the Safaricom Golf Tour Series that kicked off in January 2022, seeks to demystify the game, long seen as a sport for the elite and to make it accessible for all. The series has drawn over 9 000 participants who have participated in various tournaments, junior clinics, caddies' tournaments, and outreach programmes dubbed 'Golf Mtaani'.

Our aim is to inspire ordinary Kenyans to dream big and see that anything is possible.

This aim was given further impetus in the reporting year when we added music to Baze, our subscription based mobile-first, video-on-demand entertainment service. This has enabled Kenyan musicians to earn from their talent courtesy of a shared revenue model whereby 60% of income accrues to the artist. Baze has now joined Skiza Tunes as a key earning platform for content creators. The aim is to bring content to Kenyans by Kenyans for Kenyans and for

creators to monetise their content.

## PROGRESSING 5G AND OUR ETHIOPIAN EXPANSION

We were gratified by the granting of spectrum by the Kenyan Communications Authority to implement a commercial 5G network last year. The retail prices of 5G phones are more than KSh 100 000, putting them beyond the reach of most Kenyans. Until handsets that can receive 5G are at a sufficient scale from an individual mobile perspective, there is an insufficient need to have lots of sites that offer 5G. Accordingly, we decided to slow down the 5G rollout in Kenya and focus on the 4G network.

However, we know that the 5G network heralds an era of intelligent connectivity and will be a key driver of our strategy going forward as we work to enable digital lifestyles for all Kenyans.

Across our borders, much of our Ethiopian infrastructure is already in place, including two data centres and a customer call centre, on track for commercial launch in 2022.

We expect to launch a phased national roll-out that will include 25 sites by April 2023.

We are excited for the opportunity to work with the people of Ethiopia to set up telecom networks to deliver a digital lifestyle, increase connectivity, provide best in class telephony services, create new digital businesses and generate new jobs. In past years in Kenya, we have seen the power of digital transformation and its impact on our customers. We believe that by working with all stakeholders in Ethiopia, we can deliver a similar transformation while achieving a sustainable return to our shareholders.

*"Across our borders, much of our Ethiopian infrastructure is already in place, including two data centres and a customer call centre, on track for commercial launch in 2022."*

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## SHARING RESPONSIBILITY FOR A BETTER WORLD

As one of the lead companies in the UN Global Compact, we are committed to integrating a purpose-based approach to sustainability and taking a shared responsibility for achieving a better world.

We continue to integrate nine material SDGs which are directly linked to our business growth strategy. Our priority SDGs have enabled us to become a more sustainable company and create meaningful impact in the communities we serve. Our alignment with our priority SDGs is detailed through this report.

## PARTNERING FOR GROWTH

Our strong financial performance over the reporting period would not have been possible without our highly creative, innovative and exceptional staff who help us deliver our purpose of transforming lives every day in so many ways. I thank them for their commitment to our purpose and their dedication in making it come alive.

I would also like to thank our shareholders, communities, business partners, regulators and the Government who enable us to continue providing services that keep Kenya running.

I am grateful to our customers who remain at the core of everything we do.

Looking forward, we will continue to be intuitive to our customers' needs, listen to their concerns and address them as effectively and efficiently as possible.

We will continue to combine the power of technology and innovation and leverage partnerships to reimagine ideas, products and processes and co-create solutions that meet the needs of our current and future customers over the next decade, for the future. Through strategic partnerships we will continue to expand an all-inclusive ecosystem that speaks to the diversified needs of our customers, further broadening financial inclusion and transforming lives.

Together with all our stakeholders we have done and will continue to do great things. We are taking valuable lessons forward to unlock our next growth phase as we continue to meet the needs of our customers, protect the planet for the present and the future to become a purpose-led technology company by 2025.



**Peter Ndegwa**

Chief Executive Officer







# OUR ACCOLADES IN FY22

Scan QR Codes for more information.

## INNOVATION

GSMA Global Mobile Award (GLOMO)

**Best Mobile Innovation for Connected Living for the M-PESA super app**



## SUSTAINABLE BUSINESS

Named **Global Compact LEAD Company** for ongoing commitment to the United Nations Global Compact and its Ten Principles for responsible business

GSMA Global Mobile Award (GLOMO):

**Outstanding Mobile Contribution to the UN SDGs for BLAZE DigiTruck (won alongside Huawei & Close the Gap)**



## BRAND

**Safaricom & M-PESA; Best brands for women**

(Ranking of Top Most Loved Brands by Women done by IPSOS and Branding Advisory Consultancy BSD Group)



## FINANCIAL INCLUSION

**M-PESA/Safaricom the most preferred remittances service provider**

– mention in Kenya's first CBK Diaspora Remittances Survey December 2021



## FINANCIAL REPORTING

**ICPAK FiRe Awards overall winner in East Africa**

Chartered Governance Institute of Southern Africa/JSE:

**Integrated Awards Regional Winner**



ICPAK FiRe Awards



CGISA/JSE Awards

## NETWORK

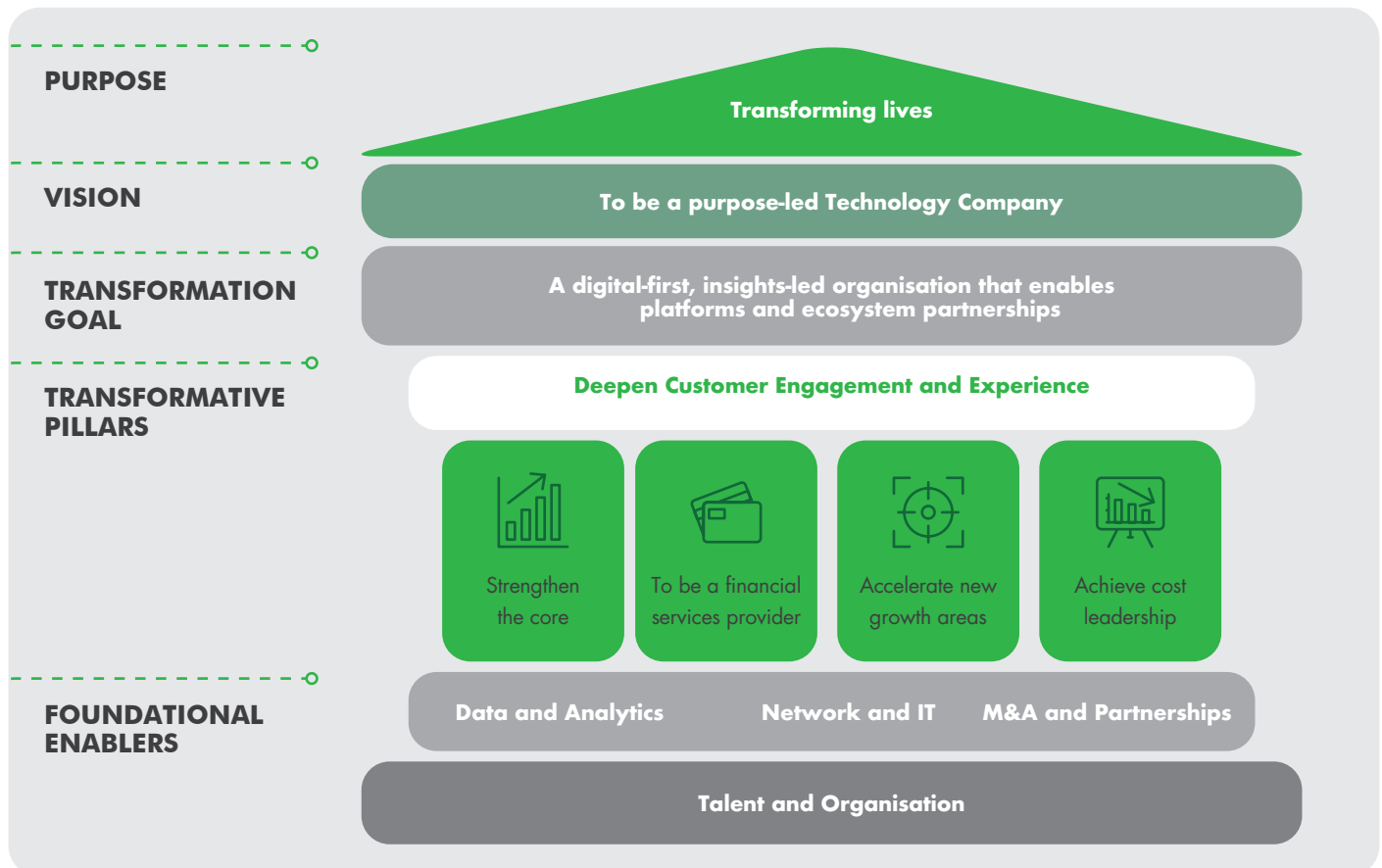
**Umlaut global award for superior network quality**



# OUR CORPORATE STRATEGY

Our strategic focus in FY22 was to establish a Customer Obsessed, digital first organisation – delivering double digit growth – by the end of FY22, in order to be a purpose-led technology company by the end of 2025.

Given our progress in select digital ecosystems, we have now shifted the focus of our third pillar to accelerating new growth areas, delivering superior customer experience.



## UNPACKING THE TRANSFORMATIVE PILLARS OF OUR CORPORATE STRATEGY

### STRENGTHEN THE CORE

To strengthen the core, expand our existing data and voice product portfolio and manage the decline of traditional telco core revenue. Personalise offers for our customers and find new use cases for existing products under voice and data.

### BE A FINANCIAL SERVICES PROVIDER

Develop and digitise select areas such as health, education and agriculture. Expand M-PESA into a global payment platform, going beyond borders through M-PESA Africa and move into new areas under financial services such as wealth creation and insurance.

### ACCELERATE NEW GROWTH AREAS

Leverage our shared value partnerships within the context of national and local government priorities to further promote socio-economic inclusion and address development gaps in agriculture, economic empowerment, education and health through our Agile methodology which allows quick turnaround and development of new products and improvements.

### ACHIEVE COST LEADERSHIP

Drive economies of scale to offer our customers value for money across all products and services. Accelerate our cost optimisation journey to fuel new growth areas through smart procurement, digitisation and operating model transformation.





# OUR BUSINESS MODEL

## INPUTS

The resources and relationships on which we rely.



### Our network

- 6 046 network sites
- 10 880 kms of fibre optic network across all 47 counties



### Our people

- 4 411 permanent employee



### Our partnerships

#### Business partners

- 799 suppliers
- 435 active dealers
- 262 000 M-PESA agents



### Financial partners

Alipay, Amazon, Google, Paypal, Visa, Central Bank of Kenya and other financial institutions



**Other partnerships** with educational initiatives, health authorities, regulators

## OUTPUTS

Our products and services, by-products and waste.



### Mobile data

Mobile broadband services



### Messaging

SMS and MMS services



### Devices

Handsets, routers and other devices



### Voice

Prepaid and post-paid voice call plans



### Fixed services

Fixed, fibre and leased lines, wireless and hosted services



### M-PESA

Mobile money transfer, payments and international remittances



### IoT solutions

For applications such as:

- Asset management
- Telematics
- Smart metering

## OUTCOMES

The consequences of our business activities and outputs.

### Value for the country

Percentage of Kenyan population covered:

- 2G: 98%
- 3G: 98%
- 4G: 97%

Closed at 4 807 fibre-ready buildings

### Value for shareholders

Interim dividend of KSh 0.64 per share amounting to KSh 25.64 billion. Final dividend of KSh 0.75 per ordinary share amounting to KSh 30.04 billion

### TRUE VALUE for Kenyan society

- Impact on society: **10.4x** profit of **KSh 69.6 billion** (excluding minority interest)
- Contribution to **GDP 5.25%**
- Sustaining employment through wider economic impact: **1 135 588** jobs in FY21

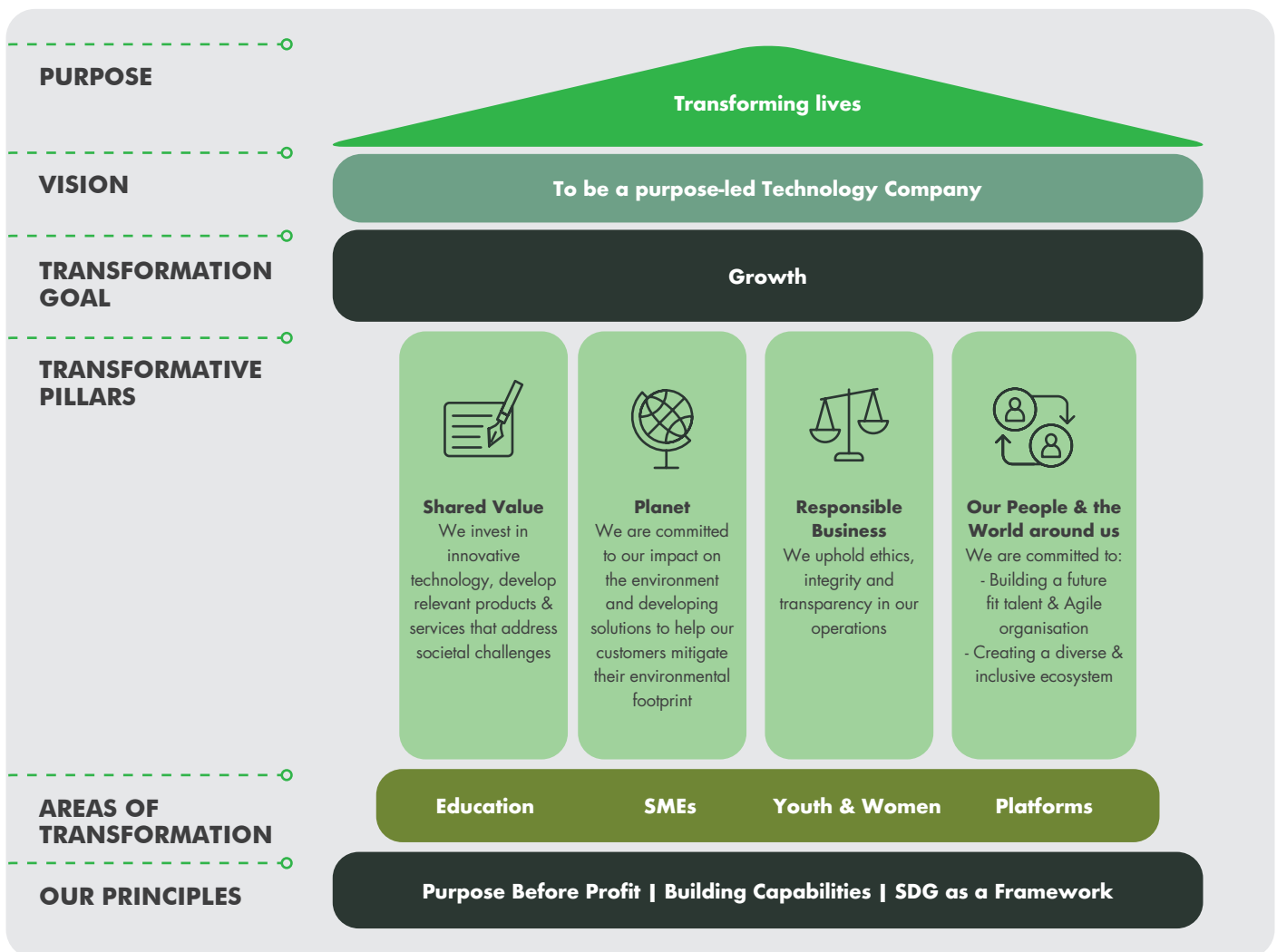
### Contribution to the SDGs



# OUR PURPOSE STRATEGY

In the year under review, we developed our purpose strategy – transforming lives– which incorporates our sustainability strategy and serves as the framework for all our actions. Underpinned by our brand values of simplicity, honesty and transparency, this framework is supported by our four pillars:

- **Creating shared value:** We are leveraging the power of connectivity and digital services to create inclusive business platforms and strengthen the resilience of economies throughout the entire value chain.
- **Planet:** We are committed to managing our impact on the environment and developing solutions to help our customers mitigate their environmental footprint. This means achieving net zero by 2050, building a circular economy and helping society to decarbonise.
- **Operating responsibly:** What we do matters, but so does how we work. Accordingly, we focus on ethics and Integrity; anti-bribery and corruption as well as human and digital rights for all.
- **Our people and the world around us:** We create a great place to work and harness the power of our brand and assets to connect Kenyans to opportunities, knowledge and the world. We also invest in communities through our Foundations.







# OUR ESG TARGETS

## ENVIRONMENT



### Net Zero by 2050

- Achieve 20% reduction on emissions from the network
- Purchase or generate 50% of energy needs from renewable sources by installing solar PV and battery storage for 5 000 sites
- Grow 5M trees as part of our carbon offset programme
- 50% reduction of emissions from supply and value chains
- Helping Society to Decarbonise through digital technologies and services

### Building a Circular Economy

- Recycle/repurpose 100% of our solid waste
- 20% growth in E-Waste collected
- Recycle, Reuse or Resale of 100% our network waste
- Zero single use plastics from our operations

## SOCIAL



- Achieve 50:50 gender parity at senior management/leadership, and 5% of workforce as persons with disabilities (PwDs)
- 10% of our procurements spend allocated to marginalized groups (women, youth and PwDs)
- Health and safety: Zero harm work environment for our staff and business partners; provide spaces for employees to thrive
- Sustainable community investments through our Foundations (6M lives): healthcare, education, economic empowerment, livelihoods, environment
- Leverage our technologies and partnerships to provide access to healthcare for 15M people and e-learning for 15M learners

### Customer Engagement

- Deepen customer engagement through our Customer Obsession strategy

### Creating digital societies

- Digital skills and livelihoods for 3.5M people
- Connect 28M people to internet (home fibre and mobile)
- Connect 3M homes & businesses (SMEs and MSMEs) through fibre and 4G LTE



# OUR ESG TARGETS

## GOVERNANCE



- 100% compliance with Code of Ethics by all employees and business partners
- 100% integration of the UN Guiding Principles and enactment of responsible sourcing principles in our supply chain
- Board diversity
- Fit-for-purpose governance structure
- Products to support digital rights such as privacy, access to information

### Children's rights advocacy

- Using our products and services to promote the rights of children and integrating child safeguards into our products.

### Business advocacy on sustainability

- Safaricom Sustainable Future series, UNGC, African Business Leaders Coalition (ABLC), CFO Coalition for the SDGs and SVAI Platforms.





# OUR CONTRIBUTION TO THE UN SDGS

## OUR SUSTAINABLE BUSINESS STRATEGY

We commit to deliver connectivity and innovative products and services (SDG9) that provide unmatched solutions to meet the needs of Kenyans by enabling access (SDG10) through our technologies and partners (SDG17) and by exploring opportunities in health (SDG3), education (SDG4) and energy (SDG7). We will do so by managing our operations responsibly (SDG12) and ethically (SDG16). This will stimulate growth and generate value (SDG8) for our company, society and economy.



In 2016, we began integrating the SDGs into our business strategy. Since 2018, we have incorporated our priority SDGs into our performance objectives, both as a company and on an individual employee level. Each division is implementing projects or developing products and services in line with the SDGs. Reporting on targets related to the SDGs is now central to our ways of working, and we seek to empower all those with whom we work – employees, partners and other stakeholders – to set their own.

Safaricom management assumes the responsibility of implementing, monitoring and reporting on sustainability initiatives through seamless integration of the SDGs into the day-to-day operations and functional responsibilities of the business. The Board and management teams are further supported by a team of champions, who assist with the implementation, monitoring and reporting of SDG-related initiatives in each of the squads and teams within our newly implemented Agile working structure.

The four transformational pillars of our corporate strategy support our efforts to embed the SDGs into our everyday business activities, priorities and plans. The table alongside illustrates this by mapping the SDGs against our material topics.

### SDG CONTRIBUTION TO EACH MATERIAL MATTER

Innovation and partnerships	Environmental stewardship	Our platforms	Regulatory environment	Governance, business ethics and risk



# OUR CONTRIBUTION TO THE SDGS



**SDG 3: Good Health and Wellbeing:** Ensure healthy lives and promote wellbeing for all at all ages.



**SDG 4: Quality Education:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

## KEY UN SDG TARGETS

3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100 000 live births.

3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1000 live births and under 5 mortality to at least as low as 25 per 1000 live births.

3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.

3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

## KEY UN SDG TARGETS:

4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

4.A Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.

## OUR CONTRIBUTION

Leverage our mobile technologies and our Foundations to transform lives by improving access to quality and affordable healthcare services and by promoting wellbeing for all.

- Developed a driver data analytics tool to monitor driver behaviour and proactively support drivers to become safe on the road.
- Partnered with the National Transport and Safety Authority (NTSA) to provide training to boda boda riders on road safety.
- Developed Afya Moja, a medical records health portability platform with a consortium of partners (Savannah Informatics Ltd, Intellisoft Consulting Ltd) to help patients achieve continuum of care.
- M-TIBA: 4.8 million active customers; 4 731 approved health facilities; over KSh 1.5 billion paid out to approved health facilities.
- Through maternal and child health programmes, the Safaricom and M-PESA Foundations are improving access to quality, affordable and accessible services for women and children. These programs impacted 223 934 lives in FY22.

## OUR CONTRIBUTION

Expand access through mobile e-learning, digitise education content and promote digital literacy.

- Under our #1MoreSkill campaign aimed at accelerating delivery of digital upskilling and reskilling across the business, 90% of our employees completed at least one digital learning course.
- In line with our transition to an Agile organisation, 4 407 employees, representing 79% of our staff have completed Agile 101 courses, with 247 employees certified in Agile-related courses.
- Launched the Zeraki Learning app to complement Shupavu 291, thereby impacting an additional 150 000 learners who had downloaded the app by year-end.
- Partnership between the M-PESA Foundation, the Christian Blind Mission (CBM) Kenya and CURE Kenya hospital to address factors that limit children with disabilities from access, retention and transition in schools. A total of 39 children with disabilities benefitted from surgeries, while 51 benefitted from rehabilitation and placement in learning institutions.
- Under the Last mile connectivity project in partnership with UNICEF: Connected 8 schools to the internet reaching a total of 59 414 people - 29 968 boys (1 104 with disabilities), 28 083 girls (837 with disabilities) and 1 363 teachers.
- Safaricom Foundation's Accelerated Learning Programme impacted basic literacy and numeracy skills to 25 271 learners in Turkana, Bungoma and Tana River counties by the time the programme ended in April 2022.



**SDG 7: Affordable and Clean Energy:** Ensure access to affordable, reliable, sustainable and modern energy for all.

### KEY UN SDG TARGETS:

7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

### OUR CONTRIBUTION

Transition to the use of clean energy at our sites and leverage technology to provide clean energy, including payment solutions.

- 372 000 trees grown in FY22 as part of our carbon offset programme. Our commitment is to grow 5 million trees by 2025 which we estimate will offset 26% of our emissions.
- We have transitioned 310 (cumulative total) of our sites to renewable and hybrid energy sources against a target of 4 200 sites by 2025.
- Partnered with M-Kopa Solar for a pay-as-you-go model for device acquisition, achieving total sales on KSh 427 000 – growth of 145% year on year. The partnership provided access to solar energy to over one million rural households with an impact on 3.7 million lives and over two million tonnes (tCO<sub>2</sub>) in avoided emissions.
- Partnered with M-Gas to provide low income households in Nairobi with access to clean, reliable and affordable cooking gas. 10 depots serving 185,000 customers as at end of FY22.



**SDG 8: Decent Work and Economic Growth:** Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all.

### KEY UN SDG TARGETS:

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors.

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

### OUR CONTRIBUTION

Provide decent work within Safaricom and our broader ecosystem, including enforcing effective health and safety practices both internally and by suppliers, simultaneously contributing to the local and national economy through innovative solutions to increase employment and facilitate economic activity amongst suppliers and customers.

- Further embedded our zero-harm culture by eliminating or controlling risks associated with our operations and delivery of holistic total employee wellbeing.
- Launched Baze, a subscription-based mobile-focused video- on-demand service that offers an extensive selection of local and regional short videos, together with music, and helps people in the creative industry monetise their craft.
- Approximately 160 000 farmers are engaged on the Digifarm integrated agriculture platform, with yields improving by 15%.
- Ongoing review of contracts at high risk of violation of labour and human rights to ensure decent work and economic growth as well as ethical compliance.
- We sustained 1 135 588 jobs through our wider economic impact in FY22 (including 262 000 M-PESA agents and 435 dealers).
- Removed degree requirement for 33 PwDs and upskilled them with the digital skills needed to boost their employability.
- Offered over 200 internships to drive youth employability.







**SDG 9: Industry, Innovation and Infrastructure:** Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

### KEY UN SDG TARGETS:

9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.

9.C Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.



**SDG 10: Reduce Inequality:** Reduce inequality within and among countries.

### KEY UN SDG TARGETS:

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

10.C By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent.

### OUR CONTRIBUTION

Deliver connectivity and innovative products and services that will provide unmatched solutions to meet the needs of Kenyans.

- Hosted four innovation hackathons to foster a culture of innovation and experimentation.
- Introduced free tariff for interaction between M-PESA and banks.
- Accelerated investments in digital content such as gaming, education and music which can be accessed through the My Safaricom app, engaging 760 000 customers.
- Upgraded a total of 1 100 and 1 000 4G and 3G sites respectively and rolled out 495 new sites to provide our customers with a better network experience.
- Our IoT connections enabled companies to better to manage their assets and productivity, thereby increasing their profitability and hence their sustainability
- Through our cloud services, assisted businesses to lower their CAPEX investments by providing an affordable OPEX model where they can store their data and manage their business applications in the Cloud.
- M-PESA mini apps provide a platform for third party service providers to offer their products and services directly on the M-PESA app thereby simplifying the customer's lifestyle – currently 36 mini apps with an average of 400 000 monthly users.
- Developed the M-PESA super app to cater for subscriber digital lifestyles and empower businesses through the mini apps programme (described above): 5.3 million consumer app downloads (over 25% month active, 2.7 million 30-day active users with 1.1 million transacting) and 462 thousand business app downloads.

### OUR CONTRIBUTION

Reduce inequalities by enabling equal access to opportunities to everyone, especially vulnerable groups, leveraging Safaricom leadership, network, solutions and technology.

- Developed Halal Pesa, a shari'ah-compliant digital product for savings and credit to promote inclusion of the unserved market – over two million opt-ins.
- Trained over 100 employees on sign language to remove communication barriers for our deaf colleagues and customers.
- Distributed 2 000 white canes across the country.
- Partnered with Sight Savers to raise awareness on disability inclusion in the workplace through the training of 400 Safaricom line managers.
- Through our partnership with Kenya Union of the Blind and AYUDH Kenya (a non-profit international youth movement), continued to register visually impaired people – over 13 000 in FY22 – using the USSD code \*678#.
- Under our Lipa Mdogo Mdogo initiative, offered affordable smartphones in instalments for as little as KSh 20 daily, with 600 000 customers benefiting (cumulative total as at FY22).
- Achieved a 50:50 gender balance of all employees, 35% of senior management and 22% of our Technology Division.
- Women in Technology (WIT) programmes continue to help the next generation of students and youth to onboard, build and retain women in STEM careers.



**SDG 12: Responsible Consumption and Production:** Ensure sustainable consumption and production patterns



**SDG 16: Peace, Justice and Strong Institutions:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



**SDG 17: Partnerships for the Goals:** Strengthen the means of implementation and revitalise the global partnership for sustainable development.

### KEY UN SDG TARGETS:

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

### KEY UN SDG TARGETS:

16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime.

16.5 Substantially reduce corruption and bribery in all their forms.

16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

### KEY UN SDG TARGETS:

17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

### OUR CONTRIBUTION

Manage our operations responsibly, decrease our environmental impact and promote responsible behaviour among all our stakeholders.

- 88.1% of solid waste collected from Safaricom operations was recycled.
- 1 626 tonnes of E-waste collected and recycled since inception of the programme.
- Reduced fuel (diesel and petrol) usage (from 11 652 174 litres to 10 034 899 litres).

### OUR CONTRIBUTION

Manage our operations responsibly and ethically and fight corruption in all its forms.

- 98% of staff taken through ethics and anti-corruption training.
- Supported dealers in meeting regulatory subscriber requirements with our Know Your Customer (KYC) awareness campaign and the Jiandikishe KYC app.
- 435 dealers (100%), 489 suppliers (61.2%) trained on ethics and fraud.

### OUR CONTRIBUTION

Partner and build collective capacity of people, organisations and nations to promote and advance the SDGs.

- Worked with Vodacom Group, Sumitomo and CDC to drive our expansion into Ethiopia.
- Onboarded Palo Alto, Sectigo, Kaspersky and Sophos, enabling us to sell their broad security products.
- Partnered with the biggest technology brands in the world (Amazon, Google, IoT.nxt, Microsoft, Palo Alto, Sophos, Whitelabel) – this has enabled us to go to market faster and learn best practices in product development and customer experience, thereby benefitting our customers.



# FY22 YEAR IN REVIEW



## OUR PEOPLE

### DIVERSITY: WOMEN

STABLE

# 50%

OF TOTAL WORKFORCE



### DIVERSITY: WOMEN

▲1%

# 35%

IN SENIOR MANAGEMENT



### PEOPLE SURVEY

▼7%

# 85%

OF STAFF ENGAGED



### PEOPLE SURVEY

▲1%

# 81%

STAFF CONFIDENT ABOUT  
MEASURES INTRODUCED TO  
EARN CUSTOMER LOYALTY

### PEOPLE SURVEY

STABLE

# 77%

STAFF WHO BELIEVE IN  
EFFECTIVENESS OF MEASURES  
INTRODUCED TO PROMOTE  
COLLABORATION

### DIVERSITY: PERSONS LIVING WITH DISABILITIES

▲0.4%

# 3.1%

IN WORKFORCE



### FRAUD

28 in  
FY21

STAFF DISMISSED

# 24

FOR FRAUD



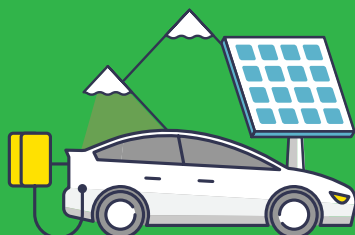
### SAFETY

3 in  
FY21

FATALITIES

# 2

(BOTH THIRD-PARTY)



## ENVIRONMENT

### CARBON FOOTPRINT

▲1%

# 66 562

tCO<sub>2</sub>e

### WATER CONSUMPTION

▲1%

# 58 340

(CUBIC METERS) m<sup>3</sup>





This section covers our most significant areas of progress and challenge during the 2022 financial year (FY22).

Any changes in performance have been stated using year-on-year comparison with FY21 performance.

## OUR CUSTOMERS

30-DAY  
ACTIVE  
CUSTOMERS



▲4%

**32.8m**  
CONSUMER CUSTOMERS

▼11%

**360 000**  
ENTERPRISE CUSTOMERS

▲6.25%

**4.8 m**  
M-TIBA CUSTOMERS

▲8%

**30.53 m**  
M-PESA CUSTOMERS

▲36%

FULIZA

**502.6b**  
VALUE OF DISBURSEMENTS  
(KSh)  
\$

▲6.1%

**25.22 m**  
MOBILE DATA CUSTOMERS

▲5.9%

**42.4 m**  
TOTAL CUSTOMERS

CUSTOMER  
SATISFACTION

▼3pts

**80** | **79**  
BRAND  
CONSIDERATION | NETWORK  
NPS

▼1pts



DIGIFARM

STABLE

**1.4 m**  
FARMERS SIGNED UP



DIGIFARM

▲736%

**117 000**  
ACTIVE FARMERS



88% RECYCLED

▼5%

**71 748t**  
TOTAL WASTE COLLECTION



CLEAN POWER SITES

▲19%

**310**  
USING SOLAR & HYBRID



COLLECTED & RECYCLED  
(TO DATE)

▲13%

**1 626**  
TONNES OF E-WASTE





## INFRASTRUCTURE

▲8%

# 10 880km

CUMULATIVE FIBRE  
OPTIC FOOTPRINT



## RESIDENTIAL HOMES

▲22.5%

# 184 091

CONNECTED TO FIBRE  
OPTIC NETWORK



▲12%

# 4 807

FIBRE READY BUILDINGS



▲11%

# 17 000

BUSINESSES CONNECTED TO  
FIBRE OPTIC NETWORK



▲10%

# 18.5m

SMARTPHONES IN OUR  
NETWORK



## ECONOMIC

KENYAN POPULATION  
COVERED BY:

2G: 98%

▲2%

3G: 98%

▲3%

4G: 97%

▲3%

▲28 in  
FY21

# 204 181

PEOPLE WHO BENEFITED  
FROM PHASE 1 OF UNIVERSAL  
SERVICE FUND ACTIVITY

## JOBS SUSTAINED

▲12%

# 1 135 588

THROUGH WIDER  
ECONOMIC IMPACT



## IMPACT ON SOCIETY

▲1.3%

# 10.4x

PROFIT GENERATED  
(excl. minority interest)



▲0.05%

# 5.25%

GDP CONTRIBUTION







## FINANCIAL

All figures KSh billion  
unless specified

▲0.8%

# 83.2 b

VOICE REVENUE



▼20%

# 10.9 b

MESSAGING REVENUE



▲8.1%

# 48.4 b

MOBILE DATA REVENUE



▲30.3%

# 107.7 b

M-PESA REVENUE



▲12.3%

# 281.1 b

SERVICE REVENUE

▼1.7%

# 69.6 b

NET INCOME  
(excl. minority interest)

▼1.3%

# 63.7 b

FREE CASH FLOW

▲11.1%

# 149.1 b

EBITDA



▲17.7%

# 124.7 b

TAXES, DUTIES & LICENCE  
FEES PAID BY SAFARICOM



▲3%

SUPPORTING LOCAL  
SUPPLIERS

# 62%

TOTAL SPEND  
KSh 58 217



STABLE

# 2.29%

PROCUREMENT SPEND ON  
WOMEN OWNED BUSINESSES



▲34%

M-PESA TRANSACTIONS  
VALUE

# 29.55

KSh TRILLION





# TRUE VALUE ASSESSMENT

We continuously monitor and measure our contribution to Kenyan society. One of the ways in which we do so is by assessing our significant value to society. Since 2015, we have used a structured impact modelling tool – the KPMG ‘True Value’ methodology – to quantify the positive and negative impact of our organisation on society, the environment, and the economy in monetary terms. The following ‘True Earnings’ bridge highlights both our resilience as a business and our strong fundamentals by showing that the total value we created for Kenyan society in FY22 was KSh 727 billion, 10.4 times greater than the financial profit we made during the year.

## TRUE VALUE: IMPACT ON SOCIETY

The True Value assessment calculates that Safaricom sustained over **214 203** direct and indirect jobs during the year and, if the wider (induced) effects on the economy are included, this number increases to over **1 135 588**.

### Impact on society

- **10.4 times** more than profit generated (profit of **KSh 69.6 billion** excluding minority interest in Ethiopia)
- Total True Earnings (▲8%)
- Economic value added through operations **KSh 393 billion** (▲9%)

### Social Value of M-PESA

- **KSh 275 billion** (▲14%)

### Environmental externalities

- **KSh 1 189 million** (▲25%)

We remain committed to our purpose of transforming lives. Our latest True Value Report indicates that the true value to Kenyan society we created (the cumulative outcome of the economic, social, and environmental impacts highlighted on the True Earnings bridge) increased by 8% from FY21 to FY22. It also indicates that we contributed a total of 5.25% to Kenya’s gross domestic product (GDP).

As we continue our journey of becoming a purpose-led technology company, we continue to leverage the power of mobile technology to deliver shared value propositions that disrupt inefficiencies and impact lives positively in the health, agriculture and education sectors. The following is an independent analysis of Safaricom’s True Earnings by KPMG.

## HOW WE ARRIVE AT THESE NUMBERS

KPMG first performed a True Earnings exercise for Safaricom in 2015 to identify our most material socioeconomic and environmental impacts and to quantify these in financial terms. During that year, Step 1 of the True Value methodology was conducted to estimate our True Earnings. Primary research enabled us to complete this exercise and to ascertain the social value created by M-PESA, in particular. To quantify this social value, principles from the Social Return on Investment (SROI) – an open source, principles-based methodology used to account for social impact – were used.

More detail regarding the 2014/15 True Earnings exercise can be accessed at: <https://bit.ly/3SfoBzD>

Since 2014/15, Safaricom has used ‘True Earnings’ as a way of understanding and expressing the value that we create for society. Various assumptions were adjusted to reflect changes in the operating context and product offerings. In 2020/21, the primary research was reperformed to ensure that the assessment accurately incorporates the impacts experienced by Kenyan society. Furthermore, the model utilises informed assumptions which are based on primary and secondary research. These assumptions are interrogated internally and confirmed to be the most appropriate within the specific Kenyan context. In future, we will need to continue to revise and update the model at specific intervals to reflect the changes in our operating context and the evolution of our product offerings.

As climate change is a dynamic field, the KPMG methodology of quantifying the impact of environmental externalities such as waste, water and carbon emissions was updated for FY21/22.



## UPDATES TO THE QUANTIFICATION OF SAFARICOM'S TRUE VALUE ASSESSMENT:

**Carbon emissions:** The reason for the increase in value erosion from carbon emissions is due to changes in the social cost of carbon which is set at a global standard. As climate change is a fluctuating scenario, the social cost of carbon used for True Value represents a best practice for quantifying the impact of CO<sub>2</sub>. To illustrate a comparative year-on-year result, the impact of carbon emissions has been adjusted from FY19-FY22 (see table 'our True Value' on page 30)

**Water:** All businesses consume water, which in many regions is an essential, increasingly scarce resource and has a social and economic value that exceeds the tariff paid for it. The True Value Methodology identified the commercial consumption of water as having a negative societal impact and analysed water consumption against the social cost of water, water scarcity and water stress, to quantify the value eroded through water consumption. The 2022 quantification of Safaricom's water consumption has been updated to represent the social cost of water within Kenya based on recent literature.

**Waste:** Waste disposal has a negative cost to society. The quantification of this impact is based on the social cost of handling one ton of waste within a region. Although recycling allows for waste to be reused, there is still a negative cost to society related to the production of materials from recycled content. By analysing the waste categories applicable within a business, the KPMG True Earnings Bridge can quantify the value eroded due to waste generation. The 2022 quantification of Safaricom's waste consumption has been updated to represent the social cost of waste within Kenya based on more recent literature.

### Definitions

**True Value:** A three-step methodology that enables companies to (i) assess their 'true' earnings including externalities, (ii) understand future earnings at risk and (iii) develop business cases that create both corporate and societal value.

**True Earnings:** The first step of the True Value methodology, which quantifies and monetises a company's material externalities.

**Total Economic Value:** The nature and magnitude of the contribution Safaricom makes to the Kenyan economy.

**Induced economic impact:** Our operational and capital expenditure creates additional employment and benefits our suppliers' employees. A proportion of the additional income generated in this way is spent on the consumption of goods and services. Through linkages and multiplier effects, this positively impacts the broader economy by stimulating additional demand for the products and services produced within the economy.

**Indirect economic impact:** Proposed additional direct expenditure also adds more widely to economic activity in general through the additional inputs purchased from suppliers. The businesses impacted along the supply chain would then need to increase their production and employment, thereby also generating increased economic activity and employment and in turn stimulating additional demand for goods and services along their own supply chains and so on.



## Earnings

## TRUE VALUE: IMPACT ON SOCIETY

The True Value assessment calculates that Safaricom sustained over **214 203** direct and indirect jobs during the year and, if the wider (induced) effects on the economy are included, this number increases to over **1 135 588**.

## Profit

KSh **69.6b**

▲ 1.4%



298 078 (230 582)



69 648



REVENUE

COST

PROFIT

## Economic Value-Add

Economic value added through operations

KSh **393b**

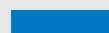
▲ 8%



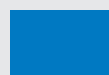
393 823



13 168



(32 770)

ECONOMIC  
VALUE ADDED  
OPERATIONSECONOMIC  
VALUE ADDED  
CAPEX

CORRUPTION

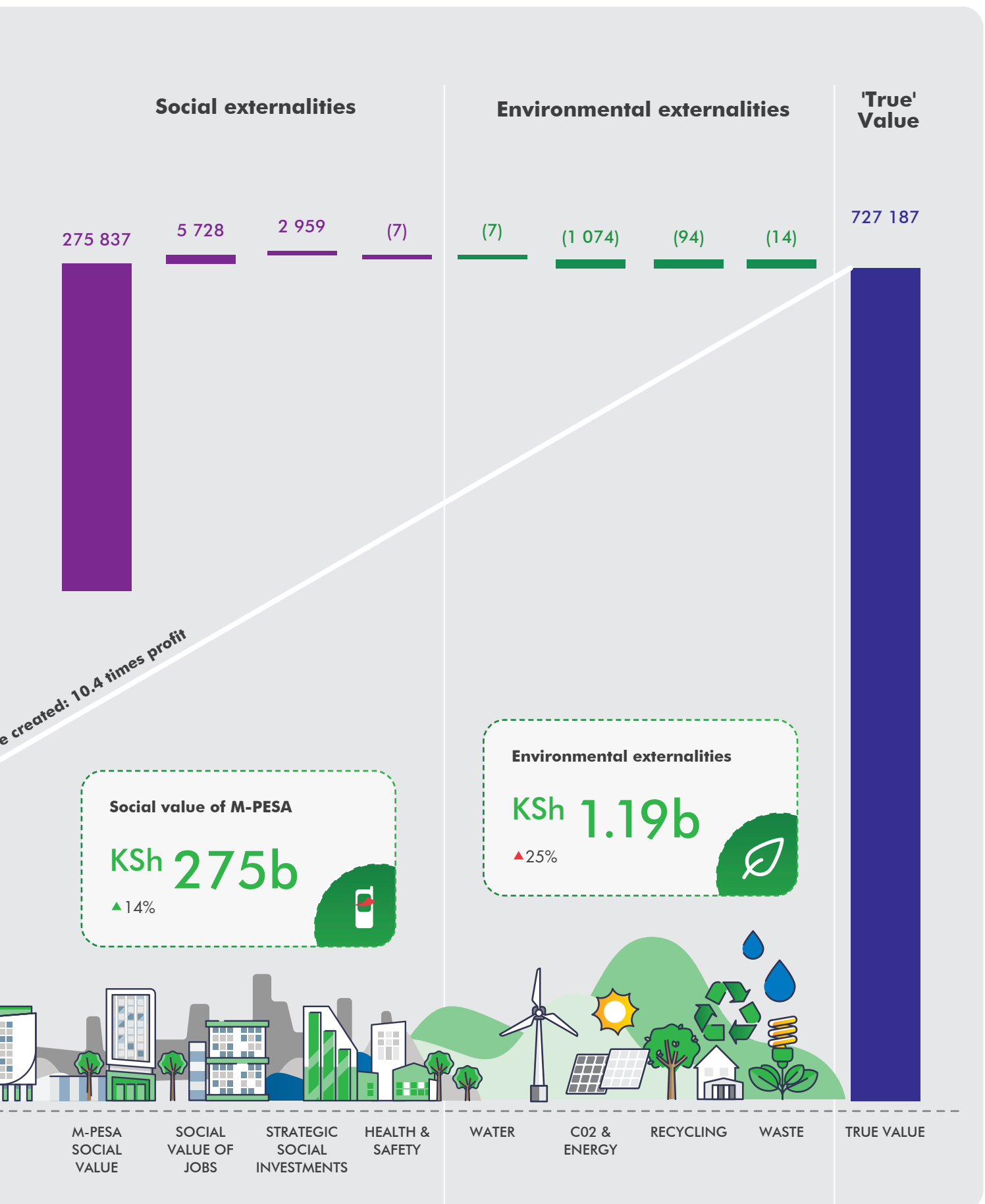
True Value



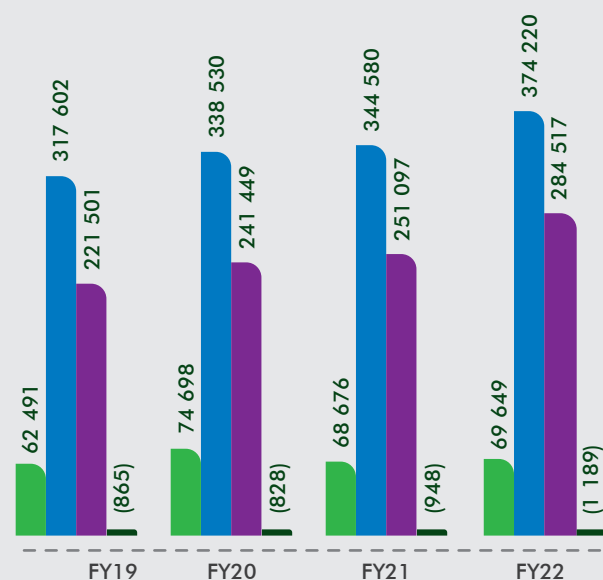
All figures on the graph  
in KSh millions







### TRUE EARNINGS (FY19-FY22)



Financial (Profit)

Economic

Social

Environmental

This chart demonstrates how all factors have contributed towards Safaricom's 'True Earnings' for this period. Most noteworthy was the growing contribution from social externalities, particularly through the social value created by M-PESA which grew and evolved. Throughout the period, the greatest contribution to 'True Earnings' came from the economic value created through Safaricom's operations and capital projects, whereas the negative environmental externalities, though recognised as a material topic, continue to have minimal impact.

The economic impact made through our operations is the greatest contributor to the value we create and has increased by 8.60% since FY21. The value created through operational expenditure increased by 9% in the year under review, with the value created by capital expenditure increasing by 13%. This was anticipated as the overall capital expenditure for FY22 increased by 13%.

## OUR ENVIRONMENTAL VALUE-ADD

The overall negative environmental impact on Safaricom's 'True Earnings' increased by 25% from FY21. The largest contributor to value erosion was due to carbon emissions. This was due to infrastructure expansion and increased Scope 3 emissions as COVID-19 lockdown restrictions were lifted and business travel resumed. To align with best practice, the KPMG True Value Assessment also updated the social cost of carbon to reflect the latest climate change statistics.

During FY22, we increased the scope of reporting to the regions where our regional offices, retail shops and Mobile Switching Rooms (MSRs) are located. The KPMG True Value assessment further updated financial proxies to align to more a current representations of impact assessments related to water in Kenya.

In FY22, we recycled 88.1% of the solid waste collected from our own operations, including paper, organic and plastics. Of this amount, 11.9% could not be recycled as it included items like diapers and face masks which pose threats to health. KPMG updated the quantification of waste based on best practice. Waste quantifications were based on the social cost of handling one ton of waste within a region. Although recycling allows for waste to be reused, there is still a negative cost to society related to the production of materials from recycled content.

## OUR IMPACT ON SOCIETY

Regrettably, there were two recorded third-party fatalities in FY22. Our thoughts and condolences go out to the grieving family and friends of the deceased. We had five fewer lost-time injuries as compared to last year.

M-PESA continued to create value for society with a 14% increase in societal value Y-o-Y. The KSh 275 billion worth of societal value created by M-PESA stems from our constant efforts to increase the positive impacts to society of the offering and provide relevant solutions to our customers. The social value of M-PESA remains a significant creator of value for Kenyan society, increasing by 14% in FY22. The major drivers of this growth were the increase in the numbers of customers and agents, a significant increase in the number of merchants, the increase in the average number of transactions per customer, as well as the increase in the average value of transactions made per customer. The greatest value



continues to be felt by customers, who benefit from their improved ability to manage and save money together with lower transaction costs and reduced levels of theft, and the wellbeing that comes with access to goods, services and opportunities, and increased safety as well as security.

We aim to further transform lives by improving the wellbeing of our customers, agents, and merchants as the M-PESA service evolves over time.

## OUR ECONOMIC VALUE-ADD

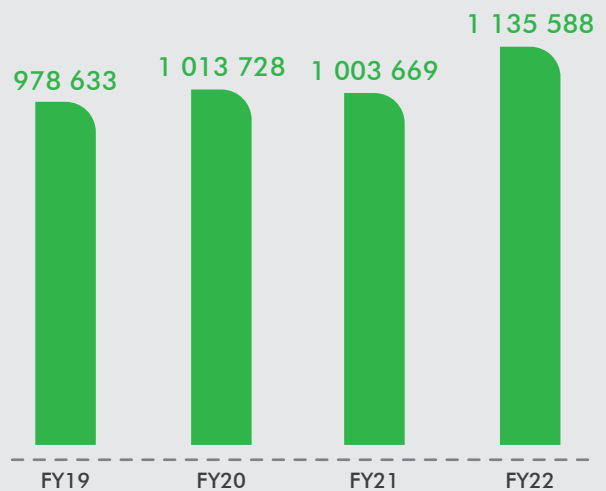
The economic impact of the estimated KSh 298 billion in annual revenue generated from Safaricom's operations resulted in an estimated KSh 625.9 billion contribution to Kenya's Gross Domestic Product (GDP). This impact can be separated into a direct impact of KSh 172.9 billion, an indirect impact of KSh 110.2 billion and an induced impact of KSh 342.7 billion.

The total economic impact of Safaricom's KSh 39.3 billion capital expenditure resulted in a total estimated GDP contribution of KSh 22.77 billion. This GDP impact can be separated into a direct impact of KSh 9.5 billion, an indirect Impact of KSh 3.7 billion and an induced impact of KSh 9.6 billion.

The 'Total Economic Value added' on the Safaricom True Earnings Bridge only includes the direct and indirect GDP impact associated with Safaricom's operations and capital expenditure. Each year, a portion of the economic value generated by Safaricom is lost owing to corruption in Kenya. It is important to note that this is not directly connected to Safaricom's activities, but rather acknowledges the unfortunate reality that not all this value is retained.

The graph below provides a high-level overview of the annual contribution we made to employment. The numbers are derived from a Kenya-specific Economic Impact Assessment (EIA) model and include direct and indirect contribution to employment, as well as the induced wider effects of employment in the economy. The positive social impact associated with the direct and indirect jobs sustained because of Safaricom has been included in the True Earnings bridge. All financial information can be found in the 2022 Annual Financial Report, including taxes paid and actual direct employment. Both capital and operational expenditure have been processed via the Kenyan national economic impact assessment model, structured to incorporate the economic structure of the communications industry according to the Kenyan Social Accounting Matrix (SAM).

### JOBS IMPACT







# OUR MATERIAL TOPICS

Our material topics are the most important environmental, social, economic and governance imperatives and opportunities for our organisation and stakeholders. This section describes our material topics, how they influence us and how we respond to them as an organisation. As part of our ongoing commitment to the SDGs, we have included references to the SDGs we have prioritised and which are most relevant to each chapter.

## IN THIS SECTION

- Governance, business ethics and risk ... 35 •
- Our regulatory environment ..... 39 •
- Our platforms ..... 42 •
- Environmental stewardship..... 49 •
- Innovation and partnerships ..... 58 •



# GOVERNANCE, BUSINESS ETHICS & RISK



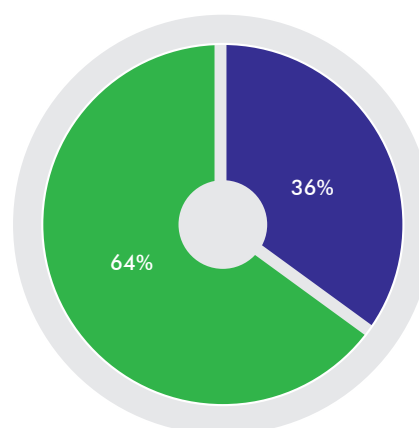
*Recognising that sustained, inclusive economic growth (SDG8) can only take place within the context of effective, accountable, and inclusive institutions at all levels (SDG16); we have long-established partnerships (SDG17) with the broader business community and various regulatory authorities.*

## MAINTAINING A ROBUST GOVERNANCE FRAMEWORK

The cornerstones of our governance structure are the Governance Charter and our Board of Directors which is accountable to all stakeholders. To monitor adherence to governance procedures, members of our Board meet at least four times a year and undertake collective and individual performance assessments at least once annually. The Safaricom Board comprises 11 Board members, reflecting a 36% female and 64% male split.

### BOARD COMPOSITION

● Male ● Female



**1** Executive Director / CEO



**9** Non-executive Directors



**2** Independent Non-executive Directors\*



**1** Company Secretary



\* Not included in the gender diversity calculation for board composition

## OUR HIGHLIGHTS

- Compliance with the Communication Authority's (CA's) initiatives including:
  - Subscriber registration whereby we launched an online registration portal shortly after year-end.
  - Know Your Customer (KYC) which enables us to know and understand our customers and their financial dealings to serve them better and help them to manage their risks prudently.
- Launch of \*106#, a service created to enable customers to confirm the phone numbers registered under their identify documents.
- 82% fraud detected and prevented either as an info-icon or as a bullet point
- Collaboration with financial institutions:
  - Quarterly engagements with banks since 2018, with sacco's since 2021
  - Updates on Fraud Trends across the industry
  - Joint development and implementation of Mobile money fraud controls
  - More banks are connecting to the umbrella B2C fraud management tool for better protection for mobile banking service
  - Increased fraud awareness

Please refer to the 'Our Governance' section of the 2022 Safaricom Annual Report at <https://www.safaricom.co.ke/investor-relation/financials/reports/annual-reports> for more information regarding our governance structures and reporting processes.

## ENSURING ACCOUNTABILITY AND TRANSPARENCY

Our robust corporate governance framework ensures accountability and transparency, aligning the interests of all stakeholders and helping us to transform lives. Our strong governance structures include a governance code, an ethical culture and a risk management framework underpinned by our ethical practices.

To strengthen our focus on Customer Obsession, we aim to build a strong reputation, enhance customer trust and provide 100% assurance on all our products, projects and systems to ensure we have a simplified, secure customer journey.

We ensure the availability of our systems under our business continuity plan and continue to implement robust assurance programmes and platforms. Our priorities in terms of governance, business ethics and risk in FY22 were to:

- **Stay ahead of cyber threats:** We build networks and infrastructure with security in mind and apply layers of security control to all applications and infrastructure. Our Cyber Defence Centre, which operates 24/7, reinforces strong cyber security controls and next-generation security technologies. In addition, we conduct regular reviews of the most significant security risks affecting our business and develop strategies to detect, prevent and respond to these.
- **Maintain data privacy:** Our privacy statement as published on our website for our customers and tailored to our investors, suppliers and employees on their respective portals, explains how we manage privacy at Safaricom and uphold the rights of data subjects. Privacy by design is incorporated into 100% of our products before roll-out; a dedicated team deals exclusively with data protection and there are clear communication and complaints channels for customers to report any data protection concerns. In addition, we establish Data Processing Agreements with key partners who have access to any personal information. In FY22, we conducted an online teach and test data privacy training and awareness of staff (79%). Other stakeholders in the Safaricom ecosystem including suppliers, MPESA agents and dealers, as well as CSP partners were also trained on their responsibility to safeguard privacy (100% completed through bulletins, portals and SMS). In order to embed a culture of privacy across the business, we have trained over 80 Data Protection Champions who promote discussions, reinforce guidelines and seek advice

for their teams from the data protection office, as necessary. Benchmarking across the Vodafone Group was conducted on data privacy practices to help ensure the maintenance of world-class standards.

- **Proactively manage fraud, particularly in the light of ever-changing social engineering schemes:** We continued to conduct training for staff through fraud awareness sessions, together with fraud training for our M-PESA agents, dealers and suppliers. We also continued to help customers safeguard themselves from fraud by educating them on how to protect themselves on the network by safeguarding and protecting their data and sensitive information. In addition, we provided tips on common fraud schemes. We communicated through media campaigns on radio, TV and digital channels; as well as SMS broadcasts, fraud tips on USSD menus and the addition of a fraud awareness page to the corporate website.

A highlight in FY22 was the introduction of the \*106# service which aims to tackle identity theft. The service allows customers to confirm their numbers and report unknown numbers. It also helps with managing identity theft cases and provides fraud tips on one of the sub-menus.

*Our whistleblowing policy encourages anonymous and open reporting. It also prohibits retaliation and protects those making reports in good faith or after raising an issue on the basis of reasonable belief of a violation or unethical activity. [www.safaricomethicsline.com](http://www.safaricomethicsline.com)*

## OPERATING IN A DYNAMIC RISK ENVIRONMENT

The environment in which we operate is dynamic. The nature of the products and services we provide, particularly mobile money, requires that we comply with a wide range of laws and regulations. Our risk identification and mitigation processes are designed to respond to our ever-changing operating environment proactively. We classify our risks as strategic (regulatory, economic, market and political) and operational (data privacy and cyber threats).





Our focus is on identifying and embedding mitigation actions for material risks that could impact our current or future performance, and/or our reputation. Our approach is holistic and integrated, bringing together risk management, internal controls and business integrity. This ensures we prioritise risks with the greatest potential impact on the business. We regularly review and refresh our principal risks, appetite, and approach to risk management. Our aim is to ensure that we have taken all reasonable steps to mitigate, but not eliminate, our main risks.

Our framework is a blend of both the ISO 31000 Risk Management Standard and COSO (Committee of Sponsoring Organizations) Enterprise Risk Management framework. This blend allows us to identify, measure, manage and monitor strategic and operational risks across the business.

## TRAINING OUR PEOPLE AND OUR BUSINESS PARTNERS ON ETHICS

Our strong ethical culture creates awareness and understanding of the negative impacts of non-compliance, enhances trust and creates a sense of accountability and transparency. It also empowers staff to address any potential risks in their respective roles. We reinforce our culture through ongoing annual ethics awareness and employee anti-corruption training programmes. An independent ethics perception survey monitors the effectiveness of these programmes.

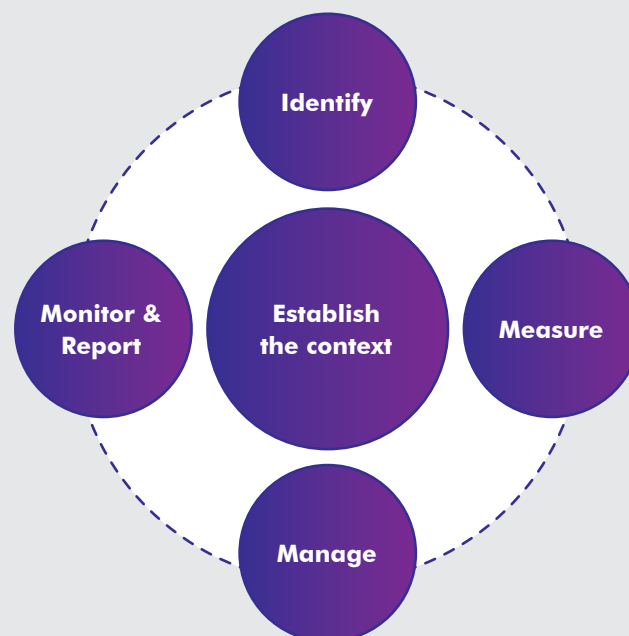
In FY22, we reached our ethics training target, with 98% of our staff covered. The training was conducted via webinars supplemented by e-learning for those who did not manage to attend.

As our business partners – suppliers, dealers and M-PESA agents – play a key role in upholding our brand and our reputation, we continued to promote ethical business practices through ethics sessions and fraud training. Topics covered included: ethics and risk management best practices, regulatory requirements regarding key elements, common fraud types and fraud prevention tips, reporting obligations and channels, cyber and information security, as well as physical security for businesses.

### ETHICS AND ANTI-CORRUPTION STAFF TRAINING (% of total staff)

	FY19	FY20	FY21	FY22
% of total staff attending ethics and anti-corruption training	96%	98%	98.5%	98%

## OUR RISK MANAGEMENT PROCESS



### IDENTIFY

- Conduct risk assessments twice a year in conjunction with business units and other stakeholders.
- Ad-hoc risk assessments in response to a constantly changing operating environment.

### MEASURE

- Standardised risk measurement process considers the probability of occurrence and references risk appetite set by the Board.

### MANAGE

- Implement the appropriate mitigations and controls to mitigate risk and reduce risk likelihood.
- Test effectiveness of risk controls and oversight across the three lines of defence.

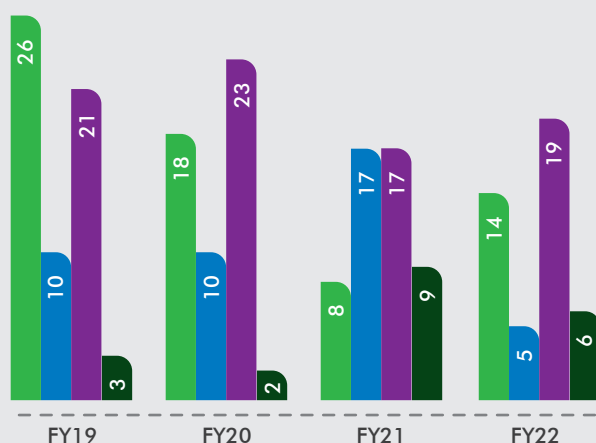
### MONITOR AND REPORT

- Iterative process helps to monitor risks and effectiveness of controls.
- Continuous reporting to the Board and Exco on effectiveness of risk management.

### ESTABLISH THE CONTEXT

- Define the external and internal parameters that impact risk
- Set the scope and risk criteria for the risk management policy.
- External context: our external stakeholders; local, national and international operating environment and other external factors that influence our objectives.
- Internal context: our internal stakeholders, governance approach, contractual relationships and our capabilities, culture and standards.

### ANTI-CORRUPTION MONITORING MEASURES (at year end)



#### Risk assessments (bi-annual cycle)

Comprehensive evaluations of a range of risks, from operational and strategic to ethical and reputational

#### Fraud reviews

Conducted on specific areas/ processes suspected of having become compromised

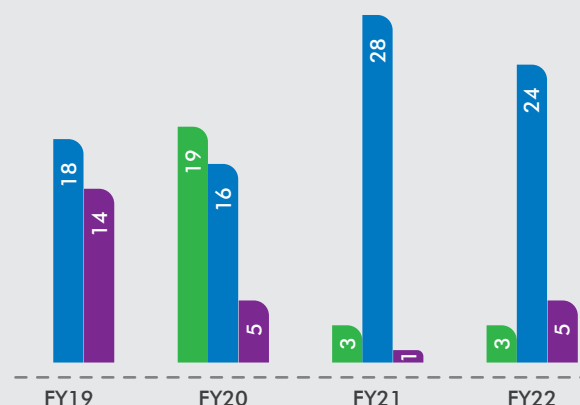
#### Audit reviews

In-depth reviews that evaluate specific internal controls and processes

#### Special request reviews

Reviews of special areas/ processes requested by management

### ANTI-CORRUPTION CORRECTIVE MEASURES (as at year end)



#### Disciplinary warnings

#### Dismissals

#### Cases reported to law enforcement agencies

### Fraud cases investigated



### TYPES OF CASES INVESTIGATED

	FY20	FY21	FY22
Asset misappropriation	9	2	7
Breach of policy/procedure	3	8	8
Conflict of interest	9	0	0
Data privacy	3	22	1
Negligence of duties	5	0	1
SIM swap	6	4	10
<b>Grand total</b>	<b>35</b>	<b>36</b>	<b>27</b>

### ETHICS TRAINING FOR PARTNERS

	FY19	FY20	FY21	FY22
Suppliers	248	286	530	489 (61.2%)
Dealers	282	309	451	435 (100%)
M-PESA agents	61 567	63 812	1 345	*4 217 (100%)
No. of awareness broadcasts covering all M-PESA agents	37	32	50	55

\* Represents super agents trained physically, remaining agents trained during area sales manager visits and weekly awareness broadcasts.

### FUTURE FOCUS

- Protect our customers and their privacy by ensuring the safety and security of our systems, processes and ecosystems.
- Safeguard revenues, together with our company, through robust revenue assurance processes.
- Prioritise fraud management and data privacy.





# OUR REGULATORY ENVIRONMENT



*Increasing access to information and communications technology (SDG9) while ensuring sustainable consumption and production patterns both within our own organisation and amongst our stakeholders (SDG12), are key factors in transforming lives. We collaborate with regulators (SDG16 and SDG17) to achieve this.*

## AN EVOLVING REGULATORY ENVIRONMENT

Our regulatory universe helps us to improve compliance monitoring. Our main regulator remains the Communications Authority of Kenya (CA). In total we engage with ten regulatory bodies (see page 79 of this report) in a constantly shifting ecosystem as we expand our products and services to prepare for 5G, artificial intelligence (AI) and the Internet of Things (IoT). Within this context, we are constantly looking for ways to strengthen our engagement with regulators to ensure the highest standards of transparency and protection of consumer rights.

The Regulatory and Public Policy (RPP) team is a department within the Corporate Affairs division, comprising six streams: public policy and market, technical regulation and infrastructure business, government relations, competition, regulatory compliance and interconnect, together with international business.

In the past year there were several key developments in the regulatory space. However, through proactive engagement, we maintained our mutually respectful, cordial relationship with regulators as we collaborated to connect people and facilitate online learning, remote work, e-commerce and financial services. We continued to file our quarterly compliance returns with the Communications Authority (CA). Our aim, in engaging with regulators on draft regulations, guidelines, and bills, is to ensure a positive outlook and favourable consideration of our products and services.

*Refer to the accompanying appendix for a view of some of our key sustainability reporting standards implemented to guide business and ecosystem operations in support of our strategy - "Accelerating new growth areas delivering superior customer experience in order to be a purpose led technology company by 2025".*

## OUR HIGHLIGHTS



- Achieved a 98% approval rate of business tariffs, promotions, and product applications.
- Secured 5G spectrum and an extension of the emergency Covid-19 spectrum to support post-pandemic recovery.
- Attained 95% Quality of Service assessment, surpassing the regulatory measure of 80%.

## COOPERATING WITH REGULATORS

In a positive development, we were allocated **60MHz of spectrum** in the 2600MHz band by the CA, which will be used for 5G. This heralds a new era for Safaricom as we prepare to roll out this technology for various use cases that will benefit our customers.

We worked with the Central Bank of Kenya to implement **merchant interoperability** between the various mobile money networks in the country. This means that customers can now pay merchants regardless of which network to which they subscribe – a development which benefits both merchants and their customers and aligns with one of Safaricom's strategic pillars of being a 'financial services provider'.



In 2020, together with other industry members, we collaborated on a **Tax Study conducted by the GSMA** who presented the report to National Treasury and engaged with the latter on the report's findings and recommendations. This led to a stay on further tax increases in FY21 and FY22. However, in FY23, we anticipate the signing into law of the Finance Act, 2022 and this could negatively impact digital inclusion and the telecoms sector.

99

*"Without merchant interoperability of mobile money services, customers were forced to use alternative payment methods, including making transfers across networks, when making payments to merchants that are on different networks. This new service will further deepen the digitalisation of payments to large and small businesses using the already extensive mobile money rails, and therefore enabling customers to conveniently make payments."*

Central Bank of Kenya<sup>1</sup>

Kenya's **Universal Service Fund (USF)** aims to extend broadband to underserved areas. The CA has been working to close the digital gap between urban and rural areas of the country, largely relying on the USF. This supports the updated national broadband strategy, which aims to:

- Make a 10Mb/s service available to all schools, healthcare centres and government facilities by the end of 2022.
- Provide a broadband service of at least 3Mb/s to 90% of the population by 2023.
- Deliver a 10Mb/s service nationally and a 100Mb/s service to 80% of the population by 2030.

Eleven companies participated in the tendering process. Safaricom was one of five companies who tendered successfully and was awarded the contract by the CA. We will now be playing a key role in rolling out mobile network infrastructure to un-served and under-served areas in the country under phase 2 of the USF. The tender was structured into multiple bidding lots. Companies were either awarded tenders for active or passive components and then tasked with deploying the infrastructure components within 24 months. We were awarded the bulk of the active component tender and have been commissioned to provide a minimum of 3G technology.

Kenya's national plan of action to tackle **Online Child Sexual Exploitation and Abuse (OCSEA)** is under development by the CA and the Ministry of ICT. It aims to guide Government, industry, policymakers, civil society organisations and communities to take the right measures to ensure the internet is safe for children by mitigating the increase of online sexual exploitation and abuse. Recognising that this issue impacts 63% of children in Kenya, we joined other stakeholders in championing and participating in the plan's development. (See page 75 of this report for details of our partnership with UNICEF: Spot it! Stop it!)

Other activities included input into the **Central Bank of Kenya (Amendment) Bill 2020**, which seeks to regulate digital money lenders and defines a digital money lender as "an entity that offers credit facilities in the form of mobile money lending applications". The final document incorporated our recommendations.

We also engaged with the Office of the Data Protection Commissioner (**ODPC**) regarding data protection regulations, provided input to the proposed amendments to the **Kenya Information and Communications Act (KICA) regulations on electronic signatures** and provided feedback on the **Kenya Film Classification Board (KFCB) co-regulation framework** for audio-visual content classification for broadcast and over the top (OTT)/video on demand (VOD) services.

Given our emphasis on being a responsible corporate citizen, we welcomed the approval of the **National Sustainable Waste Management Bill 2021** by the National Assembly and Senate (expected to be ratified by the President after the end of the reporting period). The regulation seeks to address the issue of solid waste through the adoption of a waste hierarchy based on waste prevention, minimisation, reuse, recycling and composting.

<sup>1</sup> [https://www.centralbank.go.ke/uploads/press\\_releases/1691854698\\_Press%20Release%20-Mobile%20Money%20Merchant%20Interoperability.pdf](https://www.centralbank.go.ke/uploads/press_releases/1691854698_Press%20Release%20-Mobile%20Money%20Merchant%20Interoperability.pdf)



Dumpsite waste disposal, including residual waste, has been capped at 10%. The bill sets out the need for waste to be segregated at source and carries fines for non-compliance. We also support the new **Extended Producer Responsibility** regulations which mandate all producers (including the importers of goods) to establish schemes for all products and packaging in all phases of their life cycle to enhance environmental sustainability.

To reinforce our focus on Customer Obsession, we engaged the **Competition Authority of Kenya (CAK)** who trained our staff on consumer protection during the Annual World Consumer Rights Day celebrated annually on 15 March. The training focused on consumer protection in the digital age through the lens of the regulatory expectations of a digital-first technology company prioritising the customer. We anticipate that the training will reduce consumer complaints and enhance our net promoter score (NPS).

## OVERCOMING CHALLENGES

In January 2022, the United States (US) Federal Aviation Administration issued a warning that 5G could interfere with airline safety. Consequently, the National Environment Management Authority (NEMA) solicited comments from the Kenya Civil Aviation Authority (KCAA) on our proposed 5G projects. This negatively impacted the timelines for acquisition of the 5G rollout licence. We continue to work closely with the KCAA to ensure that necessary awareness is created on 5G.

In a move to accelerate the fight against identity theft and improve data accuracy, in September 2021 the CA directed the country's mobile operators to ensure that the personal details of their subscribers were fully updated in compliance with prevailing laws by 15 April 2022. The directive also provided for the deactivation of any SIM cards that continued to be non-compliant after the deadline. Registration had to be done in person at the respective mobile operators' retail outlets. However, faced with long queues at outlets, mobile operators lobbied the CA to allow online registration and to extend the deadline by six months. The CA granted both requests. Our level of compliance at the end of March 2022 was 60%.

## FUTURE FOCUS

- Monitor the Finance Act 2022 – which introduces several changes that aim to raise additional revenues as well to align tax legislation to government development priorities.
- Attain 100% subscriber verification compliance.
- Realise positive outcomes from the review of the KICA regulations, which we see as an opportunity to improve on the subscriber registration regulations that currently necessitate in-person registration. This has continued to be a hindrance, especially in the evolution of a digital marketplace where customers are increasingly adapting to remote and online access to goods and services.



## OUR PLATFORMS



*Our strong partnership ecosystem (SDG17), high levels of connectivity and technology, together with our innovative products and services (SDG9), help us to create and strengthen business opportunities (SDG8), thereby driving inclusive economic development (SDG10).*

## OUR HIGHLIGHTS

- Launch of the M-PESA super-app.
- Free tariff for interaction between M-PESA and banks.
- Merchant interoperability which allows all customers to pay for goods and services at any merchant outlet regardless of the network they use.
- Over 500 new sites – mainly 4G – rolled out to improve broadband coverage.
- New 4G spectrum was also integrated in 1 800 sites to increase radio capacity.
- 100% increase in backbone capacity and improved traffic flow within the backbone links.
- Core capacity was increased to handle 60% increase in data traffic.
- Improved indoor coverage.
- Rolled out cumulative 10 880 km of fibre.
- Increased focus on deployment partners led to the achievement of all targets.



## IMPROVING OUR CUSTOMERS' DATA EXPERIENCE

Our networks are critical in enabling stakeholders across Kenya to connect and share information seamlessly. The roll out of 5G proved to be more challenging and complex than expected, necessitating a high level of financial investment, and involving diverse stakeholders including government, regulatory authorities, network vendors and device manufacturers. While the initiative was hampered by the significant lack of 5G devices, we continue to anticipate growing adoption by customers across all fields.

Our key focus in FY22 was improving customer data and network experiences by increasing radio capacity and network coverage. This was achieved by capacity expansion, particularly in the radio network, as well as connecting sites to fibre especially in the rural areas. We upgraded a total of 1 100 and 1 000 4G and 3G sites respectively and rolled out 495 new sites. In addition, we integrated new 4G spectrum into 1 800 sites. Core capacity was increased to enable a 60% increase in data traffic, while voice-over long-term evolution (VoLTE) capacity was enhanced by 80% to cater for five million users.

Densification of high-rise buildings especially in urban centres has resulted in challenges related to indoor coverage. Accordingly, we focused on improving indoor coverage particularly in densely built-up areas in Nairobi. Our efforts resulted in an improvement in network experience at approximately 200 indoor locations – evidenced by positive feedback from customers and internal business partners, increased traffic of up to 40%, together with both higher revenue trends and Net Promoter Scores (NPS).

As indicated in the table on the following page, the fuel shortages experienced at national level impacted backup power supply through generators, hence the negative impact noted in the increased Service Unavailability Rate (SUR). Network congestion on the radio network was a challenge. We are addressing this through the rollout of new technology to cater for fixed wireless access and 4G home customers, thereby relieving radio capacity on the 4G network for consumer customers. On the positive side, data speed increased due to our major focus on congestion.

Safaricom retained the leading position by providing ongoing network improvement initiatives including capacity enhancement, network optimisation and Customer Obsession.





## NETWORK AVAILABILITY AND STABILITY

	FY19	FY20	FY21	FY22
Avg. weekly unavailable minutes (power NUR)	6.5	11.9	11.4	14.5
Avg. radio access network service unavailability rate (SUR)	25.6	32.4	24.7	29.5
% Base stations connected to grid (in total)	95	94.5	93.56	94
Rectifier modernization (new KPI for FY22)	-	-	-	155

## INDEPENDENT QUALITY OF SERVICE (QOS) RESULTS

	KPI	FY19	FY20	FY21	FY22
Voice	Call setup success rate	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
	Dropped call ratio	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
	Speech quality	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
Data	Mean user data rates - download	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
	Mean user data rates - upload	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
	Mean web browsing session time	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
	Network delay	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>

### BREAKDOWN OF NETWORK NPS

#### Signal coverage



#### Voice quality



#### Data coverage



#### Data speed

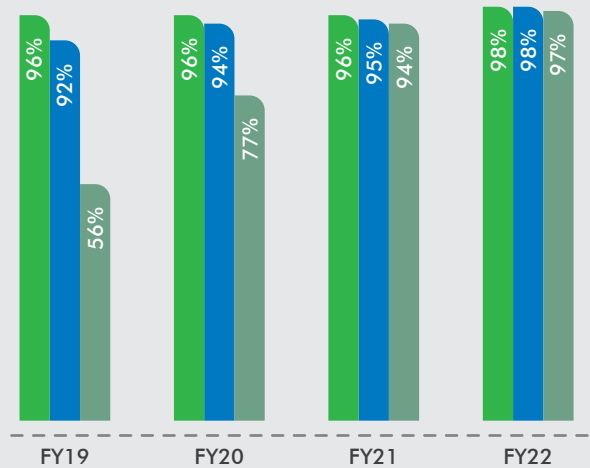


#### Overall

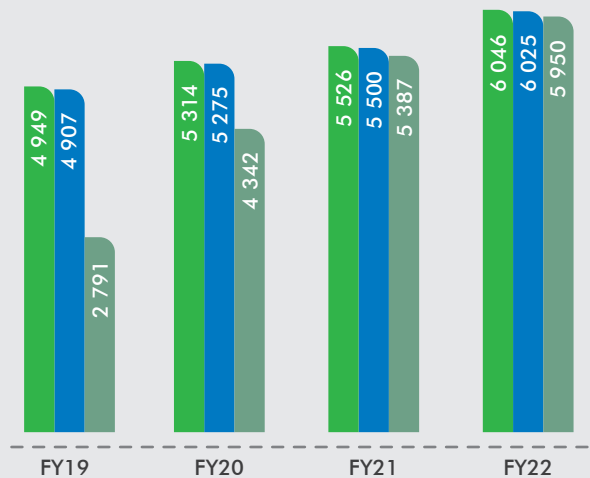


● FY19 ● FY20 ● FY21 ● FY22

### NETWORK COVERAGE (% population)

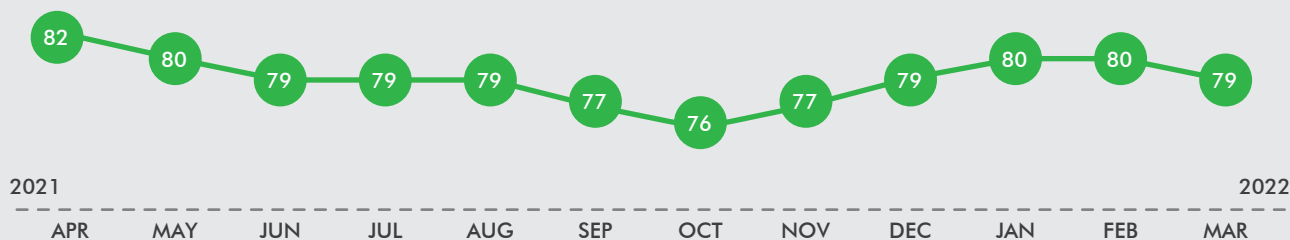


### BASE STATION TYPE



● 2G ● 3G ● 4G

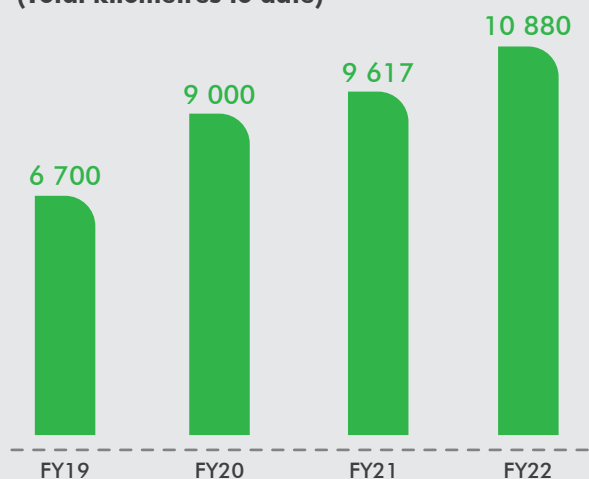
### MONTHLY OVERALL (TOTAL) NETWORK NPS FY22



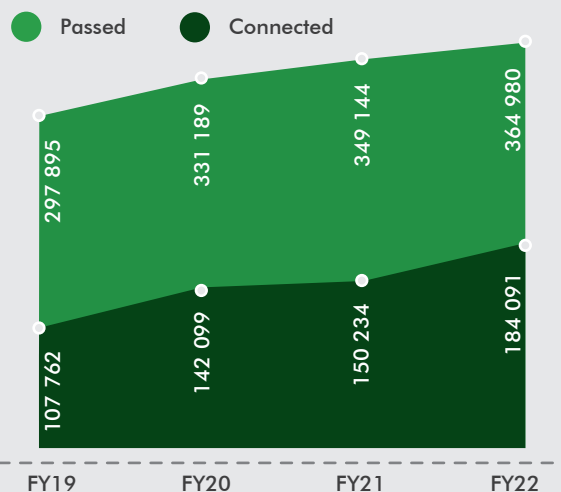
### OUR FIBRE FOOTPRINT

#### FOOTPRINT

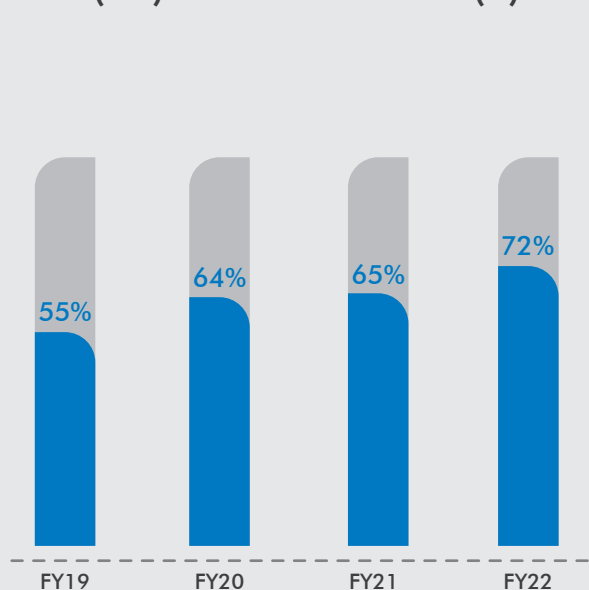
(Total kilometres to date)



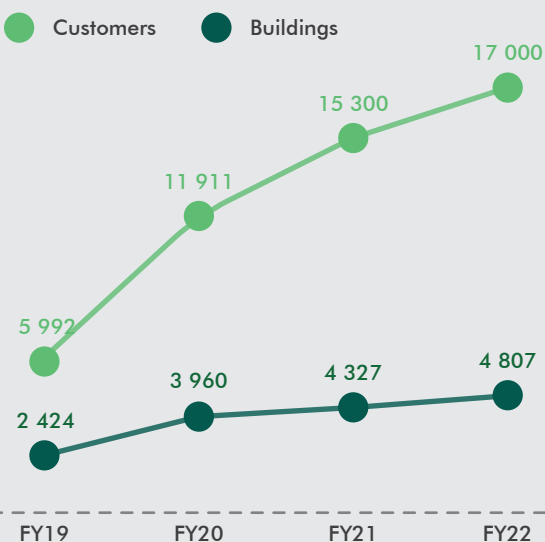
#### RESIDENTIAL HOMES



#### SITES (BTS) CONNECTED TO FIBRE (%)



#### ENTERPRISES (Connected)



\*Note that the number of residential homes connected and passed for FY21, as well as the fibre footprint numbers for FY21 indicated differ from the previously published numbers due to interrogation and clean-up of data from previous years



## LOOKING FORWARD

Despite the challenges associated with 5G, we continued to go beyond by:

- Deploying the Internet of Things (IoT) and embedded SIM (eSIM) cards.
- Activating innovative features such as VoLTE and voice over broadband (VoBB); VoLTE now has 700 000 daily active users accounting for 6% of total voice traffic.
- Focusing on cost reduction and reallocating costs to more critical areas. Cost reduction was achieved through contract negotiations with our vendors and partners.
- Using data insights to further delight our customers through revamped customer experience tools and crowdsourced data via Facebook and NetPerform to gather data and understand our customers' experiences with our network. This has enabled us to anticipate the needs of our customers better.
- Monitoring new services recently rolled out, such as fibre to the home and fixed long-term evolution (LTE) fixed wireless (FWA) access and migrating FWA customers to 4G time-division duplexing (TDD) and 5G networks, thereby freeing up the existing 4G radio network to fully cater for mobile consumers while the FWA enjoy the superior experience of 4G TDD and 5G networks.
- Successfully trialling VoWiFi which enables fibre to the customer's home/building to make voice calls using fixed network. Roll out to customers is currently underway.
- Building on the launch of the Mtandao mobile app, which empowers Safaricom customers using android devices to monitor their network experience easily and conveniently. We will achieve this by integrating Mtandao into the MySafaricom app as a channel for customers to raise network complaints.

### OUR M-PESA API & DEVELOPERS (DARAJA) PORTAL PERFORMANCE



49 000

Active developers interacting with Daraja after sign-up



28 000

Apps deployed on production via Daraja



25 489

Unique developers with apps in production



13

Actual products accessible via the API platform



178

Highly active developers\*

\* Apps with more than 50 transactions per hour



2 500

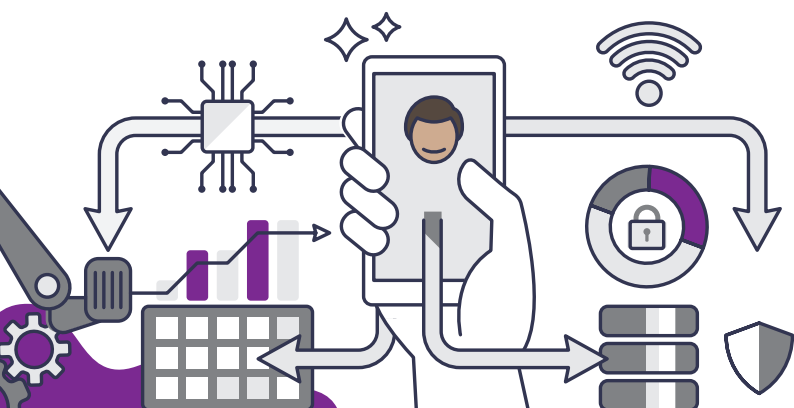
Daily average developer activity on Daraja

## INCREASING OUR SERVICE OFFERINGS

Since 2007, M-PESA has grown to be Kenya's leading household mobile money transfer platform, an alternative method to access financial services and save (not store), transfer and borrow money through their mobile phones. As a result, those who had been previously excluded from formal financial activities (for example, saving and sending money) have been able to participate actively in the financial industry for the past 15 years.

We launched a new **M-PESA super app** to cater for subscribers' digital lifestyles and empower businesses through the mini apps programme (where over 32 mini apps have already been loaded). During the reporting period there were over 2.7 million 30-day active users with 1.1 million transacting and 249 000 business app downloads. Advantages of the super app include:

- Using and completing transactions without bundles or even when offline.



- Downloading 'mini-apps' within the app to complete tasks like ticket booking, deliveries, shopping, licence applications and insurance from businesses, government agencies, utilities and other firms.
- Fingerprint, face unlock, transaction authentication and detailed usage statements.
- An M-PESA 'Send to Many' option where customers can make multiple transactions to different recipients but only need to enter their PIN or authentication once.
- Requesting a specific amount from a friend or family member or someone who owes a user money, with the sender only needing to confirm the transaction by keying in their PIN.

To drive inclusivity and promote the inclusion of unserved markets, we developed **Halal Pesa**, a shari'ah-compliant digital product for savings and credit. There were over two million opt-ins during the reporting period.

In line with our focus on expanding our customers' digital lifestyles, we introduced the **M-PESA Global Pay Virtual Visa Card** linked to customers' M-PESA accounts. The M-PESA GlobalPay virtual card enables payments to International online merchants for goods and services using the virtual card details.

M-PESA statements for customers and merchants now have a **Safaricom e-stamp** on every page. This eliminates the need for travelling to retail shops to get statements stamped. The service incorporates a unique alpha-numeric code at the bottom of every page, empowering banks, Savings and Credit Co-operative Societies (SACCOs) and financial services institutions (FSIs) to confirm the statement's validity.

**Fuliza M-PESA** is a service that allows M-PESA customers to complete their M-PESA transactions when they have insufficient funds in their M-PESA accounts. We have opened lines of credit by enabling customers to use Fuliza to buy airtime via M-PESA. Fuliza M-PESA enabled a total of 1.4 billion transactions totalling KSh 502.6 billion in value.

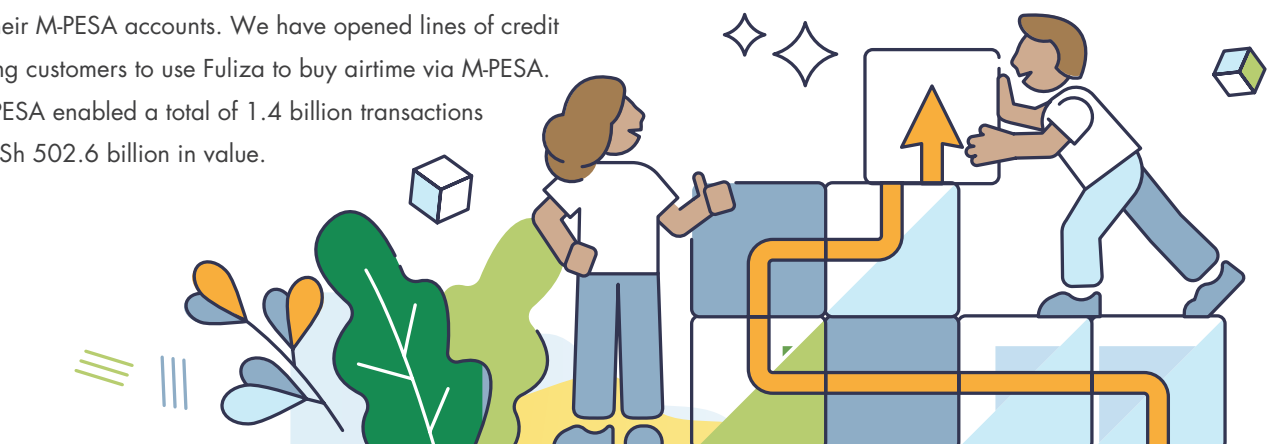
Our **Pochi La Biashara** product allows for a second wallet attached to small business owners' M-PESA lines. This enables food vendors, small kiosk owners, boda-boda operators, and second-hand clothes dealers to receive and separate business funds from personal funds on their same M-PESA line. This service now has over three million signed-up micro businesses with more than 170 000 monthly active users. Revenue generated in FY22 was KSh 80 999 088.

The **Business Transacting Till** is an extension of the existing Lipa na M-PESA Buy Goods Till that enables small business owners to collect payments on their till and use this money to make other payments directly from their till. Such payments include wages/salaries, the withdrawal of funds from an M-PESA agent, the sale of airtime to customers and the earning of commission without needing to go to the bank or phone as was the case with the original Buy Goods Till product. During the reporting period, there were 169 763 monthly active users and we achieved revenue of KSh 827 018 589, with values for these secondary transactions growing by 85% year-on-year.

## PROMOTING FINANCIAL INCLUSION

As indicated in the table on the following page, M-PESA revenue grew because of increased customer uptake of Pochi la Biashara, Business Till, increased usage of Fuliza and the roll-out of the M-PESA Super App and its continued growth.

However, M-Shwari revenues declined. This was due mainly to increased credit offerings in the market and the conservative bank approach to lending due to non-listing of low value loans, based on the government directive not to list loans below KSh 3 million.







## PROMOTING FINANCIAL INCLUSION

	FY19	FY20	FY21	FY22
<b>M-PESA</b>				
M-PESA revenue (KSh billion)	75	84.4	82.6	<b>107.7</b>
No. of M-PESA customers (million: 30 day active)	22.6	24.9	28.3	<b>30.5</b>
No. of Lipa Na M-PESA merchants	122 879	172 561	301 597	<b>492 772</b>
Diaspora remittances through M-PESA Global (KSh billion)	119	158	289.7	<b>395.7</b>
<b>M-SHWARI</b>				
No. of customers (million: active users)	3.99	4.66	3.98	<b>4.67</b>
M-Shwari deposits (KSh billion)*	213.4	320	571.2	<b>745</b>
M-Shwari loans (KSh billion)	97.5	129.6	94.5	<b>86.1</b>
<b>FULIZA</b>				
No. of transactions (million)	46.4	392.9	787.1	<b>1 456</b>
Amount disbursed (KSh billion)	29	245	351	<b>502.6</b>

\*Deposit balance (sum of monthly deposit balances)



## OUR DIGIFARM PLATFORM

Launched in 2017, DigiFarm, a Safaricom subsidiary, is an integrated mobile platform offering digital services targeted at farmers who can access advisory services, market linkages, inputs, input credits and crop insurance through a basic feature phone. Platforms include USSD \*944# for farmers, an app and WhatsApp4Business for smart phone users, portal for buyers and a free call centre 944 for agronomy and vet advice.

Since launch, DigiFarm has registered over 1.4 million registered users, of whom 117 000 were active in the reporting year. With additional features, it has become a one-stop shop for Kenyan farmers.

DigiFarm's platform model opens the marketplace for farmers to access products and services from financial institutions, agri-input providers, and other value-added service firms, enabling farmers to easily source, transact, learn and grow.

Over time, additional services have been added onto the platform, including the recent introduction of DigiSoko, an open marketplace for agricultural produce.

Research has indicated that a few key features of access to credit and input that farmers value most include:

- Affordable prices
- Access to credit when it is urgent (cannot afford to miss the time window for planting seeds or adding fertilisers)
- Access to quality inputs (better than inputs they get from other sources)
- Flexible repayment structure, being able to repay from revenue earned from selling farm products via DigiFarm

However, there are challenges with the initiative, including the need for customised information. While farmers believe insurance is important, a lack of knowledge on how DigiFarm insurance works undermines its usage. Access to market and limited value chains are other areas of concern. In addition, farmers have indicated that they would like to sell non-crop products via DigiFarm, such as vegetables, dairy products, and livestock.

Importantly, in-person contact is highly preferred and valued in the onboarding process. In addition, follow up is believed to be essential for not only addressing technical challenges but also for demonstrating a sense of care to users.<sup>2</sup>

The key overarching challenge is that commercial viability and scale has yet to be achieved. Going forward, our corporate social investment strategy will focus on addressing this and we are currently assessing ways of overcoming issues and challenges. This includes establishing partnerships with others in the development field as set out below:

## OUR DIGIFARM PLATFORM

### 1 SCALE PRODUCTION



Farmer acquisition and engagement - 3.5m+ (FY25)

- Commercialization of remote private extension service providers to drive sustainability
- Precision agriculture capabilities
- Leverage emerging technologies

### 2 DEVELOP PARTNERSHIPS



Platform play to orchestrate service provision by diverse multiple players

- Financial institutions
- Development partners
- Post-harvest and aggregation service providers
- Localized logistics service providers

### 3 DEVELOP INFRASTRUCTURE

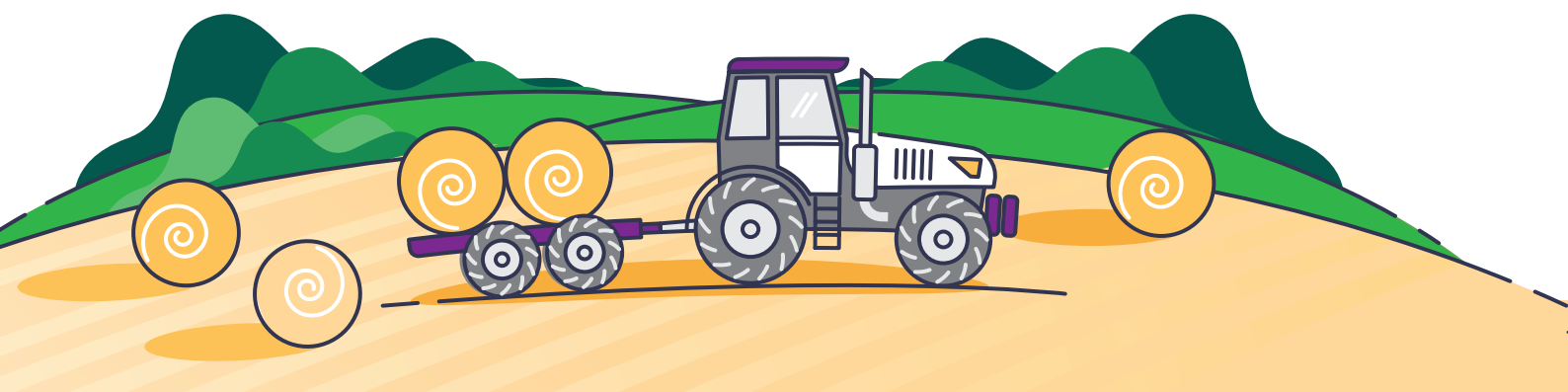


Accelerate development of village based infrastructure

- Cold chain and dry warehouses
- Quality management ready aggregation centers
- Quality management services
- Value adding services

## FUTURE FOCUS

- Accelerate cost leadership by negotiating better terms firm-wide for purchasing equipment for radio, core and transport networks.
- Develop in-house capability for crowdsourcing that can offer flexibility in analysis.
- Address the challenge of indoor coverage caused by the densification of high-rise building in urban centres.
- Roll out our new technology for FWA support and 4G home customers, thereby relieving radio capacity on the 4G network for our consumer customers.
- Transform M-PESA into an open platform where people can innovate and extend its capability.
- Redesign the customer journey to improve user experience and awareness of the Pochi la Biashara wallet services for merchants through customer value management (CVM) and targeted campaigns.
- Develop a refreshed healthcare model to facilitate ease of access by customers from a wide platform of service providers, thereby reducing costs and increasing access to options for medical services.
- Focus on developing a trusted end-to-end Digifarm platform where farmers can access resources and services to improve production and direct market connections to improve their livelihoods.





# ENVIRONMENTAL STEWARDSHIP



We continue our commitment to being a net zero emitting company by 2050, planting five million trees (SDG7), solarisation and modernisation of our BTS sites to achieve our NetZero ambition (SDG 7) and partnering with various stakeholders (SDG17) to achieve our environmental goals and embed environmental responsibility and circularity (SDG12) across the value chain.

## PRODUCING AND CONSUMING RESPONSIBLY

Based on the principle that what is not measured cannot be monitored, managed and mitigated, we track our environmental performance carefully. The metrics we track include greenhouse gas (GHG) emissions; energy efficiency, resource consumption and cost; waste and e-waste, together with emissions reduction. We make use of environmental impact assessments and audits, together with international third-party standards such as the ISO 14001 environmental and ISO 50001 energy management systems. This approach enables us to establish both negative and positive impacts and implement mitigation measures where required. It also ensures we are producing and consuming responsibly.

In FY22, we achieved ISO14001:2015 (environmental management) and ISO 50001: 2018 (energy management) recertification.

As indicated in the table below, we audited the impact of our network through EIAs and EA, completing 31 EAs and undertaking 487 audits (BTS, offices, data centres and retail outlets). The reduction in the number of EIAs and EAs is a result of adopting a leased model for Base Transceiver Station (BTS) sites as opposed to the previously owned model of operation.

## ENVIRONMENTAL IMPACT MONITORING AND EVOLUTION

	FY19	FY20	FY21	FY22
Environmental Impact Assessments	600	437	122	<b>*57</b>
Environmental audits	300	513	318	<b>**31</b>
Self-environmental audits	N/A	N/A	1 460	<b>^487</b>
No. of awareness broadcasts covering all M-PESA agents	37	32	50	<b>55</b>

\* 20 5G and 37 indoor network solution sites

\*\* small cell sites Initial audit

^ (408 BTS self-audits, 79 facilities self-audit)

## OUR HIGHLIGHTS

- Received two environmental awards
  - Honorary recognition from the IGAD Climate Prediction and Applications Centre (ICPAC) East African Climate Action Awards for our strategic approach in managing our environmental impacts.
  - Overall winner in the Financial Reporting (FiRe) Award, the most prestigious award in East Africa for financial reporting.
- 100% compliance with regulations relating to plastics, air quality and noise levels and with issues related to 5G.
- Automation of our environmental management process has enhanced efficient and effective management.
- Recertified to ISO 14001:2015 and ISO 50001.



Consistent with the principles of the circular economy, we focus on **reducing, reusing, recycling** and **repurposing** our waste. In FY22, we recycled 88.1% of the solid waste collected from our own operations, including paper, organic and plastics. Of this amount, 11.9% could not be recycled as it included items like diapers and face masks which pose threats to health. In a positive move, we reduced our use of paper by adopting modern, digitised ways of working. This meant shifting from physical paper signoffs to electronic signoffs and adopting digital ways of bypassing use of paper.

**Organic waste** increased due to our introduction of a hybrid working model. This led to the reopening of the cafeterias which had been closed during the COVID-19 pandemic.

Electronic, or **e-waste**, is a growing problem around the world. Kenya is no exception. It is estimated that Kenya generates an average of 3 000 tons of e-waste each year from computers, monitors, printers, mobile phones, fridges, batteries and other devices.<sup>3</sup> E-waste is hazardous because the components used to make devices such as laptops, cell phones and televisions, contain metals and chemicals known to harm human health.

We collected and safely disposed of 196 tonnes of e-waste through the Waste Electrical and Electronic Equipment (WEEE) Centre, the e-waste handler certified by NEMA.

### E-WASTE

	FY19	FY20	FY21	FY22
E-waste collected (tonnes)*	1 072	1 287	1 430	1 626

\* Cumulative tonnes since the inception of the project

### WASTE COLLECTED AND RECYCLED (KG)







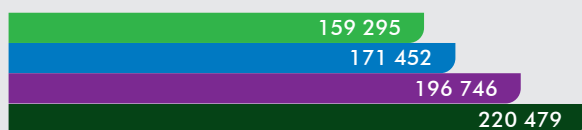
Underscoring our commitment to SDG12: *Responsible Consumption and Production*, resource usage is monitored and managed.

**Fuel usage** reduced due to several initiatives including the migration of sites to external parties in the build-to-suite business model. This model leverages third parties in the maintenance of BTSs. **Electricity consumption** increased as we built more BTS sites.

There was an increase in **water consumption** because we increased the scope of reporting to the regions where our regional offices, retail shops and Mobile Switching Rooms (MSRs) are located during FY22.

### ELECTRICITY, FUEL AND WATER CONSUMPTION

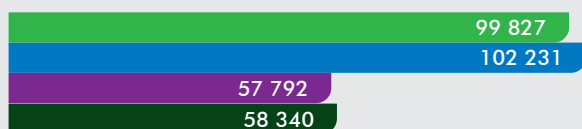
#### Electricity (MWh)



#### Fuel (Litres)



#### Water consumption (m³)



● FY19 ● FY20 ● FY21 ● FY22

### Engaging with our stakeholders



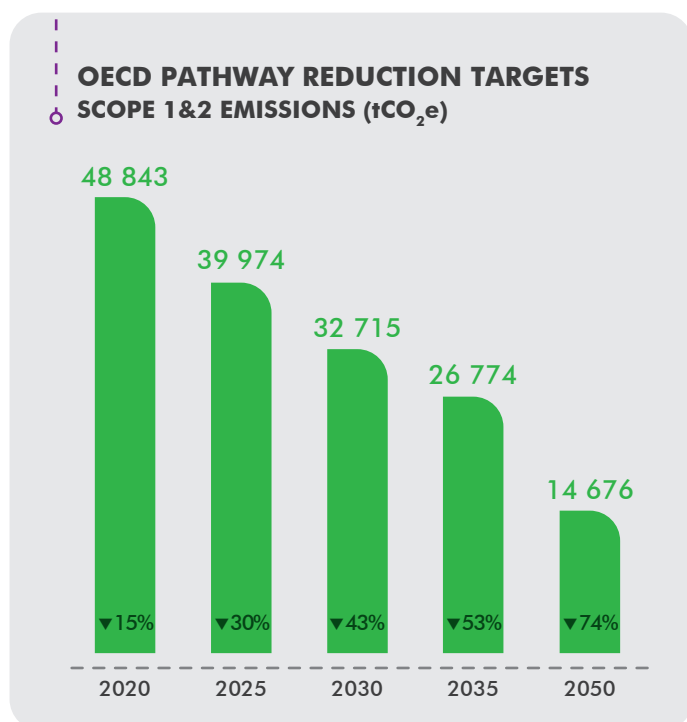
*In response to stakeholder concern about electro-magnetic fields (EMFs) and 5G, we conducted a nationwide sensitisation programme involving workshops and the publication of an educational booklet. We received 16 complaints related to EMF which we addressed. The workshops, which dispelled myths about BTS's effects on human health, were attended by over 236 residents across the Nairobi, Mombasa, Kiambu and Kajiado Counties. We also revised and enhanced the EMF booklet which provides information about mobile phone, base stations and health. The EMF booklet was converted into an industry-standard booklet incorporating knowledge from the CA, NEMA, the Kenya Alliance of Residents Association, Global System for Mobile Communication (GSMA) and Strathmore Business School.*



## PRIORITISING CLIMATE ACTION

Even though Kenya contributes less than 0.1 percent of global greenhouse gas (GHG) emissions annually, the country is feeling the impacts of climate change in the form of drought and shifting rainfall.

The graph below summarises the absolute reductions we need to implement to achieve this. These reductions were calculated using a compound average growth rate interpolation between our 2016/17 baseline year and 2050 according to the United Nations Intergovernmental Panel on Climate Change Fifth Assessment Report of the (IPCC AR5) for the Organisation for Economic Cooperation and Development (OECD) region. Currently, we are off target by 36%, as we stand at 64 757 tCO<sub>2</sub>e for Scope 1 and 2, against our target of 45 081 tCO<sub>2</sub>e. Based on the existing technology we estimate that we will be able to reduce our Scope 1 and 2 emissions by 74% by 2050.



We increased our overall emissions by 0.80% from 66 032.7 tCO<sub>2</sub>e to 66 562 tCO<sub>2</sub>e. As indicated in the table alongside, we managed to reduce our Scope 1 emissions by 12% through efforts with KPLC to ensure stable grid power in our BTSs, MSCs and facilities. This has enabled us to use fewer gensets and associated fuel. Our Scope 2 emissions increased by 11% due to our shift from generator sets (Scope 1) to grid power (Scope 2). While grid

power is largely based on renewable hydroelectricity, the increase was due to infrastructure expansion in the form of BTS sites. Our Scope 3 emissions increased by 2% as COVID-19 lockdown restrictions were lifted and business travel resumed

To ensure we meet the targets going forward, we are:

- Expanding our renewable energy solutions by implementing Energy as a Service (EaaS) and mini-grid programmes to stabilise the remote cluster, thereby improving service availability and NPS. In addition, we are currently assessing an energy services companies (ESCO) model with three partners.
- Transitioning 310 (cumulative total) of our sites to renewable and hybrid energy sources. We aim to transition 4 200 sites by 2025. Our efforts were delayed by supply chain issues in FY22. Macroeconomic developments like COVID-19 and the war between Russia and Ukraine led to escalating fuel costs, fuel supply shortages and delays in supply chain, all of which impacted our planned energy efficiency projects. However, the supply chain situation has now been largely resolved and we expect to make significant strides in solar installations by September 2022. The project has already resulted in the reduction of 25% energy consumption per site and the reduction of 200 litres of fuel per site, leading to a reduction of six tons of annual carbon emissions per site per annum. Other benefits include a 20% improvement in network resilience, 67% reduction in maintenance costs and the switchover of 14 sites from fossil fuel generators to renewable sources of energy.
- Modernising power systems by replacing lead acid batteries with lithium ones (see page 55).
- Increasingly transporting freight via sea rather than air, thereby reducing supply chain emissions.

### OUR CARBON FOOTPRINT (tCO<sub>2</sub>e)

	FY19	FY20	FY21	FY22
Scope 1 emissions	33 057.3	28 311.3	31 125.9	27 617
Scope 2 emissions	26 833.3	28 881.1	33 141.8	37 140
Scope 3 emissions	5 818.0	2 618.6	1 765	1 805
Total	65 708.5	59 811.0	66 032.7	66 562



## Disclosing our climate impacts through CDP

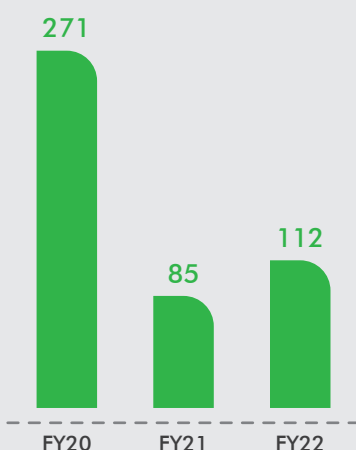
We disclose our climate impacts through the CDP platform, making our response publicly available. CDP is a global environmental impact non-profit, providing a platform for companies, cities, states and regions to report information on their climate, deforestation and water security impacts. Currently, over 13 000 of the world's largest companies, representing over 64% of global market value, disclose information on climate change, deforestation and water security through CDP.

In 2021, we received a score of 'C' for our climate change submission.

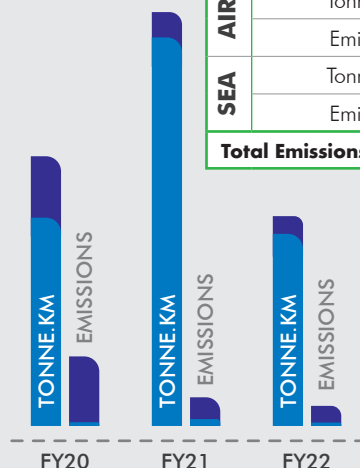
This is lower than the regional average of 'B'. Our lowest scores were in risk management and disclosure, as well as energy. We have noted the insights and are using them to focus more closely on climate-related risk and energy usage. We were rated 'B-' for Supplier Engagement on Climate-related issues. This score accords with the average scores for organisations in Africa and the rest of the world. Going forward, we will continue submitting to the CDP and hold ourselves accountable as we implement climate actions and benchmark with the best in the industry.



### FREIGHT CARBON INTENSITY (gCO<sub>2</sub>e/TONNE/KM)



### AIR VS SEA EMISSIONS



		FY20	FY21	FY22
AIR	Tonne/km	7 441 005	3 067 357	2 150 472
	Emissions	8 432 213	3 476 204	2 436 605
SEA	Tonne/km	25 249 342	47 096 057	23 282 241
	Emissions	454 526	833 310	413 989
Total Emissions (kg)		8 886 739	4 309 514	2 850 594



## Empowering our people to measure their carbon footprint

We have developed an individual carbon footprint calculator and made it available on our intranet. The calculator enables our people to calculate, reduce or offset their carbon emissions and is being used by almost 500 staff members.





## Offsetting carbon by planting trees

We are cognisant of the far-reaching effects of human activities on climate change and the need to plant trees to offset our CO<sub>2</sub> emissions. Accordingly, in 2018 we entered into a partnership agreement with the Kenya Forest Service (KFS) to implement a tree growing and forest conservation programme aimed at improving Kenya's forest cover.

The long-term objective of the programme is to work in collaboration with the KFS and Community Forest Associations (CFAs) to plant five million indigenous trees in five years, leading to the rehabilitation of 5 000 hectares of degraded forests.

Between October 2019 and July 2021, the three partners worked together to plant over 750 000 trees on 750 hectares of land in three sites – South Marmanet in Laikipia County, Kieni Forest in Kiambu County, and Kimondi in Nandi County. KFS allocated tree growing areas in these gazetted forests for the Safaricom programme, and provided technical support on suitable tree species and best planting and growing practices. CFAs are involved in the establishment of tree nurseries and the nurturing of seedlings in readiness for planting. CFAs also provide labour for site preparation, planting and maintenance that includes security to ensure the growth of the planted seedlings.

The tree growing programme provides both adaptation and mitigation benefits. Tree growing increases the resilience of Kenya's forests to climate change impacts. In addition, forest products can provide safety nets to local communities when climate change causes crop failures. In terms of mitigation, tree growing reduces the harmful effects of greenhouse gas emissions by creating carbon sinks and helps to offset the CO<sub>2</sub> emissions from Safaricom's operations.

In partnership with local communities and the KFS, we planted 372 000 trees in FY22, bringing the total number of trees planted to date to just over one million. We are behind in our planting target largely due to the destruction of young trees by wildfires and livestock as most of the forests are not fenced.

We are now working with the KFS and CFAs to educate and sensitise local communities, thereby mitigating these challenges.

### NUMBER OF TREES PLANTED OVER THREE YEARS (CUMULATIVE)

	FY20	FY21	FY22
Trees planted	144 000	650 000	1 022 000







## Connecting community-led forestry projects with global markets



Despite their strong climate-positive impacts, most small projects do not attempt to access global climate financing markets due to the complexity, cost and time involved. Safaricom is collaborating with 4R Digital to test a new way of overcoming the challenge. 4R Digital's Carbon Value Exchange (CaVEx) is an innovative digital platform that enables carbon offsetting and sequestration activities from a wide range of micro-small projects in the global South to be digitised, tracked and sold in voluntary carbon markets.

Using technology advances in remote sensing, device connectivity and digital payments, the platform will increase diversity of choice for carbon buyers and enable micro-small projects to be rewarded for undertaking clean activity in a digital, and highly transparent manner.

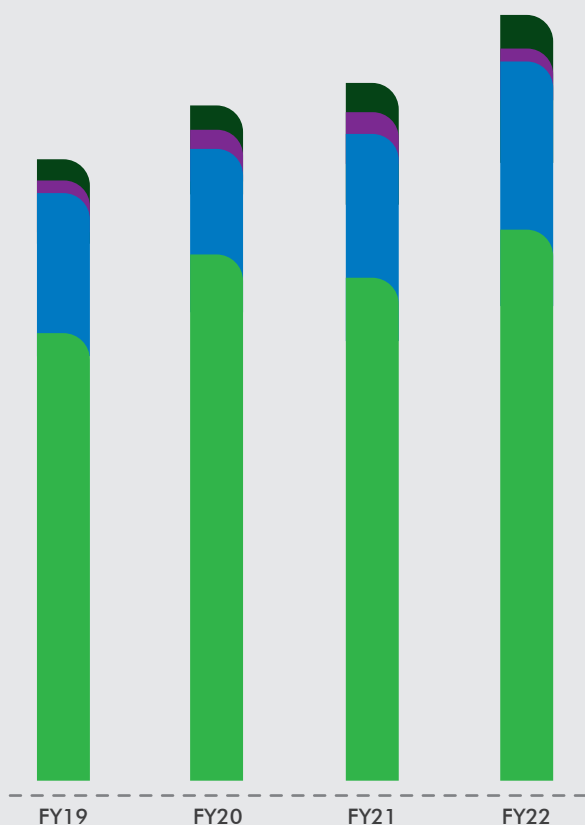
To participate in CaVEx, carbon reduction/removal forestry projects must follow strict data protocols specific to their use case, approved by an external auditor. Only when protocol requirements are fulfilled, and data is flowing from remotely sensed devices into the CaVEx platform, can the project start generating carbon credits. The carbon credits created follow all relevant ISO standards (14060-series) and AI-enhanced data screening ensure validity. This data-centric approach lowers costs and includes smaller projects to the market.

## EXPANDING OUR USE OF CLEAN ENERGY

Energy security and availability, together with the cost of energy, are critical for our platforms. In an increasingly carbon-constrained world, expanding clean energy usage is key to playing our role in mitigating climate change. We made several positive moves to enhance security and availability, reduce carbon emissions and bring down costs by:

- Increasing the percentage of base stations connected to the KPLC grid, capping diesel purchases and expanding our use of solar.
- Modernising our battery storage system and increasing energy efficiency by replacing over 500 lead acid storage banks with hybrid lithium solutions which charge faster and discharge over a longer period. This has enabled us to reduce diesel consumption by between 40 – 50% in the completed sites.
- Increasing power resiliency in 20 data centres / MSRs and over 6 000 access sites by installing air conditioner fan boosters, reducing temperatures by as much as 5o C and deploying smart power solutions and deep battery cycling.
- Piloting a radio access intelligent shutdown system based on machine learning that helps to ensure idle cells /layers are shutdown while maintaining stability and saving energy. We worked with two third-party service providers to demonstrate proof of concept, in one instance, we achieved 20% energy savings across 36 sites and savings of 16% in the other.
- Automating energy reports by leveraging the Microsoft Power BI application – this level of oversight enables us to respond quickly to any outages.
- Deploying data centre infrastructure management (DCIM) tools in two data centres to monitor, measure, manage and control energy consumption of all IT-related equipment and facility infrastructure components and give a consolidated, remote view in real-time.
- Establishing Power Purchase Agreements and Independent Power Product partnerships with three different parties, two of whom we are currently onboarding. We are working with these companies to develop renewable energy for the sites, thereby enabling a move away from fossil-based fuel and grid power.

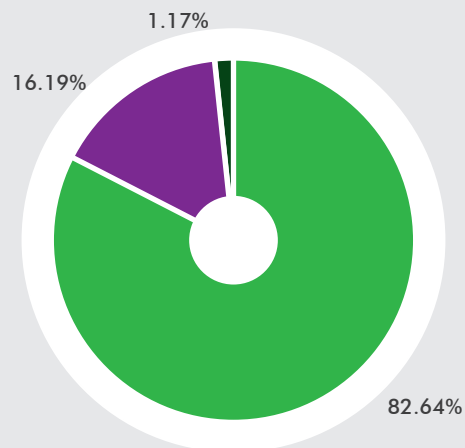
### NETWORK ENERGY BY SOURCE



- KPLC & Genset
- KPLC (no generator)
- 24/7 Diesel generator
- Solar/wind hybrid solution

	FY19	FY20	FY21	FY22
KPLC and genset	4 060	4 775	4 560	<b>4 999</b>
KPLC (No generator)	1269	948	1 299	<b>1 517</b>
24/7 diesel generator	106	173	192	<b>111</b>
Solar/wind hybrid solution	196	221	255	<b>309</b>

### TOTAL ENERGY BY SOURCE (FY22)



- National grid (green power)
- Diesel generators
- Renewable energy (wind, solar & hybrid)

Note that deep cycle batteries are used but these store energy from the national grid, generators or renewable energy sources, meaning that all this has already been considered.

### ENERGY EFFICIENCY

	FY19	FY20	FY21	FY22
Sites fitted with deep cycle batteries	193	300	27	<b>0</b>
Sites with low-voltage auxiliary power supply	55	55	55	<b>55</b>
Sites fitted with free cooling units*	88	88	88	<b>88</b>
Sites converted from outdoor to indoor**	18	7	41	<b>0</b>

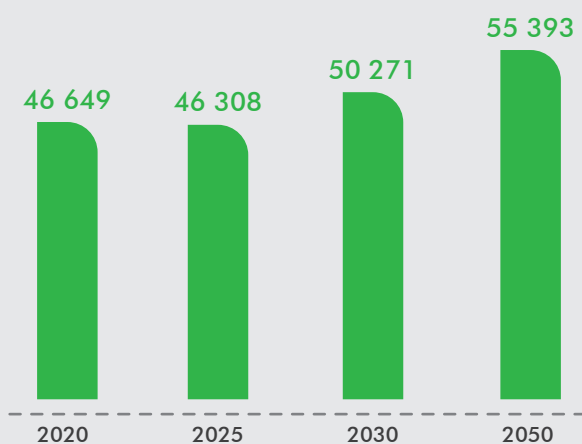
\*These are being phased out. The plan is to replace them with lithium-ion batteries.

\*\* Sites are being converted only where it makes economic sense



### COST OF ENERGY CONSUMPTION

(electricity, solar, diesel) by site (KSh per month)



## DIGITISING OUR ENVIRONMENTAL PROCESSES

We continue to leverage technologies to minimise our use of printing and paper. In addition, we successfully digitised key processes including:

- Waste management
- The environmental audit management system
- The electromagnetic frequency (EMF) complaint handling system.
- Carbon footprint reporting on base transceiver stations (BTSs) and Mobile Switching Centres (MSCs) fuel and refrigerants and electricity data for all BTSs.
- Automated carbon footprint data on employee travel carbon footprint, thereby enabling us to proactively tailor programmes to reduce emissions.

## FUTURE FOCUS

- Become a 100% single-use plastic-free organisation – doing away with single use tumblers and introducing sustainable solutions such as paper cups in our various offices and retail shops.
- Achieve 90% of solid waste recycled across all Safaricom facilities (offices, shops and data centres), in accordance with the national sustainable waste regulation promulgated in 2021.
- Progress our ambition of one million trees to be grown under our carbon offset programme towards Net Zero by 2050.
- Acquire air quality licences to operate generators in all our data centres and offices to comply with the Air Quality regulations 2014.
- Grow e-waste collection and recycling by 20%.
- Automate 50% of our environmental processes with real-time reporting.
- Digitise power infrastructure and develop a common umbrella network management system, thereby enhancing capability for dashboard reports and energy analytics
- Establish partnerships with energy service companies (ESCOs) for off-grid remote clusters.
- Install smart inverter-based air conditioners and dual power (ac/dc) smart air conditioners at base station sites.



# INNOVATION AND PARTNERSHIPS



*We transform lives particularly in terms of healthcare (SDG3) and education (SDG 4). To do so, we co-create innovative solutions (SDG 9) by leveraging our expertise, technology, and partnerships (SDG17).*

## EMBEDDING PURPOSE

Embedding purpose lies at the heart of our business. We continued to collaborate both internally with the Customer Obsession team and with external partners to design, co-create and develop meaningful products and services that deliver social impact, unlock new opportunities and align with our priority SDGs.

We have focused on building platforms that can enable multiple use cases, testing vertical products in select digital ecosystems, most notably health, education, agriculture and humanitarian solutions. This is underpinned by the various products in education and health which have contributed lessons learnt, together with insights that enable the broader strategies for these ecosystems and deliver sustainable mobile technology innovations.

While our aim is to solve societal issues, we are always mindful that our solutions need to be commercially viable. Accordingly, we leverage digital marketing tools to reduce the cost of go-to-market activations.

## PARTNERING IN HEALTH SOLUTIONS

The Kenyan Government's Primary Care Strategic Framework 2019-2024 prioritises community-based primary health care. We have aligned with this vision through the following initiatives:

- Medical records portability and enabling the health ecosystem during COVID-19 was a key interest area. This led us to develop **Afya Moja**, a medical records health portability platform, in a consortium partnership (with Savannah Informatics Ltd, Intellisoft Consulting Ltd). The service provides a continuum of care by creating the ability for patients to coordinate care across various health service providers. Afya Moja is a simple, mobile-based digital health passport that receives and securely stores patient information. The system allows users to access a copy of their own health data and share it with trusted healthcare providers. Doctors, upon consent, can act on the data and respond to patient needs. A total of 3 627 patients and 109 practitioners signed up during the pilot phase.
- We piloted an AI symptom checker and telehealth service known as **'Byon8'** in partnership with BYON8 AB. The service seeks to make high-quality healthcare more accessible, affordable and equal by digitalising healthcare on an individual level. There were over 60 consultations and over 10 000 downloads in the pilot period.
- Building on experience gained through the provision of the COVID-19 helpline, we supported the **1195 gender-based violence (GBV) hotline** by providing airtime for tele-counsellors to provide psychosocial support for GBV victims/survivors.

## OUR HIGHLIGHTS

- Launched the 'One Health' Afya Moja initiative.
- Zeraki Learning launched to complement Shupavu 291.
- Piloted 'Byon8' an AI symptom checker and telehealth service in partnership with BYON8 AB.
- Partnered with World Vision to enable fundraising of their Angaza programme through Bonga points.
- Increased the number of connected schools in the Last Mile Connectivity Project for primary schools which accelerates digital learning.
- Leveraged Agile methodology to deliver on our mandate.







- There are enough ambulances to service Kenyan citizens, but the challenge is that there are sometimes too many in one area and too few in another. In other words, it's all about logistics. Accordingly, we have begun the development process of an **ambulance aggregator initiative**. This consolidates all available emergency responders into a single map, letting dispatchers instantly find the best and closest provider as well as track all rescues in real time. The research phase for the project is now complete, the business case has been established, we have identified a partner and are testing the product.
- In partnership with the M-PESA Foundation, Gertrude's Children's Hospital and the County Governments of Samburu, Baringo, Lamu and Homabay, we launched the **Daktari Smart telemedicine programme**. Daktari Smart is a kit comprising electronic medical devices which monitor patients' vital signs and enable remote consultation.
- We established a **partnership with the Kenyan Healthcare Federation (KHF) and the Ministry of Agriculture (MoA)**. The Federation's vision is to create an enabling environment that supports quality, affordable healthcare for all, while the Ministry of Agriculture is focused on food security. The KHF and MoA continuously engage the Government of Kenya and government agencies on issues relating to health policy, taxes, regulations and pricing. The membership has enabled us to contribute to the Public-Partnership Agenda through its projects and partnerships in healthcare.
- We partnered with **Zeraki Learning** to provide secondary school learners with access to affordable education services from well trained teachers leveraging informative video lessons. This digital platform, which complements Shupavu 291, seeks to provide topic-by-topic assessments and powerful metrics to help students diagnose their weaknesses and track their progress. A touchpoint within our data services USSD platform, \*544\*14# will enable students, parents, teachers, or guardians to subscribe to the service for as low as KSh 20 a day. The amount can be deducted from customers' airtime. Approximately 150 000 learners have downloaded the Zeraki Learning app.

99

*"Our investments in education, both from a solutions and philanthropic perspective, are geared towards addressing current gaps and boosting youth employability. Through the partnership with Zeraki Learning we want to ensure that the platform makes digital education accessible and affordable. For parents, Zeraki gives them access to their child's academic record which they can use to support their decisions."*

*Peter Ndegwa, CEO: Safaricom*

## PARTNERING IN EDUCATION

Kenya provides education services for over 16 million children and youth, with almost 500 000 teachers distributed in close to 90 000 schools. The country is generally acknowledged to have a high standard of education. Nevertheless, there are challenges, which we address in the following ways:

- **Ask A Mentor**, which was designed to complement Shupavu 291, resulted in at least tripling of the utilisation of the latter. We closed the pilot and are leveraging the lessons learnt to scale other education products.
- Under the **Last Mile Connectivity Project** for primary schools which aims to accelerate digital learning, we increased the number of connected schools from 70 to 88.

99

*"We are glad to be able to extend our services to Safaricom customers in a bid to make learning accessible to students from all backgrounds. By leveraging on Safaricom's technology and platform and pairing it with our services, we will provide a solution that we hope will have a positive impact in Kenya."*

*Isaac Nyangolo, CEO: Zeraki Learning*

## PARTNERING IN HUMANITARIAN AID

We leveraged our shared value partnerships to deliver products and initiatives that were geared towards supporting social protection programmes and mitigating disasters:

- In partnership with the **Kenya Red Cross**, we sent out over 9.7 million messages to alert citizens in various counties on heavy rainfall, indicating where to access assistance.
- We partnered with **World Vision** to enable fundraising of their Angaza programme which supports children and families in the Salga community through Bonga points.
- Under our strategic partnership with **UNICEF**, we have cross-pollinated various initiatives. The partnership aims to bring together UNICEF's technical expertise and advocacy work with Safaricom's range of products, services and its ability to communicate with large audiences. Specifically, the partnership aims to:
  - Ensure children receive access to quality education
  - Protect children, especially the poorest and most marginalised from violence and abuse. (See page 75 of this report for further details).
  - Help children and families receive assistance during emergencies such as droughts, floods and disease outbreaks.

In addition, by leveraging Safaricom's technological capability to reach many people, the partnership sent out 849 698 SMSes reaching over 88 000 young people. The SMSes covered topics like climate change, school connectivity, health insurance, social protection and violence against children.

## PARTNERING IN IOT AND ICT

Our aim is to become the leading IoT and ICT solutions provider in Kenya. Creating a dedicated IoT and ICT tribe with two commercial lead roles for IoT and ICT is helping us build the right organisation and drive transformation from product sales to insight-led solutions. In terms of IoT, we developed four enterprise-to-enterprise (E2E) solutions for telematics, water and cold chains through various partnerships. For ICT, we successfully recruited four global security partners and closed agreements with key global partners for Cloud (Amazon Web Services, Google, Microsoft, Huawei).

### OUR PARTNERSHIP ECOSYSTEM STRATEGIC PARTNERS & IMPACT

#### ENERGY



##### Kenya Power

- Lease of poles for fibre optic cables.
- More than 57 000 homes and 200 business buildings passed.



##### M-Gas

- Local LPG distributor, M-Gas leverages NB-IoT (Narrow Band Internet of Things) connectivity and the M-PESA service to enable pay-as-you-go cooking.
- 10 depots serving 185 000 low-income households in Nairobi and its environs.

#### ENTREPRENEURSHIP

##### Amazon Web Services (AWS)

- 20 enterprise customers currently on AWS.
- DigiFarm eMarketplace, a one-stop-shop that enables farmers to sign-up and sell their produce in a frictionless manner using their mobile phones, tablets or computers.



##### Google

- Providing digital services that empower a connected society.
- Lipa Mdogo Mdogo has over half a million customers and has loaned approximately KSh 3.5 billion.
- In the reporting period, 60% of our customers upgraded from 2G devices.



##### Microsoft

- Partnership provides clients with the most popular enterprise solutions, including cloud-based options that enable efficient and reliable business operations.



#### INCLUSION



##### Meta

- Meta (formerly Facebook) is part of the Lipa Mdogo service which aims to promote the uptake of smartphones in the low-income market segment.
- Meta shared user experience insights that led to the development and marketing of data packages which in turn facilitated a 22% month-on-month growth during the reporting period.



## SPARK FUND



Safaricom Spark venture fund invests in and supports late-seed, early-growth stage Kenyan companies. These include Ajua, Eneza, iProcure, Sendy and SokoFresh.



### Ajua

- Africa's first Integrated Customer Experience company.
- Over 17 million consumers have interacted with the Ajua platform which has expanded beyond Kenya into Nigeria.



### Eneza

- Shupavu291, a revision tool for learners in primary and secondary schools across Kenya.
- 10 million + lifetime users across Kenya, Ghana, Rwanda and Cote D'Ivoire.
- 23% of students show an improvement in academic performance after learning with Eneza for nine months.



### iProcure

- Provides access to quality, affordable inputs for smallholder farmers as well as business intelligence and data-driven stock management across different supply chains for manufacturers and agro-vets.
- KSh 1 billion raised since initial investment from Safaricom Spark Fund.



### Sendy

- Logistics provider has raised KSh 2.3 billion since the Safaricom Spark Fund's initial investment.
- Expanded beyond Kenya to Cote D'Ivoire, Nigeria, Uganda and other African countries.



### Soko Fresh

- Provides access to cold chain infrastructure that extends the shelf life of produce for DigiFarm farmers.
- Works with DigiFarm to accelerate the aggregation pillar across different horticultural value chains.



## FUTURE FOCUS

- Establish a research and innovation team under the Digital IT department to create structures, develop and incubate the next big products, services and solutions. This team will also be responsible for developing a framework for collaboration with various partners including Government, higher learning institutions and technology companies.
- Increase the number of connected schools in the Last Mile Connectivity Project from 88 to more than 200.
- Develop further strategic partnerships in the areas of social protection, the circular economy, as well as disaster response and preparedness.
- Scale Byon8 to transform more lives.
- Work on leveraging M-PESA as the main payment model for shared value products and impact 500 000 lives through these products.
- Target year-on-year growth of 130% in ICT.
- Reach two million customers on the digital hub, with 5% conversion to sales following visits.
- Ensure that our enterprise business is fully automated from order to care.
- Become the one-stop shop for enterprise-to-enterprise (E2E) solutions in technology, financial services and connectivity for SMEs, driving two million visitors to our SME platforms with a 5% conversion rate.
- Scale IoT and initiate a further five E2E IoT solutions.
- Continue to offer enterprise customers real-time monitoring of services and following final testing an enhanced billing service will also be offered, together with an improved self-service portal.







# OUR STAKEHOLDERS



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# CUSTOMERS



## OUR HIGHLIGHTS



- Enhanced customer engagement with personalised, relevant propositions that drove the active customer base to 32.8 million.
- Significant growth in smart phones connected to the network and 4G enabled smartphones.
- Engaged two million customers daily through Storo Bonus.
- Seamless migration of one of our key cloud customers from their data centre to the cloud without any hitch.
- Onboarded security partners – Palo Alto, Sectigo, Kaspersky and Sophos – to enable us to sell their broad security products.

## CONSUMER CUSTOMERS GROWING OUR CUSTOMER BASE

Our move to Agile methodology, the establishment of tribes within the consumer team and consumer offerings based on individual usage all had a positive impact in the year under review. This was reflected in the increase in the active customer base to 32.8 million, as well in growth in terms of digitising our customers as indicated in the table on the next page.

Growth in mobile data revenue increased from KSh 44.8 billion in FY21 to KSh 48.4 billion – good performance in a year in which consumers faced economic pressure generated by the challenges of COVID-19 and escalating food costs. Additionally, our total market share increased to 65.3%.

We connected 16 226 homes and noted six million customers daily engaging on the reverse call service. Under Storo Bonus, a popular service that rewards all pre-paid customers for their loyalty, we engaged two million customers daily.

To drive Customer Obsession further, we implemented a unified Customer Value Management (CVM) platform – UNICA – which uses machine learning to give customers personalised offers based on real-time resources available in their mobile wallets. These offers were based on individuals' usage pattern and capability and aimed to cushion them from the harsh economic realities experienced in FY22.

## ISSUES FOR OUR CUSTOMERS



- Affordability of 5G-enabled smartphones.
- Reliability of our services, particularly internet (fibre and wireless)
- Access to support and quick resolution of issues
- Concerns around value for money in how Safaricom's products and propositions are structured.
- Accurate and easy-to-understand bills delivered on time.



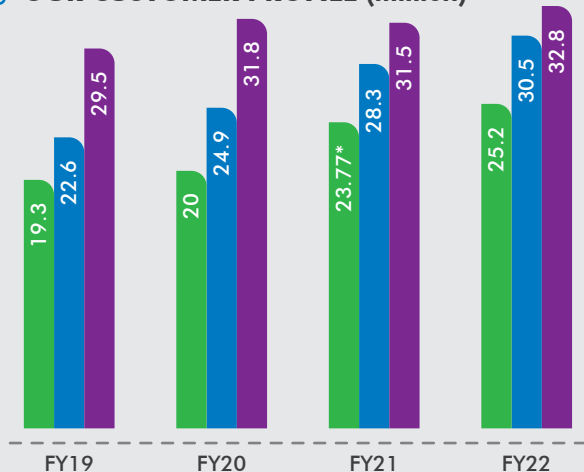
The merging of two separate platforms into one robust CVM platform has helped to drive down operational costs and helped us to achieve the following:

- 20 campaigns running daily
- 12 million campaign SMSes sent to customers daily
- Two million offers to customers daily
- Up to 5% conversions realized
- Daily revenue of KSh 2 million.

### DIGITISING THE CUSTOMER

	FY19	FY20	FY21	FY22
Smart phones connected to the network (millions)	12.2	15.0	16.7	18.5
4G enabled smartphones (millions)	3.2	6.1	8.5	11.1

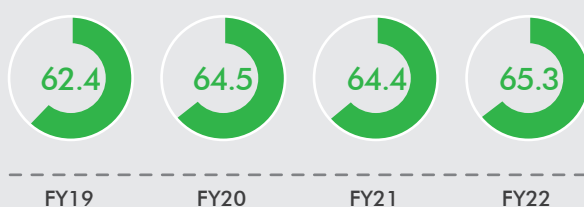
### OUR CUSTOMER PROFILE (million)



\*Mobile data customers number updated from prior year

- Mobile data customers
- M-PESA customers
- Total number of consumer customers

### TOTAL MARKET SHARE (%)



## CONTINUING TO OFFER INNOVATIVE SOLUTIONS

Under our Customer Obsession journey, we:

- Partnered with M-Kopa Solar for a pay-as-you-go model for device acquisition, achieving total sales on KSh 427 000 – growth of 145% year on year.
- Launched new secure, reliable digital channels offering best in class customer experience compared to traditional USSD through the MySafaricom App which had 2.5 million downloads with a 4.5/5 rating and 50% monthly active customers.
- Provided fixed convergence in the form of the Home Plus product that allows shared connection for home and away from home.
- Established a new digital streaming platform that aggregates broadcast ready local & international content. Engaged 9 local content creators in partnerships on Baze Video for exclusive content. Over 700K customers access content monthly.



- Launched the Mwelekeo ni internet campaign which focused on introducing affordable data offers and adding new devices to Lipa Mdogo Mdogo device financing plan. These included:
  - Nyakua Data Dabo which gives customers more value through data offers such as Tunukiwa \*444#, enabling access to affordable 4G devices through Lipa Mdogo and showcasing the transformative power of the internet.
  - Nyoosha Shilingi, a new data offer that stretches the value of data purchased by up to 100% on select data bundle plans at the same price



## ENTERPRISE CUSTOMERS

We categorise our enterprise customers into three main groups:

Large Enterprises (LEs) – more than 50 employees; Small-to-Medium Enterprises (SMEs) – between 10 and 50 employees and Small Offices-Home Offices (SOHO) – less than 10 employees. Our target was to grow our SOHO number customers by 92% in the reporting period and that target was met as indicated in the table below. Revenue for SME, SOHO and large enterprise customers increased significantly.

Our adoption of Agile methodology has led to the creation of cross-functional tribes to lead product and go-to-market solutions which has enhanced product and services delivery.

### PROFILE OF OUR ENTERPRISE CUSTOMERS

	FY19	FY20	FY21	FY22
Total number of SME customers (thousands)	54	75	101	<b>90</b>
SME revenue growth (2021-2022)	27%	48%	12%	<b>34%</b>
Total number of SOHO customers (000)	125	210	299	<b>210</b>
SOHO revenue growth (2021-2022)	24%	48%	20%	<b>92%</b>
Total number of large enterprises	1 164	1 200	1 255	<b>1 365</b>
Large enterprise revenue growth (2021-2022)	13%	19%	-15%	<b>19%</b>
Market share in corporate segment (by customers)	99%	99%	99%	<b>99%</b>
Market share in SME segment (by customers)	14%	20%	25%	<b>32%</b>
Number of enterprise customers* (thousands)	180	286	401	<b>360</b>
Market share by revenue (excluding payments)	52%	53%	55%	<b>58%</b>

\*Corporate customers are segmented into LE, SME and SOHO

## GROWING OUR ICT PROPOSITIONS

We grew our ICT propositions around security services (cyber security, video management and storage), digital transformation, interactions and cloud services. We also launched cyber security customer and cloud services, with 220 customers onboarded.

One of our most successful initiatives in the year under review was the Cloud migration of AAR Insurance company to the Amazon Web Services Cloud, resulting in 99.99% availability. Our video management system platform that enables our customers to store their recorded video surveillance footage in the Cloud, thereby

reducing the risk of tampering or erasure was equally successful. We have 59 cameras onboarded actively storing this footage on the Cloud.

In addition, we implemented several telematic solutions with White Label GPS software, including cold chain with Vodafone Innovus, LPG with IoT.NxT and Smart Water with Earth-view. We also completed phase 1 of the SME digital hub DIY customer discovery portal fully optimised for a mobile experience.

## RESPONDING TO OUR CUSTOMERS' NEEDS

We enhanced the digital customer experience for interacting with our products and support. We focused on digital self-service channels for SMEs and SOHOs as they, unlike our LE customers, do not have the benefit of an account manager and a named support engineer.

Recognising that customers need accurate and easy to understand bills delivered on time, we focused on enhancing billing transparency in line with our Customer Obsession strategy. Customers are looking for internet reliability (fibre and wireless) which we have achieved by building the resilience of our network to ensure that we have redundancy. We also worked with local/government areas to proactively move fibre cables from road or water construction areas to avoid fibre cuts and ensure power back-up across all our sites during main power downtimes.

To ensure customer access to support and quick resolution of issues, we upskilled our support teams and expanded self-service options through USSD, web and app. Value for money is another key customer issue. Accordingly, we rationalised prices across key products to ensure that they meet customers' needs. We have also crafted solutions that address specific segments instead of a one-size-fits-all. For example, we developed voice and data products that address the communication needs of SOHO and some SME customers. We achieved this by providing a solution that allows the small business owner to buy and manage affordable voice and data bundles on behalf of their staff. We also addressed connectivity needs by introducing a 3Mbps fixed data proposition for SOHO customers.

We provide support through dedicated queues for fixed data, merchants, and mobile voice/data. This means that our customers receive 24\*7\*365 round-the-clock access to support. We leverage

key insights based on customer feedback from these channels to help drive our improvement initiatives. In the reporting year, these included:

- The revision of criteria for building acquisitions
- We realised that many newly onboarded customers were churning after the first month because they did not understand the bill and did not clearly understand the escalation matrix. Accordingly, we introduced a FTTB (Fibre to the Business) 'kindergarten' programme which included SMS communication and calls to customers from our telesales teams. This was very successful, with churn in the first month reducing from an average of 26% to 13%.
- We worked with various government departments to send out SMS messages which publicised the available M-PESA payment options for the various services provided by Government on the E-Citizen platform.
- Together with other stakeholders we established and managed a platform which enables customers to book and pay for their SGR (Standard Gauge Railway) railway services tickets through M-PESA.

## MEASURING CUSTOMER SATISFACTION

### NET PROMOTER AND BRAND CONSIDERATION SCORES

	FY19	FY20	FY21	FY22
NPS (consumer)	61	59	65	<b>64</b>
NPS (enterprise)	26	29	31	<b>35</b>
Brand Consideration	63	70	81	<b>80</b>

Understanding the extent to which we are delighting our customers underpins our Customer Obsession journey. Accordingly, we continue to use the Net Promoter Score (NPS) and Brand Consideration (BC) scores to monitor customer satisfaction. Our ambition is to be number one in NPS in our peer group. NPS measures the likelihood that a customer would recommend Safaricom to other customers, family or friends, based on their overall experience. BC measures the likelihood that a customer will purchase a particular brand based on their perceptions of that brand. Both NPS and BC are primarily determined using customer surveys.

Safaricom brand love and brand power grew notably in the past year (Q4'21 vs Q4'22). The growth in these metrics is attributable to sustained, diverse brand building activities which addressed customer pain-points. Network, mobile money and data packs together with offers and promotions were the underlying perceptions driving these improvements.

BC and value remained stable during this period, as our peers' scores declined due to market factors such as increased excise duty which led to upward price adjustments across providers.

Customers are cognisant that Safaricom services are priced higher than other players, but highlight quality of network (availability, reliability and speed) as a key reason they feel our services are value for money.

## ENGAGING WITH OUR CUSTOMERS

The main channels through which our customers engage with us are our call centres and self-service options.

### CALL CENTRE PERFORMANCE

	FY19	FY20	FY21	FY22
Abandon rate	13%	14%	7%	<b>24%</b>
Average number of calls answered weekly	98 815	99 800	98 251	<b>105 321</b>
Call answer rate	86%	86%	84%	<b>76%</b>
NPS (COPS, overall)	59	38	48	<b>83</b>
Service level (% of calls answered within 20 secs)	78%	77%	89%	<b>63%</b>

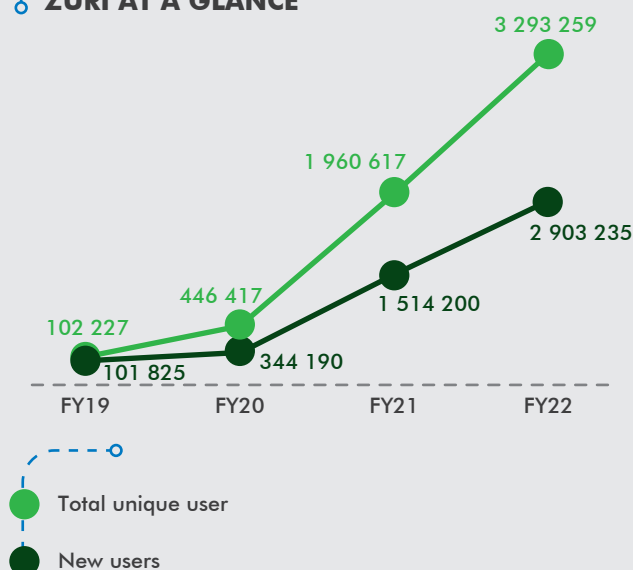
Our virtual assistant, **Zuri**, executes easy-to-complete tasks that do not require human input, ranging from airtime top-ups to accessing PUK numbers and reversing M-PESA payments.

With daily user interactions standing at approximately 24 480, ZURI is now available on Messenger, Web, Telegram and WhatsApp. The significant increase in users and interactions is attributable to the expansion of self-service options to address key demand areas, migration to AWS to support scalability and stability and integration with SMS 100.





## ZURI AT A GLANCE



	FY19	FY20	FY21	FY22
Total interactions (daily average)	349	1 567	10 366	24 480

Our **Interactive Voice Response (IVR)** is used by visually impaired customers who use the service to confirm their M-PESA balances before and after making transactions. Feedback from our visually impaired customers is that this innovation gives them independence and enhances the security of their accounts as they can transact without revealing their PINs.

**Jitambulisho** is an enhanced voice biometric service that allows our customers to enrol their voice and use it for identification to access various services such as accessing their Personal Unlocking Key (PUK). In FY22, there were 7.9 million voice biometrics level 1 enrolments and 3.16 million voice biometrics level 2 enrolments.

## 719 COVID-19

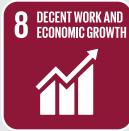
	FY21	FY22
USSD data	22 399 785	2 118 041
Call statistics	1 070	235
Hits	9 734	2 824

## FUTURE FOCUS

- Accelerate new growth areas in digital content, particularly in health.
- Fully automate our enterprise business from sales point to order delivery, thereby enhancing efficiency and ensuring faster turnaround.
- Grow our digital engagement with our customers by providing a full end-to-end self-service option.
- Ensure that our platform strategy for IoT and ICT can meet customer needs in various sectors of the economy to become the trusted partner on technology, financial services and connectivity for enterprise.
- Become a platform of choice for SMEs and be the digital transformation partner of choice for enterprise customers through provision of professional services and managed services.
- Position the public sector unit as the trusted partner of choice for technology, digital literacy and financial services for Government ministries, departments and agencies, counties and NGOs.
- Continue to grow our fibre infrastructure.
- Automate the call centre vetting process to increase the average handling time per call and increase the number of customers served.
- Develop a 360 view of the customer to be used at retail shops and contact centres to reduce the number of applications frontline agents, (retail shops and contact centres), need to work through to serve customers. This will reduce the average handling time and help to increase number of customers served per day.
- Increase the work from home capacity of the contact centre to 100%.



# SOCIETY



*We have co-created several strategic programmes with various partners (SDG17) including maternal, neonatal and child health programmes (SDG3); as well as child and online safety (SDG3) and educational and training initiatives targeting all levels of society (SDGs 4, 8 and 10).*

## OUR HIGHLIGHTS

- Accelerated Learning Programme benefitted over 25 271 learners.
- 2 050 youth received digital skills training through the Wezesha initiative.
- Supported 412 initiatives across 47 counties through the Ndoto Zetu Phase 3 initiative, benefiting over 1.2 million people.
- Expanded our telemedicine initiative.

## ISSUES FOR SOCIETY

- Ongoing negative impacts of the COVID-19 pandemic.
- Drought in certain parts of Kenya, rising cost of living.

## UNDERSTANDING AND RESPONDING TO NEEDS

Kenya's country blueprint development programme, Vision 2030, aims to transform the country into an industrialised, middle-income country providing a high quality of life and a clean and secure environment for all its citizens. This vision underpins our work to transform lives. Our corporate social investment programmes aim to transform lives. We work to achieve this through our Safaricom and M-PESA Foundation programmes which are aligned with our priority SDGs and focused on key themes: health, education and economic empowerment. Our collaboration with various partners, including county and national government informs this work. We engage formally and informally with all levels of society, particularly the most marginalised, to understand and respond to their needs.

Engagement also informs the Foundations' ongoing assessment of the effectiveness of social impact initiatives, generally by using third-party evaluators. Gaps identified and key learnings are then used to improve on the design and implementation, as well as the scale and sustainability of subsequent initiatives. In broad terms, some of the lessons we have learnt include the need to bring other funding partners on board to scale initiatives; ensuring government's ownership to promote sustainability and increasing investment in the Ndoto Zetu initiative which has proven to yield immediate, direct changes in people's lives.

Funds are disbursed according to the regions mapped in terms of Safaricom's trading zones. Our employees play a key role in engaging with the communities to prioritise needs. They make recommendations related to each region's community needs and to our strategic themes. They also act as change champions, monitoring the progress of the projects during their day-to-day interactions.

Initiatives under these themes are set out on the following pages.





## SAFARICOM AND M-PESA FOUNDATIONS SPEND TABLE

	FY19		FY20		FY21		FY22	
	Spend	Lives	Spend	Lives	Spend	Lives	Spend	Lives
Health	27%	88 246	40%	250 000	22%	602018	9%	1 163 281
Education	52%	51 413	52%	106 208	65%	1 669 058	85%	146 872
Economic empowerment	14%	5 415	5%	679 165	3%	109 000	6%	14 571
Disaster response	2%	5 000	1%	57 128	9%	199 353	-	-
Environment	0%	5 000	2%	-	1%	47 226	1%	10 000

Note: The figure for disaster response in FY22 has not been included as it was not covered in the reporting period.

### #MyLittleBigThing



Inspired by Nobel laureate, the late Wangari Maathai's 'Little Thing' of planting trees, #MyLittleBigThing is an initiative by MK-Africa, a woman-owned SME based in Nairobi, Kenya. MK-Africa trains, mentors, and supports young people through #MyLittleBigThing's partnerships with Safaricom, the Cambridge Institute for Sustainability Leadership, PKF, South African Airways, and Crew 2030, innovating and establishing social enterprises based on the SDGs and sustainable business practices.

Safaricom has invested approximately KSh 3 million in #MyLittleBigThing since 2017, further championing the SDG agenda.

The partnership has contributed to the development of innovative ideas around the relevant SDGs and the setting up of SDG clubs in Kenyatta University, Jomo Kenyatta University of Agriculture and Technology, University of Nairobi, Moi University, Catholic University of Eastern Africa, Jaramogi Oginga Odinga University and University of Eldoret.

In 2021, #MyLittleBigThing held a competition, the winner of which was Pine Kazi, an eco-friendly Kenyan fashion company established in 2019 with an aim of making the fashion industry greener. Pine Kazi recycles pineapple post-harvest waste into a sustainable pineapple textile which is further used to craft a range of eco-friendly fashion products like shoes and bags.



## EDUCATION

According to the World Bank, education expenditure in Kenya has reached international benchmarks, both as a share of total government expenditure and as a share of GDP.

However, the pupil-to-teacher ratio remains at an average of 56 to 1, in some counties as high as 77 to 1 and there is a low rate of transition from secondary to tertiary institutions.

We work to redress this balance through several key initiatives.

- The aim of the **Accelerated Learning Programme (ALP)**, implemented together with our partners, was to improve the learning outcomes (numeracy and literacy competency) for learners lagging in these skills. The programme aimed to support learners to read with comprehension and be able to reason with numbers. The initiative focused on schools in Bungoma, Turkana and Tana River counties, which had been ranked as counties lagging in matters of learning. Implementation at the county level was through local organisations, with a programme support team overseeing implementation. By the time the grant ended in April 2022, the programme had benefitted 25 271 children whose learning outcomes had improved.
- The **Safaricom Foundation Scholarship (SFS) Programme** is a Technical Vocational Education and Training (TVET) programme implemented together with our partners and the Ministry of Education.

SFS seeks to contribute significantly to Kenya's economy by injecting skilled human resources in the hospitality and construction industries through providing training scholarships for at least 1 000 needy and vulnerable youth across Kenya. In FY22 we exceeded this goal, providing 1 027 scholarships. The programme's aim is that at least 60% of the beneficiaries should be young women from needy backgrounds and at least 5% of the trainees should be Persons with Disabilities (PwDs). By December 2021, the programme had enrolled 820 trainees in two cohorts. During the year, we also implemented quarterly capacity enhancement workshops and meetings for the managers of Vocational Training Centres.

A key learning from the programme was that PwDs require additional support to transition from one term to the next. They also needed support in taking up opportunities in industry. More importantly, because of the stigma and/or related 'challenges' of accommodating employees with disability, the best transition path for PwD beneficiaries is to link them to entrepreneurship opportunities. The Zizi Afrique Foundation (ZAF) has collaborated with the Kenya Institute of Special Education (KISE) to run a programme to link PwDs with procurement opportunities through the Access to Government Procurement Opportunities (AGPO) Policy.







- SFS also participated in and sponsored certain aspects of the **Hands on the Future Skills Show** run by the Permanent Working Group on TVET, in collaboration with the State Department of Technical and Vocational Training of the Ministry of Education and the TVET authority. The event showcased Kenya's technical and vocational education and training institutions. It also highlighted the entrepreneurship and life skills training opportunities for youth to help guide them to the world of work through the appropriate skills.
- The **Digital Skills Programme Improving Teacher Competences for Improved Education Outcomes in Kenya** is managed in partnership with the Ministry of Education, Teachers Service Commission (TSC) and the Centre for Mathematics, Science and Technology Education in Africa (CEMASTE). The programme is aimed at overcoming the challenges of inadequate digital skills for teachers and insufficient digital structures in teacher training colleges which lead to poor education outcomes. Targeting new teacher graduates and their tutors in all public primary and secondary training colleges in Kenya (35), the programme seeks to ensure that 75% of new teacher graduates and all tutors have the digital skills that enable them to complement learning in primary and secondary schools in Kenya, thereby improving educational outcomes.
- The Safaricom Foundation supported the **African Braille Centre (ABC)** which distributed braille, audio materials and assistive devices to schools targeting learners with visual impairment. The beneficiaries in this project were 2 648 visually impaired learners, with the number of indirect beneficiaries (parents/guardians, siblings, caregivers etc) estimated at 28 422.



## HEALTH

There are three main delays to healthcare – seeking, reaching and accessing care. To help overcome these challenges, we are aligned with key national Government initiatives including the National Hospital Insurance Fund (NHIF), Universal Health Coverage (UHC) and Linda Mama (free health insurance for pregnant women). Given that healthcare is devolved, we also work closely with county governments. In terms of government initiatives, our aim is to ensure the ultimate beneficiaries are linked to these schemes to enhance sustainability.

- Non-communicable diseases like diabetes, hypertension and others are on the rise in Kenya. According to the Ministry of Health, NCD-related deaths have risen from 27% in 2014 to 39% in 2021. The Safaricom Foundation's **Non-Communicable Diseases Programme initiative in Garissa County** promotes early detection for diabetes and its complications for children. This is achieved through awareness creation and sensitisation of health workers, improved comprehensive diabetes care for children and young adults, as well as strengthening of the healthcare system through the provision of medicine and equipment. To date, 435 children have benefitted.
- Shortly after the reporting period, the Safaricom Foundation donated a **water ambulance** to King Fahad Referral Hospital in Lamu County to help respond to medical emergencies. The ambulance will link over 150 000 people from sub-county hospitals, dispensaries and other health centres to referral services at the hospital. The ambulance, which uses a toll-free number for emergency services, is also fitted with emergency equipment to treat patients needing critical care and is estimated to be able to conduct 50 referrals a month.
- The **Usamaria initiative** provides medical funding, with each case reviewed by the Usamaria committee. The Usamaria Committee is mandated by the Safaricom Foundation to consider and support medical assistance cases from the less fortunate in the society. The Committee reviews and approves medical support requests; monitoring and reporting on the outcomes of the funding/support.



- In sub-Saharan Africa, the average for female genital fistulas is one to two for every 1 000 deliveries, where the woman survives. Approximately 4 000 – 5 000 new obstetric fistulas occur in East Africa annually. Targeting women and girls in five counties, the **Female Genital Fistula (FGF) programme**:
  - Operated on 180 women with FGF at five hospitals over one year
  - Trained four local specialists on FGF-repair through the FGF camps held in these hospitals.
  - Conducted on-the-job training for local doctors, clinical officers and nurses in pre- and post-operative care and follow up of patients with FGF
  - Raised awareness about the FGF problem and mobilised women with FGF to come forward for surgery through talk shows and seminars/ workshops
  - Sensitised health workers, organised groups, government and NGOs on the prevention of FGF
  - Analysed post-operative outcomes and shared lessons learnt
  - Documented risk factors and regional prevalence and incidence variation.



- The **Uzazi Salama** ('Safe parenting') initiative aims to strengthen the county's health systems to support the delivery of quality reproductive, maternal, new-born, child and adolescent healthcare. In November 2021, the M-PESA Foundation in partnership with other stakeholders including the Homabay County government, Amref Health Africa, Action-aid, PharmAccess and Pathfinder launched the project in HomaBay County. Homabay was targeted as it is one of 15 counties in Kenya with poor maternal, child and adolescent health indicators.
- In partnership with Gertrude's Children Hospital, the M-PESA Foundation also launched the **Daktari Smart** telemedicine programme. This is part of a larger telemedicine initiative that targets over 32 000 children in four counties. To improve maternal health services, the Foundation equipped the hospitals with delivery and post-natal rooms with a capacity of eight beds, as well as a consultation room. Other equipment included wheelchairs, delivery coaches and baby weighing scales as well as laboratory tools. The construction of a septic tank has improved sanitation standards at the health centre, while the installation of an ablution block, and an underground water tank has enabled the hospital to meet its water needs for effective service delivery.

## ECONOMIC EMPOWERMENT

Youth account for 35.4% of Kenya's population and 80% of the country's unemployed are young people aged between 15–34. Against this backdrop, we focus on opening opportunities for young people through upskilling and entrepreneurial initiatives.

- The **Wezesha** initiative trains cohorts of potential digital/cloud workers, introducing them to the gig economy, improving their soft and hard skills, thereby enhancing their employability. This initiative, which supported 2 050 youth in FY22, was closed out in May 2021.
- The **Wezesha Generation Programme** aims to solve the problem of skills gaps on the one hand and youth unemployment on the other and aims to and provide unemployed youth aged 18–35 across the country with job-ready skills. We achieve this through programmes across five sectors: financial services sales, distributed sales, retail and restaurant, customer service agents and sewing machine operators. As at the end of May 2021 when the project was closed, we had graduated over 8 600 youth, 56% of whom were women, across 53 training locations in 18 counties in Kenya with 14 of these centres located in public and private TVETs.
- The **Wezesha Agri** initiative which was first piloted in 2018, aimed to empower the youth and women by supporting them with access to farm inputs, learning content and the required land infrastructure. We faced certain challenges, key among which was the lack of market linkages for produce and the fact that experiential, rather than digital, learning was preferred by those involved. We are now looking at a partnership with the German development agency Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) and with Digifarm as technical advisors to establish demonstration farms. We believe this will motivate young people to take up farming and help them develop their skills in this area.





## SAFARICOM PLC INITIATIVES

The initiatives set out on the following pages take place under the auspices of Safaricom PLC.

### SAFARICOM WOMEN IN TECHNOLOGY (WIT)

Our Women in Technology (WIT) programmes aim to help the next generation of students and youth onboard, build and retain women in STEM careers. This is achieved through six key programmes aimed at reaching out to the girl child at various stages of her education cycle by continuously providing support through coaching, mentorship, exposure to evolving technologies, technical platforms and networks.

- The **Kids-Go-Tech initiative** strategically engages children in science-based experiments using interactive kits to simulate real world applications. Despite the challenges of a long school break related to COVID-19, WIT partnered with Code Yetu Kids and successfully executed a virtual session for kids focusing on Agile for kids which is based on the Agile methodology we are currently employing; Scratch (a programming language); making art, web development and the MIT app inventor, a tool that facilitates easy app creation while teaching computational fundamentals.
- Through the **47/47 High School programme** we reach out to 47 schools in each of the 47 counties, inviting one school per county or a one-day workshop at our regional Safaricom offices. The young girls attending are shown the technical basics to spark their interest for the science-based courses and are also mentored and counselled on various life issues affecting them at this stage by the WIT champions.



- The **Tech-novation Challenge** targets high school girls aged 14 to 18 who submit apps addressing identified community problems. This usually spans over four months of

team formation, intense research, business proposal, coding and presentations at various judging stages. All this is done under rigorous coaching and mentoring of the students by tech-novation coaches (volunteer individuals obtained via other WIT programmes). One of the teams was recognised on International Youth Day by UNESCO, showcasing the Kazi kwa Wote app to connect youth in Kibera to jobs.



- **WIT's campus outreach** programme ensures women are on track for employment viability, growth into management and have the necessary skills in place to maintain a work-life balance in STEM professions. Under the programme in FY22, there were 10 webinars which had average attendance of 370 students from 36 universities across Kenya. The programme is helping to create a talent pool and promote Safaricom's growth as a brand.
- The **WIT Technology Academy** programme provides added value internship for a period of three months through placement within various teams in Safaricom PLC based on the skillsets required and offered.
- **The WIT internal & networking** programme provides a platform from which women can build their professional networks and which provides work/life support.





## Enabling and empowering communities

Serving the community of Kilimani in Turbo Sub-County, Uasin-Gishu County and established in 2019, the mandate of Kilimani BUDA community-based organisation (CBO) is to promote youth talent, skills development and economic empowerment. Joblessness, poverty, crime, drugs and substance abuse, as well as early pregnancies motivated the organisation to establish a community resource centre called 'Kituo cha Uradi'. The centre, which aims to train 1 500 young people a year, enables school pupils and youth (under 35) in the community to acquire computer skills at vastly reduced rates.

Through the Ndoto Zetu initiative, the CBO received a grant which enabled the

purchase of 10 computers and the establishment of ICT infrastructure. The CBO has trained 160 community members on computer packages and short courses in ICT, while another 15 have been trained in Kenyan Sign Language. The centre also offers linkages to the government-sponsored AJIRA network that creates an environment for skills development and job creation.

When the centre is not being used for training, it serves as a library for research at minimal cost per hour. This has contributed greatly to literacy levels of the community members who access the centre.



## Spot it, Stop it!

Safaricom partnered with UNICEF and the Directorate of Children Services to launch 'Spot it, Stop it', a campaign to promote awareness about violence against children and to advocate for change. The campaign, which targeted all 47 counties, was initiated in Nairobi County in October 2021 with sensitisation forums for various stakeholders including children, education stakeholders and county government officials.

The campaign aimed to raise awareness on how children can be safe both online and offline and how to prevent violence

against children by identifying and addressing the underlying causes. The campaign also calls for cases of violence against children to be reported to the relevant authorities by contacting the toll-free numbers provided or to child protection offices. As part of the campaign, children were also informed on how to identify and report online abuse through a child-friendly booklet distributed by the Directorate of Children Services and UNICEF relating to violence against children.



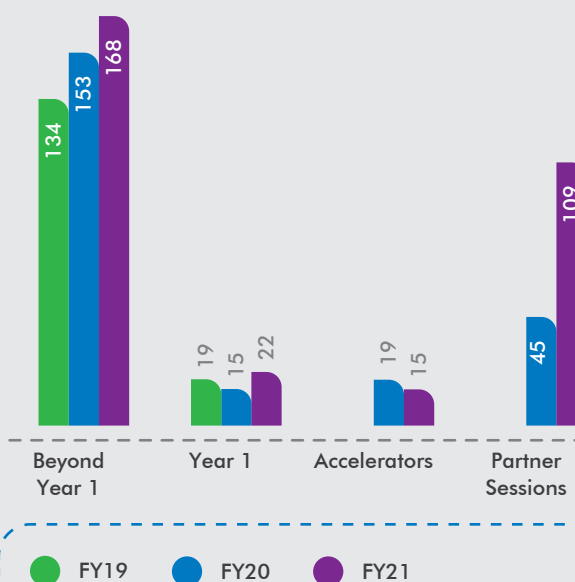
## TACKLING POVERTY AND INEQUALITY WITH THE ACUMEN ACADEMY

The mission of Acumen Academy is to unleash a new generation of social innovators and leaders to build a more just, inclusive and sustainable world. The Academy's Fellowship and Accelerator Programmes equip participants with the knowledge, skills, and community to accelerate and sustain their impact.

Over the past three years, the Academy has conducted several engagements with Safaricom including:

- Virtual training workshops for 45 staff members (2020)
- Online courses (2021)
- Facilitating Good Society discussion sessions with 109 Uongozi Centre scholars (2021). The Centre aims to support students in their post-secondary school journey by enhancing their leadership potential, developing independent living and thinking skills as well as assisting our learners to incubate business ideas and community project.
- Leading a session (after year end) at the inaugural MPESA Foundation Academy Leadership Conference.

### TRAINING & COMMUNITY BENEFICIARIES





## PAMOJA TUUNGANE

The Pamoja Tuungane campaign aims to complement the Government of Kenya's initiatives in tackling famine by providing emergency food relief to Isiolo, Samburu, Marsabit and Turkana Counties – all areas which have been hard hit by famine. The campaign will be carried out in partnership with companies such as Naivas, KCB, Royal Media, Nation Media, Radio Africa and Media max.

Safaricom has set aside KSh 100 million for relief food to kickstart the campaign.

Safaricom is rallying Kenyans to donate their Bonga points or cash to support communities in affected areas. All the donated funds will be shared as food to

the communities in need through the State Department of Social Protection. External auditors Ernst & Young will ensure that all funds donated are used for the purpose intended.

The campaign is available to:

- Safaricom network subscribers who are enrolled onto the Safaricom Bonga Loyalty Programme for Bonga points donations;
- Safaricom subscribers who would like to donate cash; and
- Subscribers from other networks who can contribute directly to the Paybill 444777#.



## FUTURE FOCUS

- Launch the Pamoja Tuungane initiative to provide a vehicle through which Kenyans can support others in drought affected areas.
- Reach two million Kenyans across education, health, and economic empowerment thematic areas.
- Train over 50 000 youth (cumulative) under the auspices of the Wezesha Generation Programme by 2023.
- Under the SFS initiative, link Vocational Training Centres (VTC) with industry to enable better placement of trainees and refresh the training course for VTCs first initiated in 2020.



# REGULATORS

## OUR HIGHLIGHTS

- Surpassing the Quality of Service (QoS) regulatory threshold by 15.38% to attain a score of 95.38%.
- Zero regulatory fines or penalties or administrative actions.
- 100% acquisition of EIA licences for 5G rollout.
- Additional 20 existing base transceiver (BTS) sites upgraded to 5G.



## ISSUES FOR REGULATORS

- Increasing local and global focus on environmental issues.



## KEEPING PACE WITH A CHANGING ENVIRONMENT

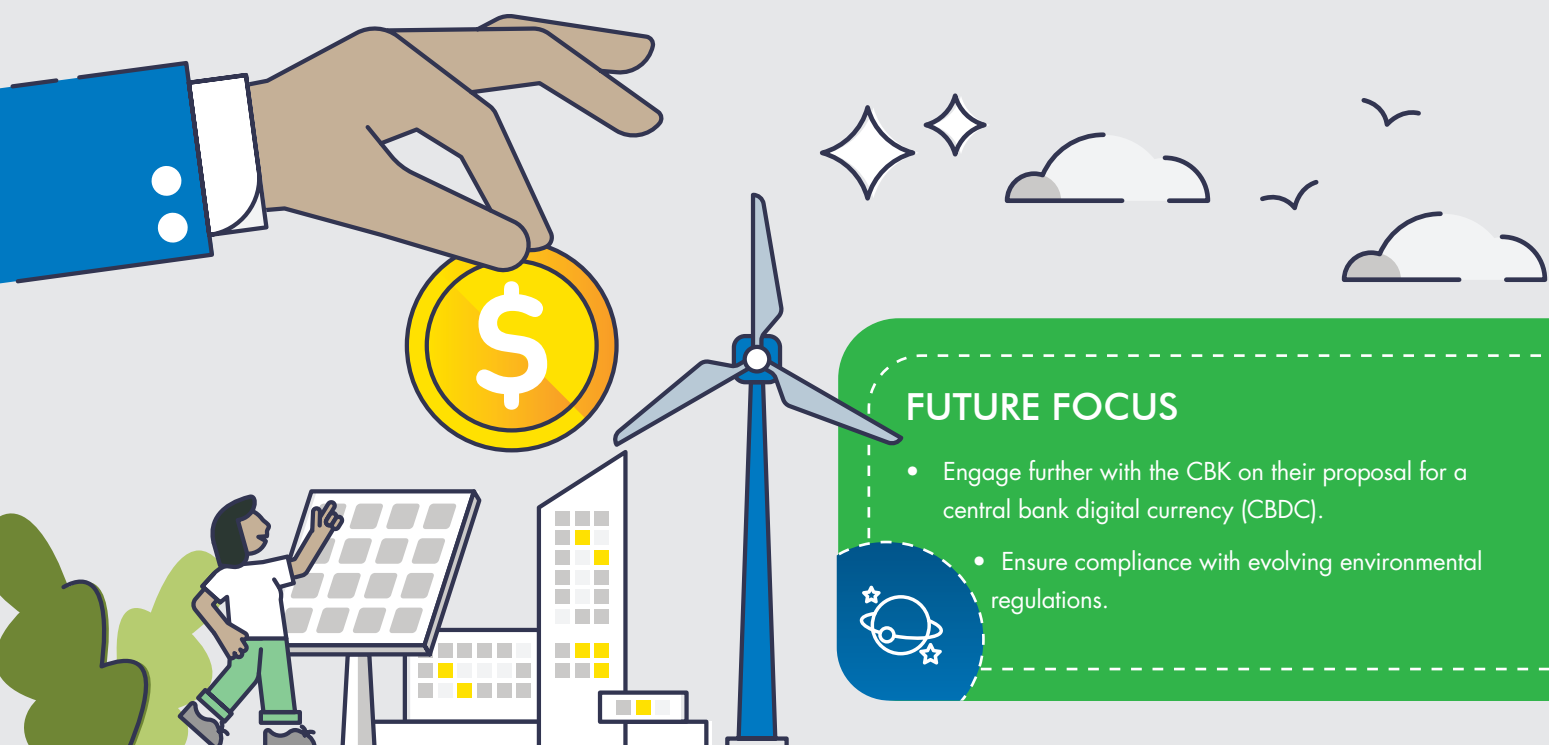
The environment in which Safaricom operates is constantly changing in all areas, from digital currency to environmental issues. Accordingly, we maintain close engagement with our regulators to provide input on evolving regulation while seeking to ensure favourable consideration of our products and services. Our interaction is based on four pillars:

- **Comply:** Proactively ensure compliance with all licence obligations, legislation, regulations, by-laws and regulatory guidelines.
- **Engage:** Actively engage with regulators and industry bodies through face-to-face meetings and written submissions when changes to the existing business environment are under discussion.
- **Discuss:** Facilitate workshops and information sessions with regulators, members of the media and affected stakeholders to discuss public policy issues affecting the industry.
- **Attend:** Be present at stakeholder workshops and engage on behalf of the telecommunications and technology industries.

Our business is overseen by 10 regulatory authorities, chief of which is the Communications Authority of Kenya (CA) which is responsible for the Information, Communications and Technology (ICT) sector in Kenya.








## FUTURE FOCUS

- Engage further with the CBK on their proposal for a central bank digital currency (CBDC).
- Ensure compliance with evolving environmental regulations.







Regulator	Mandate	Issues on which we engage
	The Communications Authority of Kenya (CA) is the regulatory authority for the ICT sector in Kenya, including broadcasting, multimedia, telecommunications, electronic commerce, postal and courier services.	<ul style="list-style-type: none"> <li>Licensing</li> <li>Spectrum management</li> <li>Consumer affairs</li> <li>Quality of Service (QoS) Measurements</li> <li>SIM-card Registration Regulations</li> <li>Universal Service Fund (USF)</li> <li>Interconnect.</li> <li>Competition</li> <li>Type approval</li> <li>Compliance</li> </ul>
	The Competition Authority of Kenya (CAK) has the mandate of enforcing the Competition Act, No. 12 of 2010 with the objective of promoting competition for the benefit of consumers, businesses and the economy.	<ul style="list-style-type: none"> <li>Competition and Trade practices</li> <li>Consumer Affairs.</li> <li>Mergers &amp; Acquisitions.</li> </ul>
	The Central Bank of Kenya (CBK) is responsible for formulating monetary policy to achieve and maintain price stability. The Central Bank also promotes financial stability; an effective and efficient payment, clearing and settlement system; formulates and implements foreign exchange policies; holds and manages foreign exchange reserves; issuing of currency; and is the banker for, adviser to and fiscal agent of the Government.	<ul style="list-style-type: none"> <li>Mobile money transfer services (M-PESA) International money transfer services.</li> </ul>
	The Kenya Revenue Authority (KRA) is responsible for the efficient assessment and collection of revenue (taxes) on behalf of the Government.	<ul style="list-style-type: none"> <li>Taxation</li> </ul>
	The National Environment Management Authority (NEMA) is mandated to ensure the natural resources and environment of Kenya are managed in a sustainable manner.	<ul style="list-style-type: none"> <li>Environmental Impact Assessments and audits</li> <li>E-waste management</li> <li>Energy management regulations- Under EPRA</li> <li>Waste management</li> <li>Air quality</li> <li>Noise and excessive vibration pollution</li> </ul>
	The Betting Control and Licensing Board (BCLB) seeks to promote reasonable, legal and sustainable gaming activities in Kenya and authorises gambling, lotteries and prize competitions.	<ul style="list-style-type: none"> <li>Safaricom promotions</li> </ul>
	The Kenya Civil Aviation Authority (KCAA) is responsible for the safety and management of the Kenyan airspace.	<ul style="list-style-type: none"> <li>Site acquisition</li> <li>Approval of proposed base transceiver stations</li> </ul>
	The Capital Markets Authority (CMA) protects the interests of investors and publicly listed companies through licensing and supervising the capital markets industry.	<ul style="list-style-type: none"> <li>Corporate governance</li> </ul>
	The primary regulator for Data Protection, responsible for overseeing the implementation of the Data Protection Act and Regulations	<ul style="list-style-type: none"> <li>Registration of data controllers and processors</li> <li>Reporting data privacy breaches</li> <li>Approvals for certain processes involving personal data</li> </ul>
	Responsible for regulation of upstream petroleum and coal.	<ul style="list-style-type: none"> <li>Collection and maintenance of energy data (We are mandated to undertake energy audit of our sites every three years and submit the reports to the authority for review and comments)</li> </ul>

# EMPLOYEES

## OUR HIGHLIGHTS

- Progressed our digital operating model and Agile ways of working.
- Recertified to ISO 45001.
- On track to achieve our PwD target.



## ISSUES FOR EMPLOYEES

- Thrive initiative is not proving as successful as expected.
- Psychological safety concerns



## SUCCESSFULLY TRANSFORMING TO AGILE

Our transformation to an Agile organisation, supported by two Centres of Excellence, is enhancing the levels of responsiveness our stakeholders expect from us as we become a purpose-led technology company by 2025.

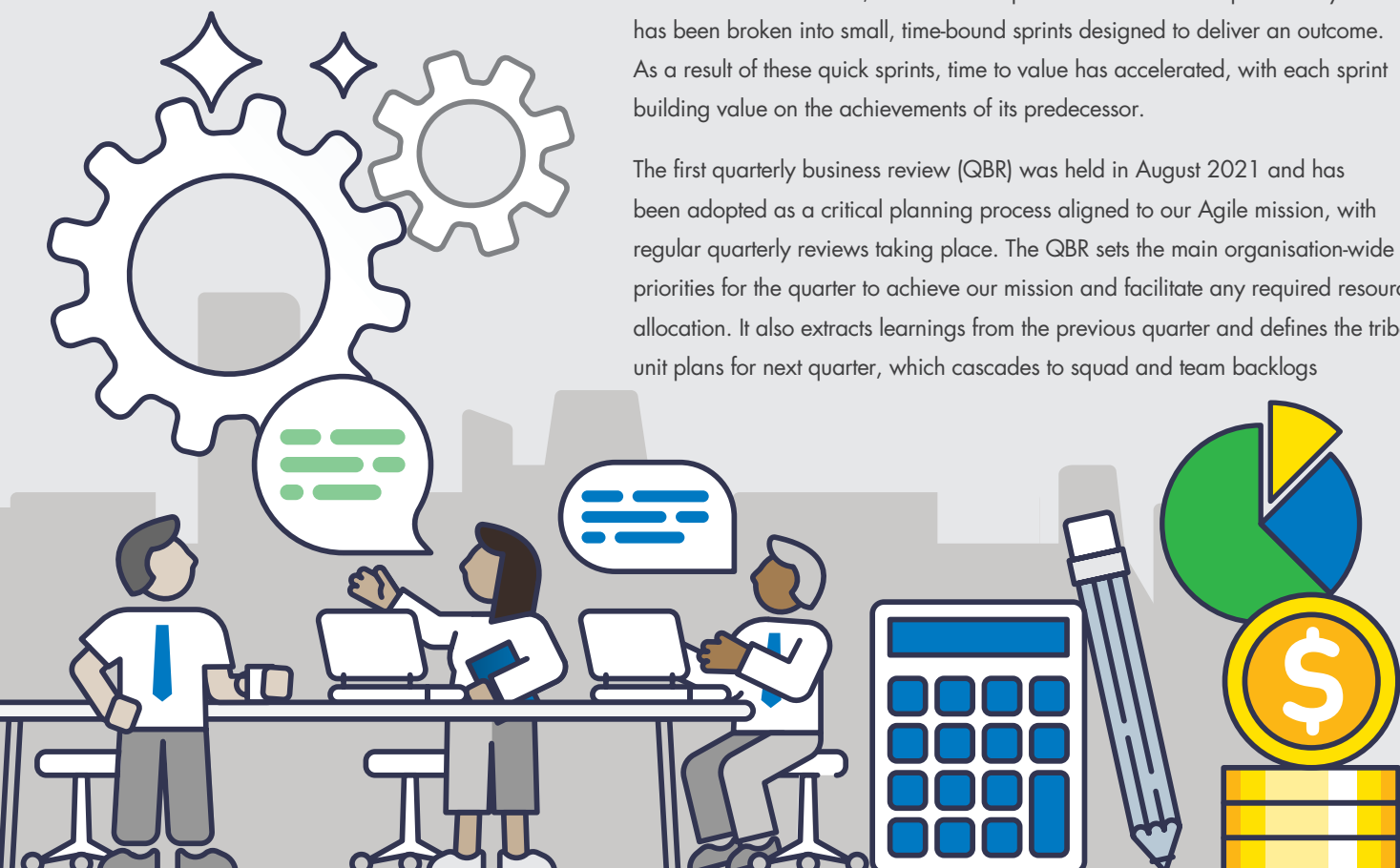
The adoption of Agile as a way of working has enabled us to progress our Customer Obsession journey. It has also meant less specialisation and greater synergy across teams. It continues to allow us to meet our stakeholders needs and expectations more strategically. Our people are now better engaged and feel empowered in contributing to realising our mission and delivering on stakeholder needs.

In FY22 we launched the second wave of Agile tribes with 29 squads and nine Exco-led workstreams. We also operationalised the Transformation Office and Agile studio.

## BUILDING VALUE THROUGH AGILE SPRINTS

The merging of business and technology resources has connected the requisite people from different domains, enabling them to work together on tasks, boosting cross-team collaboration, as well as the pace of execution and productivity. Work has been broken into small, time-bound sprints designed to deliver an outcome. As a result of these quick sprints, time to value has accelerated, with each sprint building value on the achievements of its predecessor.

The first quarterly business review (QBR) was held in August 2021 and has been adopted as a critical planning process aligned to our Agile mission, with regular quarterly reviews taking place. The QBR sets the main organisation-wide priorities for the quarter to achieve our mission and facilitate any required resource allocation. It also extracts learnings from the previous quarter and defines the tribe/unit plans for next quarter, which cascades to squad and team backlogs





## NURTURING AGILE TALENT

Our employees remain an integral part of our success and we continue to drive the Spirit of Safaricom while nurturing critical talent. We have anchored our people strategy on four key pillars:

- Accelerate the delivery of diverse talent and future-ready skills.
- Orchestrate an Agile and efficient operating model.
- Foster the purpose and Spirit of Safaricom
- Create a digital, personalised employee experience.

We have also instituted various models for contribution-based careers, performance management, employment contracts and remuneration, as well as incentives. These four elements are aimed at supporting collaboration, flexibility, growth and craftsmanship as well as establishing a bias towards doers.

All job profiles are linked to specific business KPIs. Each role has a mapped contribution level aligned with craft, people and mindset, business and customer. Every employee is assigned objective key results which align with the overall business mission. These are documented and reviewed through:

- Regular weekly retrospect meetings
- Monthly check-ins
- Quarterly business reviews
- 360 degree review sessions for agile teams
- Bi-annual and annual reviews.

To enhance engagement, we held 11 CEO town halls, 33 weekly staff webinars, four Leadership Forums and five Agile townhalls. We also held safety culture and performance reviews, as well as COVID-19 and wellbeing sessions across the organisation.

We achieved a Digital Maturity Index (DMI) of 3.1 through our efforts in simplifying, automating and digitising our processes. The DMI describes the digital effectiveness of an organisation, together with how well digital contributes to an organisation's performance. The highest point on the DMI is 5. Globally, advancing and leading organisations achieve a score of 4 and above. We have deployed initiatives to achieve this score.



## PROMOTING DIVERSITY

We are an equal opportunity employer, actively recruiting talent from diverse backgrounds to ensure a workforce reflective of the communities we serve. We strive to create a work environment where employees are empowered to thrive and grow regardless of gender, disability, race, age, or any other dimension of equality. While we maintained gender representation overall, at senior leadership, female representation declined by 1%. This was attributable to the creation of a new division with a male chief.

We achieved our training hours and investment targets, with the result that the training index (percentage of staff who attended training during the year) increased by 4%.

In a further drive to promote diversity, we onboarded 33 PwD interns from the IT Bridge Academy which trains young people with disabilities in information technology. We waived their degree requirements and upskilled them with digital skills. This was the first group of the talent pipeline from a consortium of partners led by Sight Savers who have been our partners for the last three years and who have supported us in raising awareness particularly, in empowering our line managers on disability etiquette and how to lead inclusive teams.

We also trained over 100 retail franchise employees on sign language to remove communication barriers for our deaf colleagues and customers. The training involved a structured basic sign language module with content relevant for day-to-day communication aligned with business operations. In addition, we ensured communication within Safaricom was inclusive by providing captions during online meetings and having sign language interpreters during all in-person meetings.

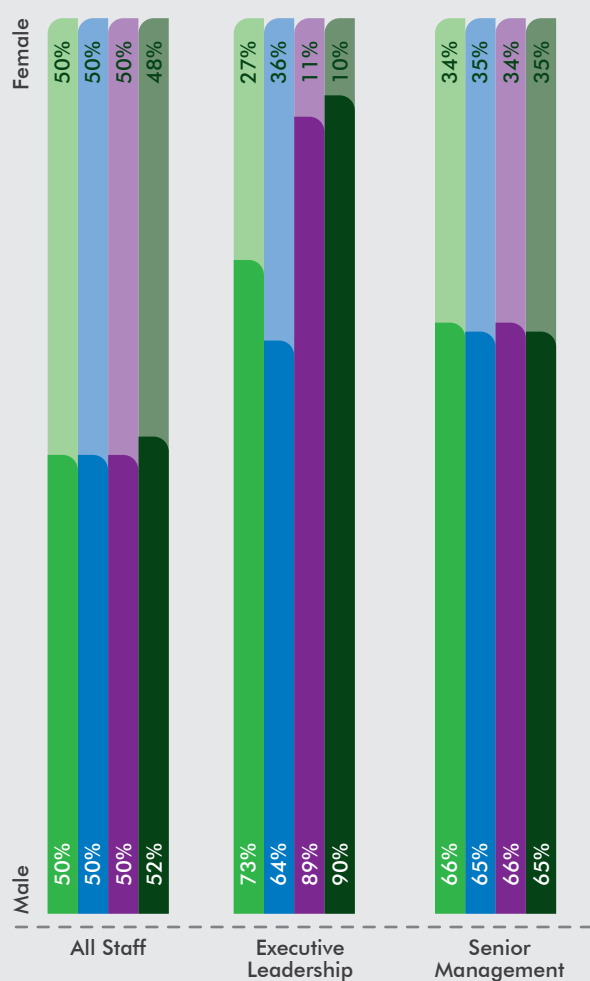
As indicated in the table on the following page, we are well on track to achieving our target of 5% PwDs in the workplace by 2025. We continued to provide assistive technologies and devices to support our staff with disabilities. In line with this inclusive approach, we also distributed about 2 000 white canes across the country.

To support PwDs further, we partnered with the Malaika Awards and Safaricom Foundation to host a forum where PwDs showcased their talents in various economic fields and the winners were given spot awards to boost their economic status.

## OUR WORKFORCE DEMOGRAPHICS

	FY19	FY20	FY21	FY22
Number of permanent male employees	2 251	2 278	2 246	<b>2 283</b>
Number of permanent female employees	2 252	2 237	2 210	<b>2 128</b>
Total number of permanent employees	4 503	4 515	4 456	<b>4 411</b>

### EMPLOYEES BY GENDER & DIVERSITY (%)



### PERSONS WITH DISABILITIES

FY19	FY20	FY21	FY22
2.1%	2.3%	2.6%	<b>3.1%</b>



## BUILDING WOMEN LEADERS

Given that promoting gender equality is a key priority, we continued to focus on building a healthy pipeline for our women leaders through our Safaricom Women in Leadership Programme that saw 50 women graduate from the programme in FY22. Conducted with an external third party, Safaricom Mowgli Mentoring encourages mentees to explore ideas, set clear goals on career growth and take steps towards realising them. Our Safaricom Mowgli mentorship programme has now supported over 100 women grow in their careers and improve their performance in the different roles they execute for the business.

Lean-in circles for our female employees provided psychosocial support and engagement even as we transitioned back to work post COVID-19. These circles covered issues like breakthrough leadership for women and achieving a balance between work and home. Through initiatives such as Women in Technology (WIT) (see page 74 of this report), we hope to create a talent pool of women opting for technology-based careers.

### PERCENTAGE OF WOMEN IN OUR TECHNOLOGY DIVISION

FY19	FY20	FY21	FY22
23%	24%	24%	<b>22%</b>





## INTERNAL LABOUR MARKET MAP

Career level		Female staff			Male staff		
		Senior management	Middle management	Entry level	Senior management	Middle management	Entry level
Hires	FY19	2.10%	5.40%	6.40%	2.90%	6.70%	11.00%
	FY20	4.60%	4.20%	1.80%	2.50%	7.70%	3.80%
	FY21	9.60%	3.30%	1.20%	2.50%	3.20%	4.20%
	FY22	10.70%	3.60%	3.20%	10.20%	4.50%	14.30%
Internal mobility	FY19	2.10%	4.60%	6.20%	7.30%	3.90%	7.80%
	FY20	6.50%	1.60%	0.70%	5.60%	2.30%	0.90%
	FY21	3.83%	7.05%	0.85%	5.06%	7.17%	1.03%
	FY22	14.80%	15.80%	5.60%	8.00%	17.00%	8.00%
Laterals	FY19	15.50%	5.70%	2.30%	11.70%	6.30%	1.90%
	FY20	10.20%	8.70%	2.00%	9.60%	7.00%	1.30%
	FY21	3.83%	3.34%	3.26%	2.02%	3.24%	2.30%
	FY22	11.50%	4.60%	3.00%	9.80%	3.60%	4.20%
Voluntary exits	FY19	6.20%	2.80%	2.40%	5.80%	3.40%	3.00%
	FY20	1.90%	2.90%	3.30%	4.10%	4.10%	3.20%
	FY21	4.79%	3.34%	0.98%	1.52%	1.62%	1.78%
	FY22	4%	4.90%	2.80%	4.60%	5.10%	3.50%
Total exits	FY19	9.30%	3.60%	5.20%	8.30%	7.00%	5.90%
	FY20	2.80%	3.40%	4.50%	5.10%	4.90%	4.80%
	FY21	6.70%	8.17%	2.24%	3.04%	2.31%	4.50%
	FY22	5.90%	6.30%	3.60%	8.10%	5.90%	5.50%

## EQUIPPING OUR PEOPLE WITH SKILLS

Our progress in creating a future-fit organisation was highlighted by the fact that we achieved a career development index of 76% in our FY22 employee survey, indicating that 76% of our staff believe their career goals can be met and achieved at Safaricom. As indicated in the table on the following page, we achieved our training target of 40 hours, with the decrease from the previous year attributable to the introduction of hybrid ways of working.

We implemented the following skills initiatives in FY22:

- Our #1MoreSkill campaign, aimed at accelerating the delivery of digital upskilling and reskilling across the business, saw 90% of our employees completing at least one digital learning.
- Following a skill audit exercise for our Technology teams, 80% of our employees' individual development plans realised through various learning channels.
- A total of 4 407 employees (80% of our staff) completed Agile 101 courses, with 247 employees certified in Agile-related courses.
- Over 300 employees completed the Digital Academy, a re-skilling initiative to accelerate future digital skills readiness across the business as we transition into a purpose-led, Customer Obsessed, digital-first technology company. The programme comprises a blended, staggered learning approach encompassing a mix of self-paced learning, peer learning, experiential learning, mentorship and virtual classroom training. It is delivered in an Agile manner and the participants are expected to work on projects that address real business problems. Of the employees participating in the initiative, 95% were upskilled and reskilled in software engineering, cloud, cyber security, IoT, AI and machine learning. Nanodegree upskilling for 48 of our data scientists and data engineers also took place.
- Approximately 23 000 functional courses (courses that are mapped to an employee's role and the function in which they work) were completed on the Safaricom Business School with 2 477 employees attending instructor-led training sessions.

- 98% of our employees completed at least one digital course on our Safaricom Business School Platform. The highest completion was on the prioritised 20 digital skills required as we transition to a Technology Company. Overall, we recorded an average 40 learning hours per employee on both digital and functional courses/content.
- 98% of our employees completed at least one digital course on our Safaricom Business School Platform with the highest rate of completion on the prioritised 20 digital skills required as we transition to a technology company. Overall, we recorded an average 40 learning hours per employee on both digital and functional courses/content.
- Over 200 internships were filled to drive youth employability.
- We hosted four virtual innovation hackathons for internal staff in fintech, data science and Customer Obsession. We are currently assessing the innovative ideas/products that flowed from the hackathons for scale up as fully fledged products.
- Approximately 85% of our line managers completed the coaching for performance training under the Amazing Line Manager Programme. This empowers leaders to be passionate about creating the right conditions for their teams to succeed and deliver outstanding performance. The programme incorporates five modules that touch on the entire employee journey of joiner, mover and leaver and is delivered through a blended approach of learning on the job, formal training, coaching and mentorship.
- In terms of leadership development, 50 leaders undertook the digital transformation micro master's programme in collaboration with Edx (an online campus), five leaders undertook the Vodafone Enterprise Leaders Programme while 40 leaders began their transformational leadership learning journey. This aims to equip our leaders with the skills, mindset and toolsets required to drive forward transformation strategies in a way that galvanizes and engages people at all levels.

### TRAINING HOURS AND INVESTMENT

	FY19	FY20	FY21	FY22
Avg. no. of training hours per employee	N/A	N/A	46.42	40
Investment in staff training (KSh million)	273	310	128	193
Average training index*	81%	83%	81%	85%

\*Percentage of staff who attended training during the year

## ENGAGING OUR EMPLOYEES

Our target for FY22 in terms of the employee and manager engagement indices respectively was 90. However, we did not achieve this, with the employee engagement index standing at 85 and the manager engagement index at 89. However, these scores are within the Kenyan national norm and are best-in-class.

The increase in staff turnover is attributable to increased demand for talent in the tech and fintech spaces in the local market which saw Safaricom lose many more employees in these skill pools as the year before.

### EMPLOYEE ENGAGEMENT SURVEY RESULTS

	FY19	FY20	FY21	FY22
Employee engagement index	96	89	92	85
Manager engagement index	84	89	90	89
Staff turnover	5.7%	5.0%	3.3	5.1

## KEY FINDINGS OF THE 2022 PEOPLE SURVEY

The annual people survey is a census survey measuring all themes related to Employee Experience, as well as capturing views on the Safaricom Spirit, change readiness through Customer Obsession and progress on new initiatives around agility and becoming fully digital. As in FY21, the response rate was high at 92%, indicating that employees are keen to have their say.

85% of staff in Safaricom are engaged compared to 92% reported previously, 87% are happy, 83% are excited about the future while 73% are likely to recommend their manager.

The survey indicated that Safaricom is making significant progress in removing barriers that slow work down. Understanding the Spirit of Safaricom behaviours is high at 97%, as is belief in Safaricom's impact in communities, health and safety rules, understanding of mission.

89% of staff feel diversity and inclusion is celebrated in Safaricom, and 89% feel they are respected at work, above high-performing companies. In addition, 88% of people feel they have the resources to do their job well – a score which is also above national benchmarks.



## 2022 PEOPLE SURVEY SUMMARY

### Engagement index

85%

of our members of staff feel connected and are committed to our organisation

▼ FY21: 92%

### Diversity & inclusion

80%

of our members of staff believe that we celebrate our diverse workforce

▼ FY21: 85%

### Communications

83%

of our members of staff believe that we are open in communication across various levels of influence

▼ FY21: 85%

### Career development

76%

of staff feel that they have an opportunity for advancing their careers and achieving their full potential within our organisation

▼ FY21: 84%

### Work environment

82%

of our members of staff believe that we strive to create a conducive work environment for our people

▲ FY21: 81%

### CSR

87%

of staff believe that we are committed to Kenyan society and engage constantly with communities when providing solutions

▼ FY21: 89%

### Health, safety & wellness

83%

of staff believe that we are committed to providing a safe workplace and ensuring the wellness of our people

▼ FY21: 89%

### Spirit index (overall)

97%

of our members of staff understand what is expected of them under the Spirit of Safaricom

▼ FY21: 98%

### Spirit: Create the future

68%

of our members of staff believe in our ability to create the future

▼ FY21: 80%

### Spirit: Earn customer loyalty

81%

of our members of staff are confident of the measures we have introduced to earn customer loyalty

▲ FY21: 80%

### Spirit: Get it done together

77%

of members of staff believe in the effectiveness of the measures introduced to promote collaboration

FY21: 77%



Following the launch and adoption of the Agile people model, our agility index is at 78%, indicating how our people view us as an Agile organisation – a result which puts us at the 'Walk' stage. 88% of people feel that prioritised goals are consistent with strategy and 87% believe that leaders set direction and empower teams to deliver. However, only 58% believe that hierarchy is less important and views at all levels can be expressed.

Views on total reward have declined, both on career prospects (-8%) and fair compensation (-8%), and equality of opportunity (8%). People want more support during periods of change, down by -7%, four out of 10 people do not feel they can speak up and raise different views. Respondents were asked whether the Thrive initiative has enabled them to meet their body, mind, heart and soul goals. Their responses indicate that the effectiveness of this initiative has declined.

This is the first time scores have dropped significantly, reflecting a typical pattern seen through times of organisational change. COVID-19 regulations meant working from home and placed increased demands on employees' time. The pandemic also led to a lack of engagement opportunities related to fitness and wellbeing. Our focus is now on re-engaging employees quickly.

## EMBEDDING A CULTURE OF ZERO HARM

Our aim is to embed a culture of zero harm by eliminating or controlling risks associated with our operations and delivering holistic employee wellbeing. As a result, we have embedded the Safaricom Absolute Rules (see below) in our ways of working to focus attention on the three high risk activities associated with our business, which are driving, working at heights and working with electricity. We know from experience that failing to follow basic health and safety standards, leads to our people, the people we work with, and the people exposed to our activities being seriously injured or killed. By following these simple life-saving rules, we can help ensure everyone goes home safely every day.

Tragically, there were two fatalities in FY22, one involving a car accident and the other related to an electrocution event when a third party undertook unauthorised electrical pole installation. As indicated on the next page, this translated into a 33% reduction in fatal incidents which was accompanied by a 78% reduction in lost time injuries.

### SAFARICOM ABSOLUTE RULES



When working at height, ALWAYS wear protective gear, attach a safety harness & use fall protection equipment!



NEVER carry out work on any electrical equipment unless you're qualified!



WE ALWAYS drive safely and legally: we always wear a seatbelt!



When working in proximity of power, ALWAYS maintain the required safe distance & use the correct insulated equipment.



WE ALWAYS drive safely and legally: we never use a handheld mobile device when driving!



WE NEVER work under the influence of alcohol or drugs!



WE ALWAYS drive safely and legally: we always obey the speed limit!



NEVER undertake any street or underground work activity unless competent to do so!





We took the following actions to embed our safety culture further across the organisation:

- Implemented measures to improve driver behaviour by addressing driver competency (expect the unexpected) and defensive driver training, attestation to the Absolute Rules and developed a driver data analytics tool to monitor driver behaviour and proactively support drivers to become safe on the road.
- Increased the frequency of engagements with staff and suppliers to foster an environment of sharing and learning.
- Engaged with supply chain management and technology business leaders to ensure a collaborative approach to managing safety by supporting suppliers to accelerate their safety maturity.
- Appointed internal audit to perform an advisory/oversight role to ensure accountability, monitoring and measurement of our health, safety and wellbeing performance and culture.
- Developed and launched the Zero Harm Mission on World Day for Safety and Health at the Work CEO webinar where our members of staff pledged to deliver on Zero Harm as a personal commitment.
- Nominated and involved eight Exco Absolute Rules champions in Absolute Rules engagements and webinars.
- Reinforced the importance of safety to employees through monthly safety webinars.
- Increased the number of health, safety and wellbeing staff from four to seven, thereby enabling a more granular approach to overseeing safety.
- Expanded the incident reporting channels that were created as a response to the COVID-19 pandemic. This, together with the positive, non-punitive behaviour-based safety approach has not only helped to increase the accuracy and frequency of reporting but has also enhanced transparency related to safety issues.

We were recognised by the Directorate of Occupational Health and Safety Services for being an event sponsor of the World Day for Safety and Health.



## TOTAL OSH-RELATED INCIDENTS

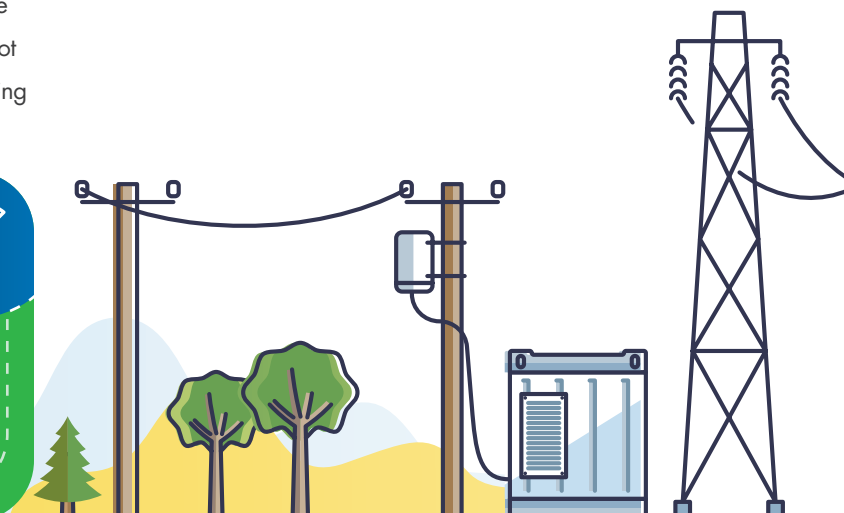
	FY19	FY20	FY21	FY22
Fatalities	2	1	3	2
Lost Time Injuries (LTIs)	2	14	9	2
Incidents	150	175	136	147
Medical treatment cases	20	18	19	116
Man-hours (million)	12.3	11.9	11.5	11.5
FIFR	0	0	0	0
LTIFR	0.016	0.017	0	0

\*\*\* Only Safaricom employee man-hours tracked hence FIFR and LTIFR tracking at zero

## ROAD SAFETY

Addressing occupational road risk was and remains our most challenging initiative. Following national trends, we saw an increase in road-related accidents, especially those involving pedestrians and motorcyclists. We have taken several steps to mitigate this.

For example, we launched the Vodafone Drive-Safe App during the Zero Harm Mission Staff townhall to condition users of the app to safe behaviours on the roads. In July 2021, in collaboration with the Fleet Team, we launched the Qlik Sense Driver Analytics Tool. This enables data driven insights into driver behaviour across our authorised drivers, thereby enabling targeted interventions to enhance safety on the roads. We also introduced fitness to drive assessments across Safaricom which incorporated a health surveillance questionnaire, cognitive assessment and clinical assessments for 768 out of 800 drivers tested, resulting in five identified unfit cases. We also trained 744 drivers on defensive driving techniques and held in-vehicle camera engagements with drivers.





## Partnering with the National Transport and Safety Authority (NTSA)

In December 2021, we partnered with the National Transport and Safety Authority (NTSA) to provide training to boda boda riders on road safety rules as part of efforts aimed at reducing the number of road accidents experienced during the festive season.

The training, conducted in conjunction with the National Boda Boda Association, was aimed at promoting responsible and proper usage of the road by all road users and sensitising riders on the importance of possessing insurance cover.

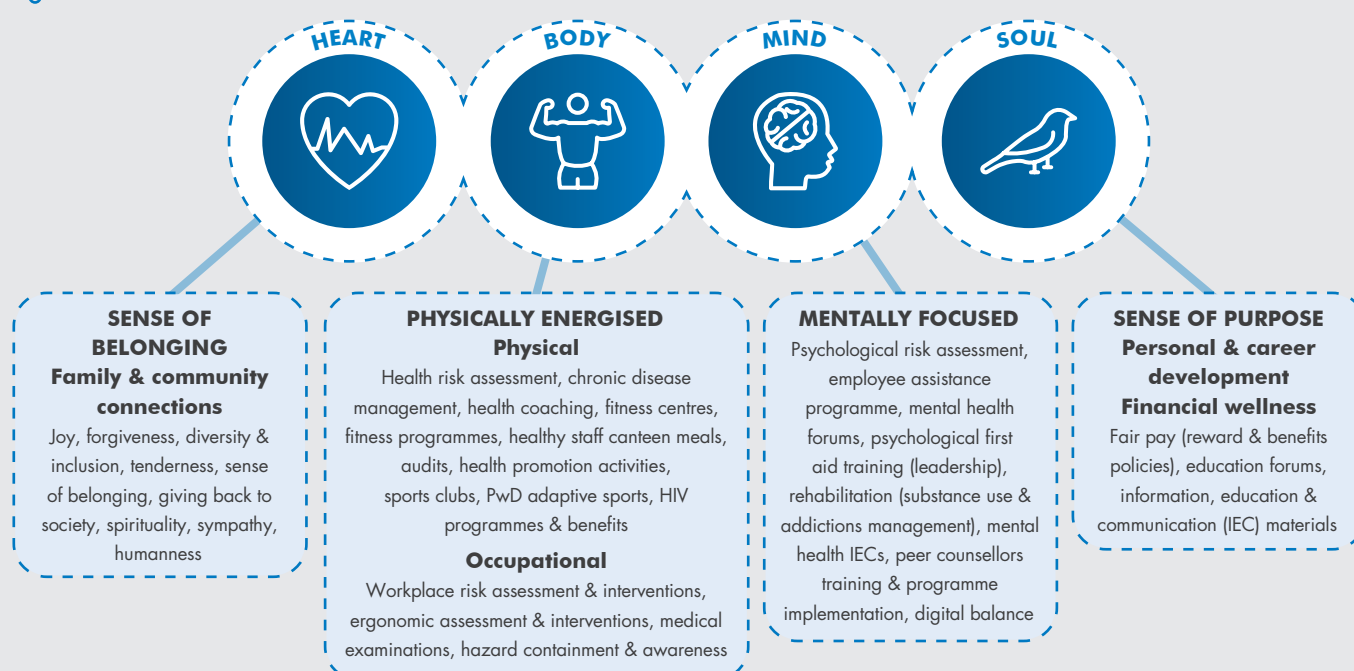
The campaign also focused on promoting awareness of key safety areas, including

the need always to obey traffic lights, avoiding speeding or overtaking on the wrong side of the road and availability of helmets for boda boda riders and their passengers.

“Kenya’s boda boda industry has grown to become an integral part of the transport sector, and it also provides a livelihood for many. However, it has also become a leading cause of road-related incidents, and we want to play our part, however small, in creating awareness and driving a Zero Harm agenda, such that no one is harmed while on the roads.”

Peter Ndegwa, Chief Executive Officer: Safaricom

### FOCUSING ON WELLBEING



We launched a refreshed wellbeing strategy to focus more on holistic health, thereby unlocking accelerated personal growth and business performance as outlined in the diagram above.

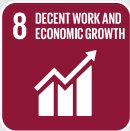


## FUTURE FOCUS

- Launch the Safaricom CEO's Mission Excellence Awards.
- Grow the Agility Index to 80% and engagement score to 90%.
- Expand the PAA DADA initiative which supports and fast-tracks women through our new women employee value proposition.
- Address People Survey areas of psychological safety and change management.
- Attain a DMI maturity level of 4.
- Implement a road safety rewards and recognition scheme using data derived from the data analytics tool.
- Enhance driver monitoring programmes.
- Address supplier occupational road risk through telematics and in-vehicle cameras, integration of telematics dashboards, assessment and enforcement of compliance against ORR standards.
- Begin the certification process for ISO 45003 health and safety management.
- Recertification process for ISO 45001 health and safety management.
- Strengthen supplier oversight and accelerate supplier safety maturity through site-specific health and safety approvals, together with monthly supplier review meetings, quarterly high-risk supplier forums and the annual supplier conference.
- Implement safety by design principles across high-risk work.
- Drive the development of Viamo, a digital IVR solution that translates information into local languages focusing mainly on the illiterate, elderly and PwDs.



# BUSINESS PARTNERS



*We champion compliance with safety, remuneration and human rights issues (SDG8) and reduce inequality (SDG10) by promoting diversity and inclusion throughout our value chain and ensuring that minorities are represented in our business relationships.*

## UPHOLDING OUR REPUTATION AND BRAND INTEGRITY

Our business partner network comprised 799 suppliers, 435 dealers and 262 000 M-PESA agents. We rely on our network to uphold and enhance the Safaricom brand which is synonymous with integrity and innovation. Our business partners help us increase brand awareness, expand our customer base and create positive relationships with current and potential customers. We work them to meet governance, environmental and social needs.

## SUPPLIERS

### MAINTAINING A STRONG RELATIONSHIP

Our strong relationship with our suppliers is based on ongoing, open engagement. A centrally managed, dedicated helpdesk responds to supplier queries, with suppliers also making use of emails and other direct forms of communication. A strong induction framework is in place, with inductions held quarterly. Shortly after year-end, we held the Supplier Recognition Awards where we honoured 19 suppliers in seven categories. We used this opportunity to communicate our strategy/company mission, operational updates, Occupational Health and Safety (OHS) updates and developments from our Customer Obsession cascade journey. We also shared feedback from the Satisfaction Survey.

The negative economic impacts of COVID-19 impacted consumers and hence, our suppliers. Despite these challenges, our relationship with our suppliers remained strong as we responded to their needs: During the pandemic, we helped to ensure our suppliers' businesses stayed afloat by making exceptional earlier payments, including continued payments to retainer accounts to cushion the businesses for two quarters and providing hygiene packs to our contingent workforce. We also reinstated payment cycles twice a month, one at mid-month, one at the near end of the month, to enhance timely settlement. In addition, purchase order (PO) suppliers can now invoice online, which has accelerated the payment process. We have continued accelerating the digital agenda to create efficiencies in all our operations to the extent that we now have over 90% touchless POs. Regarding suppliers' concerns, tender feedback is available in real time on the i-supplier portal.

## OUR HIGHLIGHTS

- Spend with local suppliers is at 62% compared to foreign spend 38%.
- Supplier self-assessment survey highlighted certain gaps, the majority of which have now been closed.
- 360-degree feedback for supplier self-evaluation has encouraged more collaborative engagement.
- Converted 416 dealer outlets to dealer express care outlets.
- Onboarded 1 900 M-PESA super-agents.
- 35 million customer KYC documents processed.

## ISSUES FOR SOCIETY

- Suppliers: Delayed communications on tender outcomes and lags in payment processing.
- Dealers: KYC regulations.
- Agents: Arbitrage claw back commission.





In response to suppliers' requests, we initiated a supplier self-assessment survey. This highlighted gaps in OHS administration in areas such as documentation, health and safety policy, vehicle roadworthiness and lack of vehicle tracking units. We conducted forums every quarter to address these issues, together with those raised based on supplier feedback. We also looked at the implementation of the Data Protection Act, which prohibits transfer of personal data to third parties unless the data subject has given prior consent.

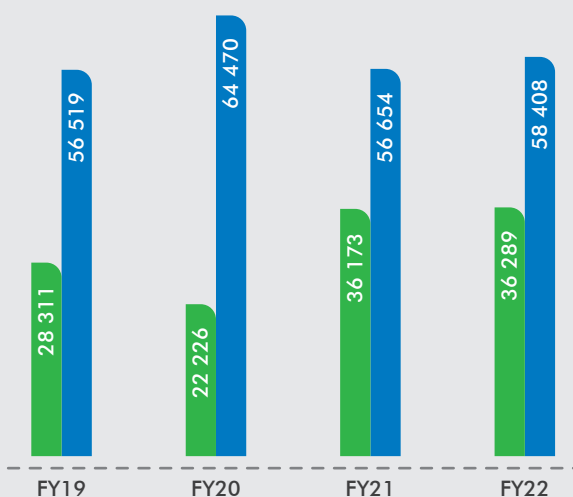
To support our suppliers further, we continued to collaborate with financial institutions in Kenya including ABSA Bank Kenya (ABSA), Citibank Kenya, and Equity Bank and most recently with Kenya Commercial Bank (KCB) as regards local purchase order (LPO) financing and invoice discounting to provide financial backing. This will broaden financial access to women, youth and PwDs, as we continue signing Memoranda of Understanding (MoUs) with other several financial institutions.

To facilitate continuous improvement, we commissioned a survey in February 2022 which gives us a Net Promoter Score (NPS) indicating supplier levels of satisfaction and confidence in Safaricom. The supplier NPS was 68%, a slight decrease but still a commendable score in NPS market scores. Our positive relationship was also reflected in a score of 91% in the overall supplier satisfaction index (2021: 93%).

Key findings from the surveys were that Safaricom emphasises quality and is clear in the quality specifications of goods and services; service levels are clearly defined, and payments are prompt. Further indications are that Safaricom commands a significant level of trust – indicated by the high likelihood of recommending Safaricom to other potential business partners.

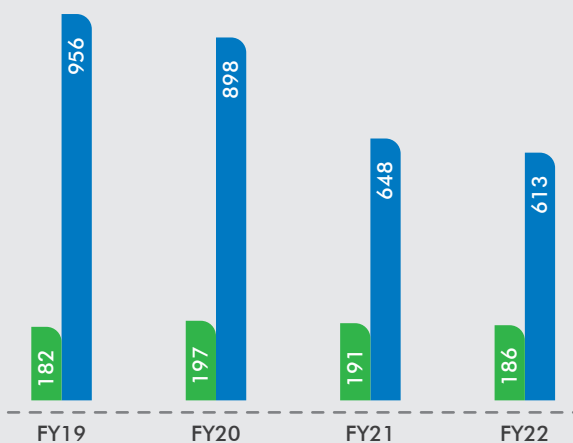
As indicated in the graphs on this page, the total number of suppliers was down by 5%, with spend increasing slightly. On the downside, the number of local suppliers – whom we continue to support where feasible – reduced marginally by 5.7%. However, spend with this group increased by 3%, attributable to increased activity in certain categories, particularly marketing, catering and events following the easing of COVID-related restrictions.

### SUPPLIER SPEND BY CATEGORY (KSh million)



- Spend with foreign suppliers
- Spend with local suppliers

### NUMBER OF SUPPLIERS



- Foreign suppliers
- Local suppliers

### TOTAL SUPPLIERS AND SPEND

	FY19	FY20	FY21	FY22
Number of suppliers	1 138	1 095	839	<b>799</b>
Total spend (KSh million)	84 829	86 696	92 827	<b>94 698</b>



## ASSESSING SUPPLIER PERFORMANCE

The number of evaluations, which take place on a quarterly or bi-annual basis, has been steadily increasing over the past four years. We have instituted a process whereby we assist suppliers whose performance is below the required threshold (<80%) with customised performance improvement plans (PIP) and mentoring.

Given our commitment to SDG 10: *Reduced Inequalities*, remuneration that at least aligns with the minimum wage, as well as the provision of appropriate personal protective equipment (PPE), are contract stipulations. We also conduct ongoing supplier compliance checks on human rights and labour compliance. In the period under review, we carried out onsite audits and ad-hoc checks on 20 high-risk contracts. Of these, 35% were found to be non-compliant and 86% of the non-compliance issues were closed by end of the financial year.

We insist that all suppliers sign up to our Supplier Code of Conduct. The number of suppliers who had signed up to the Code of Ethics for Business in Kenya was 71% in FY22.

Of the 29% flagged as having not signed up to the Code, 60% no longer have active engagements with Safaricom.

## SUPPLIER PERFORMANCE EVALUATION COVERAGE

	FY19	FY20	FY21	FY22
Supplier performance evaluations score (%)	80%	82.61	86	<b>88.87</b>
Number of evaluations performed	605	1 025	1 493	<b>1 594</b>

## WOMEN IN BUSINESS

Our target is to ensure women-owned businesses account for 10% of procurement spend. However, progress in achieving our Women in Business (WIB) targets remained slow. The number of women participating in tenders as a percentage of total tender participants declined from 71% to 55% year-on-year. Recognising that one of the key barriers is access to finance, we have established MOUs with ABSA, Citibank, Equity Bank. Kenya Commercial Bank and Safaricom Sacco for supply chain finance which benefits women suppliers.

## Women winners: Safaricom Supplier Recognition Awards

*We were very encouraged by the number of women winners in this year's awards:*

- The winner in the Sales and Marketing category was Larger Than Life, a woman-owned business which demonstrated exceptional capabilities in providing high quality décor that brings event themes and products to life, while maintaining an impeccable record on health and safety with best practices clearly visible.
- The first runner-up in the technology networks category Telenor Services Ltd, is a 100% Kenyan owned telecommunication Infrastructure construction company, with the majority shareholding comprising women. The company was recognised for the excellence of its base transceiver station rollout, ensuring continuous service availability and exceeding Safaricom's expectations.
- The first runner-up category in enterprise business was Fireside Group Limited, a women-owned and women-led organisation supplying Safaricom with fixed data customer deployment and support. There have been no escalations during their two years' service due to their quick response and proficiency in resolving fixed data issues.
- The Optimax Group Limited were second runner-up in the enterprise business category on their basis of their excellence in providing Safaricom with fixed data customer deployment and support. The company went the extra mile by educating customers on fixed services, thereby creating more awareness of Safaricom's products and services, upselling products in the process.
- The second runner-up in the Sales and Marketing category was Party Lounges. This women-owned, highly trained team provides bespoke, high-quality décor which brings the Safaricom brand to life in a meaningfully differentiated way. They were commended for the way their flexible operating model drives significant cost efficiencies.





## WOMEN IN BUSINESS PERFORMANCE INDICATORS

	FY19	FY20	FY21	FY22
Number of women-owned businesses	178	205	227	<b>236</b>
Number of women suppliers as a percentage of supplier base	10.7%	10.2%	9.7%	<b>8.59%</b>
Number of unique WIB who have participated in tenders	31.5%	23.4%	14.1%	<b>16.10%</b>
Procurement spend (KSh billion)	2.4	1.77	1.7	<b>2.38%</b>
Percentage procurement spend for WIB vs gross procurement value	3.2%	2.3 %	2.3%	<b>3.07%</b>

## DEALERS

Our physical engagements with our dealers increased following the easing of COVID-19 restrictions and this has further enhanced Safaricom's relationship with them. We engaged with 435 dealers in six virtual forums in the first half of the year and following the easing of COVID-19 restrictions, with the same number in face-to-face forums in the second half of the year. Changing consumer behaviour saw increased digital airtime consumption rather than physical consumption and this positively impacted dealers as fewer resources were required to deal with consumers.

## OUR DEALER NETWORK

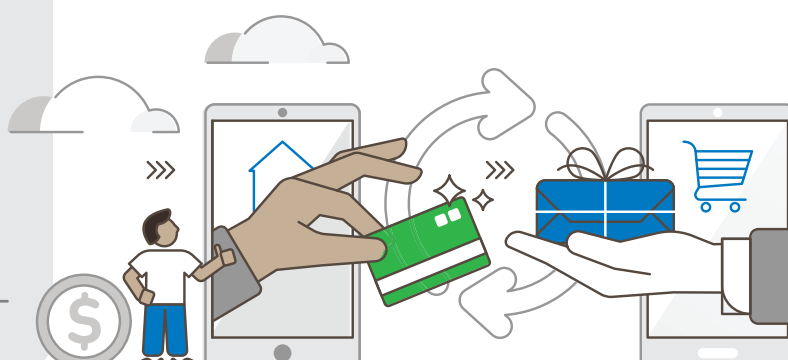
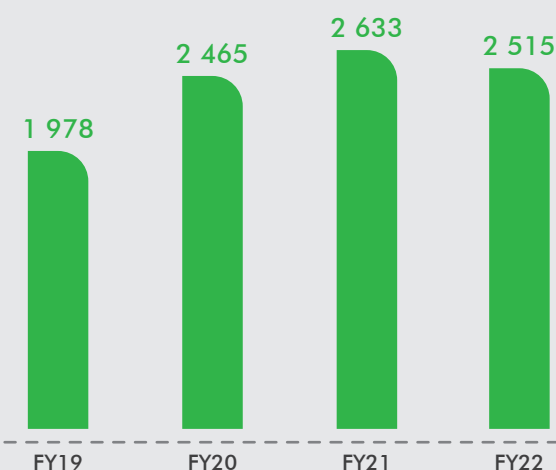
	FY19	FY20	FY21	FY22
No. of active dealers	433	440	435	<b>435</b>
No. of dealer relationship managers	6	6	6	<b>6</b>
No. of area sale managers/ active sales managers	40	42	42	<b>42</b>

We strengthened our dealer network in several ways by:

- Converting 397 dealer outlets to dealer express care outlets, creating more touch points for consumers where they can resolve issues. We also conducted training and in certain instances, pay a high percentage of our dealers' salaries.
- Facilitating opportunities for dealers as regards Lipa Mdogo Mdogo phones, to the extent that sales increased by 20%, with over 300 000 devices sold through the dealer channel.
- Continuing to digitise and streamline dealer processes, rolling out digital airtime distribution across the dealer network and helping to facilitate digital customer acquisition.
- Supporting dealers in meeting regulatory subscriber requirements with our Know Your Customer (KYC) awareness campaign and the Jiandikishe KYC app. A total of 30 000 tills are now on the KYC app, with 35 million customers reached.
- Opening market device sales within dealer outlets to help increase dealer revenue without their having to open new outlets.
- Providing the financial support for the branding on all 850 dealer vans.
- Supporting dealers with 5 000 MobiGo 2 devices. This subsidised, affordable smartphone has no calling functionality, but enables dealers to connect to the internet.
- Onboarding new banks (ABSA, Cooperative and Family Bank) in addition to Stanbic and the Kenya Commercial Bank (KCB) to facilitate dealers' access to funds.
- Training 465 dealer staff on customer handling skills and systems training, including CRM, M-PESA and Bonga.

## MOBILITY SCHEME

Cumulative number of bikes



## AGENTS

Our agents act as brand ambassadors, helping us to reach a wide range of customers. Our network of agents is primarily involved in M-PESA, facilitating deposits, withdrawals and registration. In FY22, we increased the number of agents active on the subscriber registration app to 33 000, empowering an additional 370 M-PESA head offices to sell devices. We also added 1 900 super agents to the network.

In response to agents' requests, we reviewed the Bloom financing matrix – which complements agents' e-floats at an average of three months of their commission amounts – to allow more agents to access the revolving fund of KSh 1 billion. A further 136 agents made use of this option, bringing the total number of agents financed under this scheme to 1 236.

Our incentive programme Stawisha Biashara ('enhance/grow your business'), whereby agents receive a point for every 1 000 transactions conducted, continues to grow from strength to strength. In FY22, agents redeemed KSh 337 641 000 under the

scheme. We strategically supported 319 agents by linking them with Stanbic Bank which provides unsecured short-term loans for dealers and agents (head offices) covering airtime, floats and device purchases. We also onboarded Equity Bank and Co-operative Bank as an M-PESA holding account.

### OUR M-PESA AGENTS

	FY19	FY20	FY21	FY22
No. of M-PESA agents	167 083	173 259	247 869	262 000

Reports of unauthorised users operating tills, sim swaps and identity theft are on the rise.

Our geo-locking feature for agents restricts operations that are not within the agent's assigned locality. In addition, we send weekly alerts to tills suspected to be committing arbitrage, advising them to desist. Safaricom's compliance department also visits and refunds genuine agent tills confirmed not to have committed arbitrage.



## FUTURE FOCUS

- Fortress our core business, with an intentional focus to drive 4G device attachment and enable data usage.
- Accelerate new business growth areas in fixed fibre for home and business, WiFi, Pochi La Biashara and Lipa na M-PESA.
- Step change our customer experience by enabling care desks across all partner channels.
- Transform our Route to Customer (RTC) to deliver an unmatched omnichannel experience.
- Embed digital at the core of all our customer engagements.







# SHAREHOLDERS

## OUR HIGHLIGHTS



- Evaluation of our Environmental, Social and Governance (ESG) performance by S&P Global.
- KSh 55.69bn in dividends (2021: KSh 54.89bn)

For further information about our financial performance in FY22, please refer to <https://www.safaricom.co.ke/investor-relations>.

## ISSUES FOR INVESTORS



- Institutional investors are increasingly focused on ESG issues. Other areas of focus for this investor group include the evolution and future of M-PESA, accurate valuation of the Ethiopian business, traction in new growth areas, the regulatory environment and the company's strategy as we transition into a technology company by 2025.
- Retail investors are concerned about the amount and timing of dividend payments.

## PROFILING OUR SHAREHOLDERS

As indicated in the table below, foreign corporates' shareholding of the free float declined from 45.6% to 43.7%. This is attributable to several factors, including foreign investor sell-off in emerging markets, uncertainty about the upcoming August general elections, depreciation of the Kenyan Shilling, rising interest rates in developed markets and investor jitters about the Russia/Ukraine crisis.

Domestic investors have been supporting the stock amidst the foreign investor sell-off. Following increased engagement with local funds, the local corporate share of the free float increased from 39.4% to 41.2%.

### % BREAKDOWN OF SHAREHOLDERS

	FY19	FY20	FY21	FY22
Vodacom	35%	35%	35%	35%
Vodafone	5%	5%	5%	5%
Government of Kenya	35%	35%	35%	35%
Free float	25%	25%	25%	25%

### PROPORTION OF 'FREE FLOAT' SHAREHOLDERS (%) BY CATEGORY

	FY19	FY20	FY21	FY22
Foreign corporate	45.1	44.7	45.6	43.7
Local corporate	39.0	39.7	39.4	41.2
Local individual	15.5	15.3	14.6	14.8
Foreign individual	0.4	0.4	0.4	0.4

## BUILDING TRUST

Recognising that trust is underpinned by transparency, we work hard to build legitimacy with our shareholders through transparent information that addresses their concerns.

Retail investors' major concerns are the amount and timing of dividend payments. In FY22, we paid an interim dividend of KSh 0.64 per share amounting to KSh 25.64 billion (2021: KSh 18.03 billion) and a final dividend of KSh 0.75 per share, amounting to KSh 30.04 billion. These dividends were approved by shareholders after year end. This brought the total dividends for the year to KSh 55.69 billion (2021: KSh 54.89 billion), representing KSh 1.39 per share for the financial year ended 31 March 2022 (2021: KSh 1.37 per share).

We continue to liaise closely with our company registrar, Image Registrars and the dividend disbursing bank to ensure timely dividend payments.

Analysts and investment funds want information that enables more accurate valuation of the Ethiopian business. We have responded to institutional investors' concerns by enhancing disclosures related to the expansion and giving investors greater levels of visibility into M-PESA operations.

Most institutional investors are concerned about increased regulatory risk, especially the mobile termination rate (MTR) and impact of tax changes on the earnings. Other areas of concern for institutional businesses include the macroeconomic environment, particularly the increased depreciation of the Kenyan Shilling and the concomitant inflationary pressures on business and consumer wallets.

We address these concerns through close engagement: Following the government's partial lifting of COVID-19 restrictions in October 2021, we increased investor engagements via virtual conference calls and one-on-one physical meetings, meeting with 236 funds in FY22 in a hybrid mix of virtual and physical meetings. We ensure that our investor relations dashboard is up to date so that investors can easily access the latest financial statements and other earnings materials. We have also established dedicated contact channels whereby we respond to shareholder telephonic, email and message-based enquiries within set timelines of 24 – 48 hours governed by internal Service Level Agreements.

In our interactions with investors, we explain our four key strategic pillars which are the foundation of transforming into a technology company by 2025:

- **Strengthen the core:** Management's initiatives focus on defending voice through CVM initiatives, democratising data through driving affordable 4G devices (a significant opportunity to grow mobile data) and evolving channel roles to serve customers better by aligning with their needs.
- **To be a financial services provider:** The focus under this pillar is now pivoting to financial health more than financial inclusion. Investors can see management initiatives to enhance financial inclusion as we now explore the next growth phases going forward and evolve M-PESA into a broader digital platform, offering universal payment network and integrated business solutions. To achieve this, we plan to roll out products that promote a savings culture, provide working capital to consumers and businesses, and increase access to insurance and wealth creation subject to regulatory approvals.
- **Accelerate new growth areas:** Management is proactively allocating investment and resources to scale new growth opportunities not just in Kenya but beyond. These new areas include digital business, IoT, ICT, M-PESA and DigiFarm acceleration as well as the Ethiopian expansion.
- **Achieve cost leadership:** Management's initiatives are

increasing and enhancing productivity. As we transform into a technology company, our Agile transformation journey offers an opportunity to revisit our processes and operating models. In pursuit of this, we have realized operational efficiencies and cost savings from smart procurement, and these savings will go into fuelling growth into new areas.

## EVALUATING OUR ESG PERFORMANCE

Our shareholder base has been growing each year with intensified interest coming from impact investors who use an ESG lens as part of their analysis process in stock and portfolio selection, as well as in assessing risk control. Our alignment with the UN SDGs, nine of which we have prioritised, is of particular interest to impact investors.

Against this backdrop, we commissioned S&P Global to conduct a valuation of our ESG performance which we are currently reviewing. We have also engaged extensively with this group of investors regarding the Environmental, Social and Governance Disclosures Guidance Manual published towards the end of 2021 by the Nairobi Securities Exchange (NSE). The manual provides a granular, tactical approach to ESG reporting that meets international standards on ESG reporting, ranging from expectations related to the responsibilities of the Board, Chief Executive Officer and sustainability managers, to guidelines related to stakeholder engagement, the principles of materiality and the incorporation of key performance indicators into reporting processes.

## FUTURE FOCUS

- Give more visibility to investors on our Ethiopian expansion by enhancing our disclosures.
- Publish a fully integrated report by ensuring the timing of data collection/writing of the sustainability report coincides with the publication of the annual report. This will enhance ESG disclosures further in the annual report.
- Promote clarity of understanding of our strategy, business and expansion into Ethiopia to investors by hosting our first Investor Day.
- Grow our shareholder base by targeting tech, ESG-focused investors and local investors.





# MEDIA

## OUR HIGHLIGHTS

- Intensified media engagement, including one-on-one interactions with the CEO.
- Launch of the Safaricom Golf Tour in partnership with the Nation Media Group.



## ISSUES FOR MEDIA

- Access to members of the Exco team.
- Information about key sustainability issues



## MAINTAINING A POSITIVE WORKING RELATIONSHIP

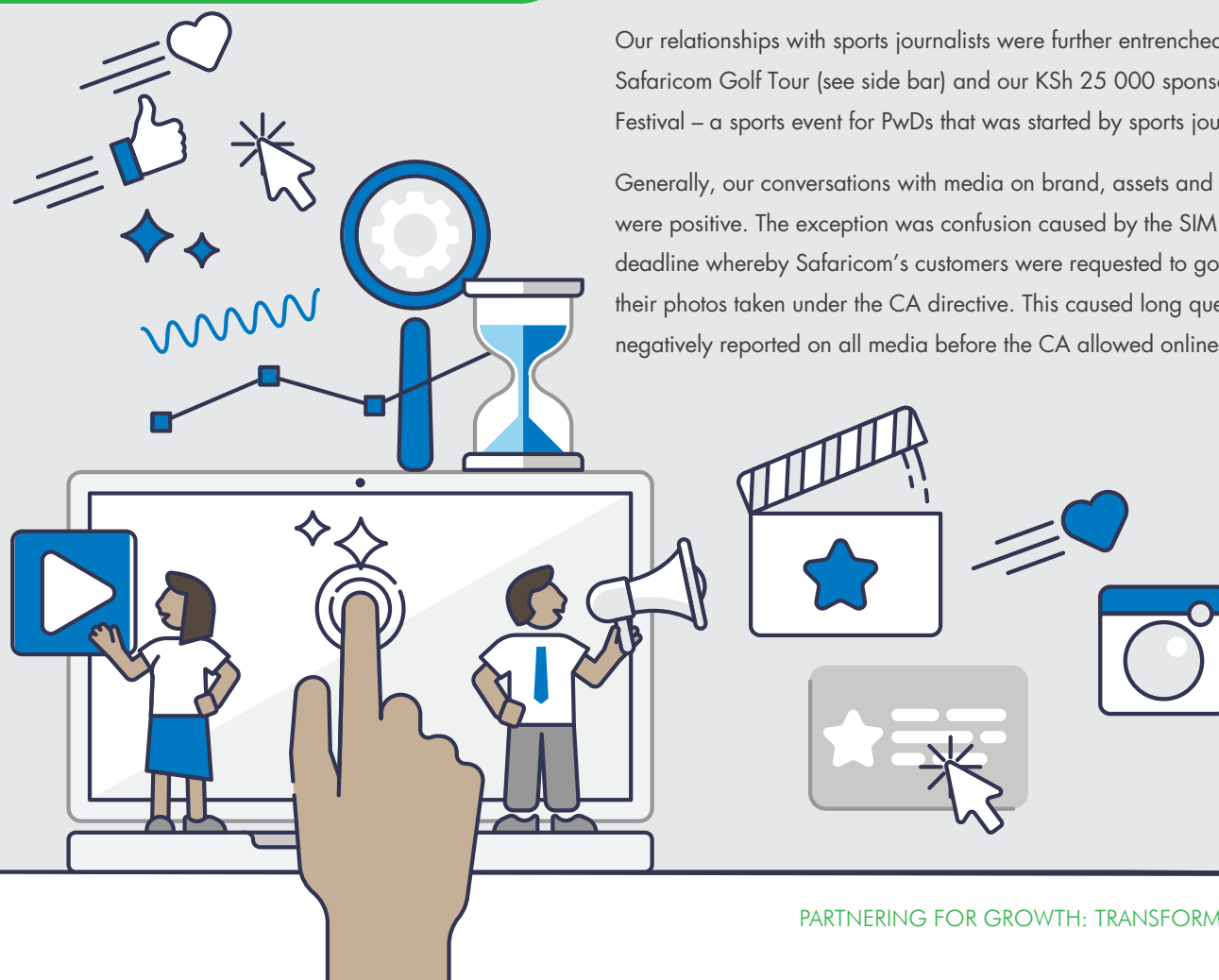
The media landscape in Kenya has shifted slightly with many global companies setting up sub-Saharan African headquarters, the decline of certain print media, a proliferation of digital channels and the convergence of news desks across all types. We are still gauging the impact of the latter development, particularly on our media relationships.

Our positive working relationship with the media was enhanced when COVID-19 restrictions were eased and we could engage on a personal level. We continued to engage virtually, with our hybrid model enabling us to reach a wider audience. Our media team worked closely with our marketing team to facilitate a targeted focus on issues of interest. The team also used third-party experts like media lecturers to help us develop various narratives. We work with news, features, court, parliament, business and sports desks depending on the stories we promote.

In support of several campaigns across the country which focused on Customer Value Management, we leveraged the power of radio to communicate across all 68 local languages.

Our relationships with sports journalists were further entrenched with the Safaricom Golf Tour (see side bar) and our KSh 25 000 sponsorship of the Uhai Festival – a sports event for PwDs that was started by sports journalists.

Generally, our conversations with media on brand, assets and sustainability were positive. The exception was confusion caused by the SIM validation deadline whereby Safaricom's customers were requested to go to outlets to have their photos taken under the CA directive. This caused long queues that were negatively reported on all media before the CA allowed online registration.



## INCREASED MEDIA INTEREST IN SUSTAINABILITY

Increasing media attention on sustainability-related issues is evidenced by the significant increase in PR value of issues focused on sustainable business from KSh 98 806 935 in FY21 to KSh 270 088 495 in FY22. Health initiatives related to SDG 3: *Good Health and Wellbeing*, received high levels of coverage, closely followed by stories which focus on women and youth, as well education and economic empowerment initiatives. We engaged with education media to showcase offerings from our enterprise business unit targeted at the health and education sectors, tech media to cover the M-PESA Super App and health and with business media to cover M-PESA@15, M-PESA Global Visa Pay launch and our last financial year results announcement.

### Demystifying golf

One of our highlights was the launch of the Safaricom Golf Tour in partnership with the Nation Media Group. This platform aims to demystify the game that has long been seen as a sport for the elite and position it as accessible for all. The tour comprised a Corporate Day open to all registered members of the participating clubs in the tour; a Junior Golf Day; a Caddies Golf Day and golf clinics targeted at students between the ages of 6 to 18 years old, from schools around the golf clubs where the tour is taking place.

## LEVERAGING ELECTRONIC MEDIA

The significant increase in total website users and the number of page views is because we redesigned our journey to make it easier for users from an experience perspective. We have linked the website to our digital transaction sites. Leveraging monthly analytics which indicate the most visited pages, we have also been updating the site regularly. We also made extensive use of social media for sim card registration.

### STORIES IN THE MEDIA FY22

Media type	M-PESA Foundation	Safaricom Foundation / Ndoto Zetu	Sustainable Business Report
Print	24	46	22
TV	45	101	55
Radio	95	257	94
Online	43	114	80
Total number	204	518	251
PR value (KSh)	171 674 490	567 007 330	270 088 495

### WEBSITE PERFORMANCE

	FY20	FY21	FY22
Total users	524 544	783 134	<b>4 167 205</b>
Sessions	714 511	1 106 644	<b>6 620 309</b>
Bounce rate*	27.59%	23.04%	<b>24.18%</b>
Avg. session duration	1 min 28 sec	1 min 29 sec	<b>1 min 39 sec</b>
Page views	1 183 813 2	2 133 177	<b>11 335 918</b>
Avg. page load time	12.71	11.39	<b>14.25 sec</b>
Clicks	434 000	490 000	<b>5 822 375</b>
Impression	3 710 000	4 990 000	<b>66 053764</b>
Avg. website position**	11.9	9.1	<b>11.4</b>

\*The percentage of all sessions on the site in which users viewed only a single page and triggered only a single request to the analytics server

\*\*The average ranking of a website URL for the query/ queries

### FUTURE FOCUS

- Monitor the media landscape to target information more accurately.
- Promote CEO and Exco interaction with the media.







## ACKNOWLEDGEMENTS



- Peter Ndegwa  
Chief Executive Officer
- Stephen Kiptinness  
Chief Corporate Affairs Officer
- Karen Basiye  
Director Sustainable Business  
& Social Impact

### Sustainability Team

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- Eunice Saitua
- Simon Gathu
- Valentine Cheruiyot
- Owen Ombima
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### Contributors / Sustainability Champions

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- Benjamin Makai
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- Bryan Wesonga
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- Edith Wangu
- Elizabeth Kadenyi Mudogo
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- Tabie Kioko
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- Mary Wanjiku Ndungu
- Titus Mwaniki
- Urbanus Mutua
- Vincent Kihumba Jonathan
- Violet Wandaho Njuguna
- Wanzila Mutua



# APPENDIX







# ENVIRONMENT

## ENVIRONMENTAL STEWARDSHIP

### ENVIRONMENTAL IMPACT MONITORING AND EVOLUTION

	FY19	FY20	FY21	FY22
Environmental Impact Assessments	600	437	122	<b>*57</b>
Environmental audits	300	513	318	<b>**31</b>
Self-environmental audits	N/A	N/A	1 460	<b>^487</b>
No. of awareness broadcasts covering all M-PESA agents	37	32	50	<b>55</b>

\* 20 5G and 37 indoor network solution sites \*\* small cell sites Initial audit

^ (408 BTS self-audits, 79 facilities self-audit)

### E-WASTE

	FY19	FY20	FY21	FY22
E-waste collected (tonnes)*	1 072	1 287	1 430	<b>1 626</b>

\* Cumulative tonnes since the inception of the project

### WASTE COLLECTED AND RECYCLED

	FY19	FY20	FY21	FY22
Glass (kg)	2 615	2602	630	<b>637</b>
Metal (kg)	4 414	5 112	967	<b>1 196</b>
Plastic (kg)	23 509	26 665	9 420	<b>9 653</b>
Textiles (kg)	2 687	3 098	1 167	<b>796</b>
Construction waste (kg)	823	3 816	1 521	<b>1256</b>
Cardboard and paper (kg)	68 348	82 887	22 898	<b>17 854</b>
Organic waste (kg)	153 215	168 438	38 841	<b>40 356</b>
Other waste (kg)	2 639	7 292	21	<b>0</b>
Total recycled	25 250	299 910	75 465	<b>71 748</b>

### ELECTRICITY, FUEL AND WATER CONSUMPTION

	FY19	FY20	FY21	FY22
Electricity (MWh)	159 295	171 452	196 746	<b>220 479</b>
Fuel* (litres)	10 181 646	9 762 585	11 652 174	<b>10 034 899</b>
Water (m3)	99 827	102 231	57 792	<b>58 340</b>

\* Petrol & diesel

### OECD PATHWAY REDUCTION TARGETS

FY20	FY25	FY30	FY35	FY50
48 843	39 974	32 715	26 774	<b>14 676</b>

\* Scope 1 & 2 emissions (tCO<sub>2</sub>e)

### OUR CARBON FOOTPRINT (tCO<sub>2</sub>e)

	FY19	FY20	FY21	FY22
Scope 1 emissions	33 057.3	28 311.3	31 125.9	<b>27 617</b>
Scope 2 emissions	26 833.3	28 881.1	33 141.8	<b>37 140</b>
Scope 3 emissions	5 818.0	2618.6	1 765	<b>1 805</b>
Total	65 708.5	59 811.0	66 032.7	<b>66 562</b>

### FREIGHT CARBON INTENSITY (gCO<sub>2</sub>e/TONNE/KM)

FY19	FY20	FY21	FY22
	271	85	<b>112</b>

### AIR AND SEA EMISSIONS

		FY19	FY20	FY21	FY22
AIR	Tonne.km		7 441 005	3 067 357	<b>2 150 472</b>
	Emissions		8 432 213	3 476 204	<b>2 436 605</b>
SEA	Tonne.km		25 249 342	47 096 057	<b>23 282 241</b>
	Emissions		454 526	833 310	<b>413 989</b>
Total Emissions (kg)			8 886 739	4 309 514	<b>2 850 594</b>

### NUMBER OF TREES PLANTED OVER THREE YEARS (CUMULATIVE)

FY19	FY20	FY21	FY22
	144 000	650 000	<b>1 022 000</b>

### NETWORK ENERGY BY SOURCE

	FY19	FY20	FY21	FY22
KPLC and genset	4 060	4 775	4 560	<b>4 999</b>
KPLC (No generator)	1269	948	1 299	<b>1 517</b>
24/7 diesel generator	106	173	192	<b>111</b>
Solar/wind hybrid solution	196	221	255	<b>309</b>

### TOTAL ENERGY BY SOURCE (%)

	FY19	FY20	FY21	FY22
National grid (green power)				<b>82.64</b>
Diesel generators				<b>16.19</b>
Renewable energy*				<b>1.17</b>

\* Wind, solar and hybrid

Note that deep cycle batteries are used but these store energy from the national grid, generators or renewable energy sources, meaning that all this has already been considered.

## ENERGY EFFICIENCY

	FY19	FY20	FY21	FY22
Sites fitted with deep cycle batteries	193	300	27	0
Sites with low-voltage auxiliary power supply	55	55	55	55
Sites fitted with free cooling units*	88	88	88	88
Sites converted from outdoor to indoor**	18	7	41	0

## COST OF ENERGY CONSUMPTION

	FY19	FY20	FY21	FY22
Cost of energy consumption (electricity, solar, diesel) by site (KSh per month)	46 649	46 308	50 271	55 393

## SOCIAL

## OUR PLATFORMS

## NETWORK AVAILABILITY AND STABILITY

	FY19	FY20	FY21	FY22
Avg. weekly unavailable minutes (power NUR)	6.5	11.9	11.4	14.5
Avg. radio access network service unavailability rate (SUR)	25.6	32.4	24.7	29.5
% Base stations connected to grid (in total)	95	94.5	93.56	94
Rectifier modernization (new KPI for FY22)	-	-	-	155

## NETWORK COVERAGE (% POPULATION)

	FY19	FY20	FY21	FY22
2G population	96%	96%	96%	98%
3G population	92%	94%	95%	98%
4G population	56%	77%	94%	97%

## BASE STATION TYPE

	FY19	FY20	FY21	FY22
2G enabled	4 949	5 314	5 526	6 046
3G enabled	4 907	5 275	5 500	6 025
4G enabled	2 791	4 342	5 387	5 920

## INDEPENDENT QUALITY OF SERVICE (QOS) RESULTS

	KPI	FY19	FY20	FY21	FY22
Voice	Call setup success rate	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
	Dropped call ratio	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
	Speech quality	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
Data	Mean user data rates - download	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
	Mean user data rates - upload	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
	Mean web browsing session time	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>
	Network delay	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>

## BREAKDOWN OF NETWORK NPS

	FY19	FY20	FY21	FY22
Signal coverage	75	76	78	76
Voice quality	87	86	86	81
Data coverage	61	57	62	60
Data speed	65	66	71	74
Overall	80	80	82	79

## MONTHLY OVERALL (TOTAL) NETWORK NPS FY22

Year	Month	Network NPS
2021	April	82
2021	May	80
2021	June	79
2021	July	79
2021	Aug	79
2021	Sept	77
2021	Oct	76
2021	Nov	77
2021	Dec	79
2022	Jan	80
2022	Feb	80
2022	March	79





## OUR FIBRE FOOTPRINT

	FY19	FY20	FY21	FY22
Footprint (kms) – total to date	6 700	9 000	9 617	<b>10 880</b>
Enterprise buildings connected	2 424	3 960	4 327	<b>4 807</b>
Residential homes passed	297 895	331 189	349 144*	<b>364 980</b>
Base station types connected (%)	55	64	65	<b>72</b>
Number of towns connected by fibre network			54	<b>103</b>
Number of counties connected by the fibre network	46	46	47	<b>48</b>
Enterprise customers connected	5 992	11 911	15 300	<b>17 000</b>
Residential homes connected	107 762	142 099	150 234*	<b>184 091</b>

Note that the number of residential homes connected and passed for FY21, we well as the fibre footprint numbers for FY21 indicated differ from the previously published numbers due to interrogation and clean-up of data from previous years

## PROMOTING FINANCIAL INCLUSION

	FY19	FY20	FY21	FY22
<b>M-PESA</b>				
M-PESA revenue (KSh billion)	75	84.4	82.6	<b>107.7</b>
No. of M-PESA customers (million: 30 day active)	22.6	24.9	28.3	<b>30.5</b>
No. of Lipa Na M-PESA merchants	122 879	172 561	301 597	<b>492 772</b>
Diaspora remittances through M-Pesa Global (KSh billion)	119	158	289.7	<b>395.7</b>
<b>M-SHWARI</b>				
No. of customers (million: active users)	3.99	4.66	3.98	<b>4.67</b>
M-Shwari deposits (KSh billion)*	213.4	320	571.2	<b>745</b>
M-Shwari loans (KSh billion)	97.5	129.6	94.5	<b>86.1</b>
<b>FULIZA</b>				
No. of transactions (million)	46.4	392.9	787.1	<b>1 456</b>
Amount disbursed (KSh billion)	29	245	351	<b>502.6</b>

\*Deposit balance (sum of monthly deposit balances)

## OUR STAKEHOLDERS

### CUSTOMERS

#### DIGITISING THE CUSTOMER

	FY19	FY20	FY21	FY22
Smart phones connected to the network (millions)	12.2	15.0	16.7	<b>18.5</b>
4G enabled smartphones (millions)	3.2	6.1	8.5	<b>11.1</b>

#### OUR CUSTOMER PROFILE

	FY19	FY20	FY21	FY22
Mobile data customers (million)	19.3	20	23.77*	<b>25.2</b>
Total number of consumer customers (million)	29.5	31.8	31.5	<b>32.8</b>
Total market share (%)	71.6	68.1	75	<b>71</b>

\* Mobile data customers number restated from prior year

#### TOTAL MARKET SHARE (%)

FY19	FY20	FY21	FY22
62.4	64.5	64.4	<b>65.3</b>

#### PROFILE OF OUR ENTERPRISE CUSTOMERS

	FY19	FY20	FY21	FY22
Total number of SME customers (thousands)	54	75	101	<b>90</b>
SME revenue growth (2021-2022)	27%	48%	12%	<b>34%</b>
Total number of SOHO customers (000)	125	210	299	<b>210</b>
SOHO revenue growth (2021-2022)	24%	48%	20%	<b>92%</b>
Total number of large enterprises	1 164	1 200	1 255	<b>1 365</b>
Large enterprise revenue growth (2021-2022)	13%	19%	-15%	<b>19%</b>
Market share in corporate segment (by customers)	99%	99%	99%	<b>99%</b>
Market share in SME segment (by customers)	14%	20%	25%	<b>32%</b>
Number of enterprise customers* (thousands)	180	286	401	<b>360</b>
Market share by revenue (excluding payments)	52%	53%	55%	<b>58%</b>

\*Corporate customers are segmented into LE, SME and SOHO

## NET PROMOTER AND BRAND CONSIDERATION SCORES

	FY19	FY20	FY21	FY22
NPS (consumer)	61	59	65	64
NPS (enterprise)	26	29	31	35
Brand Consideration	63	70	81	80

## 719 COVID-19

	FY21	FY22
USSD data	22 399 785	2 118 041
Call statistics	1 070	235
Hits	9 734	2 824

## CALL CENTRE PERFORMANCE

	FY19	FY20	FY21	FY22
Abandon rate	13%	14%	7%	24%
Average number of calls answered weekly	98 815	99 800	98 251	105 321
Call answer rate	86%	86%	84%	76%
NPS (COPS, overall)	59	38	48	83
Service level (% of calls answered within 20 secs)	78%	77%	89%	63%

## SOCIETY

### SAFARICOM AND M-PESA FOUNDATIONS SPEND TABLE

	FY19		FY20		FY21		FY22	
	Spend	Lives	Spend	Lives	Spend	Lives	Spend	Lives
Health	27%	88 246	40%	250 000	22%	602018	9%	1 163 281
Education	52%	51 413	52%	106 208	65%	1 669 058	85%	146 872
Economic empowerment	14%	5 415	5%	679165	3%	109 000	6%	14 571
Disaster response	2%	5 000	1%	57128	9%	199,353	-	-
Environment	0%	5 000	2%	-	1%	47 226	1 %	10 000

## EMPLOYEES

### OUR WORKFORCE DEMOGRAPHICS

	FY19	FY20	FY21	FY22
Number of permanent male employees	2 251	2 278	2 246	2 283
Number of permanent female employees	2 252	2 237	2 210	2 128
Total number of permanent employees	4 503	4 515	4 456	4 411

### PERSONS WITH DISABILITIES

FY19	FY20	FY21	FY22
2.1%	2.3%	2.6%	3.1%

### PERCENTAGE OF WOMEN IN OUR TECHNOLOGY DIVISION

FY19	FY20	FY21	FY22
23%	24%	24%	22%

### EMPLOYEES BY GENDER AND DIVERSITY

	FY19		FY20		FY21		FY22	
	Male	Female	Male	Female	Male	Female	Male	Female
All staff	50%	50%	50%	50%	50%	50%	52%	48%
Executive leadership	73%	27%	64%	36%	89%	11%	90%	10%
Senior management	66%	34%	65%	35%	66%	34%	65%	35%



## INTERNAL LABOUR MARKET MAP

		Female staff			Male staff		
Career level		Senior man- agement	Middle man- agement	Entry level	Senior man- agement	Middle man- agement	Entry level
Hires	FY19	2.10%	5.40%	6.40%	2.90%	6.70%	11.00%
	FY20	4.60%	4.20%	1.80%	2.50%	7.70%	3.80%
	FY21	9.60%	3.30%	1.20%	2.50%	3.20%	4.20%
	FY22	10.70%	3.60%	3.20%	10.20%	4.50%	14.30%
Internal mobility	FY19	2.10%	4.60%	6.20%	7.30%	3.90%	7.80%
	FY20	6.50%	1.60%	0.70%	5.60%	2.30%	0.90%
	FY21	3.83%	7.05%	0.85%	5.06%	7.17%	1.03%
	FY22	14.80%	15.80%	5.60%	8.00%	17.00%	8.00%
Laterals	FY19	15.50%	5.70%	2.30%	11.70%	6.30%	1.90%
	FY20	10.20%	8.70%	2.00%	9.60%	7.00%	1.30%
	FY21	3.83%	3.34%	3.26%	2.02%	3.24%	2.30%
	FY22	11.50%	4.60%	3.00%	9.80%	3.60%	4.20%
Voluntary exits	FY19	6.20%	2.80%	2.40%	5.80%	3.40%	3.00%
	FY20	1.90%	2.90%	3.30%	4.10%	4.10%	3.20%
	FY21	4.79%	3.34%	0.98%	1.52%	1.62%	1.78%
	FY22	4%	4.90%	2.80%	4.60%	5.10%	3.50%
Total exits	FY19	9.30%	3.60%	5.20%	8.30%	7.00%	5.90%
	FY20	2.80%	3.40%	4.50%	5.10%	4.90%	4.80%
	FY21	6.70%	8.17%	2.24%	3.04%	2.31%	4.50%
	FY22	5.90%	6.30%	3.60%	8.10%	5.90%	5.50%

## TRAINING HOURS AND INVESTMENT

	FY19	FY20	FY21	FY22
Avg. no. of training hours per employee	N/A	N/A	46.42	40
Investment in staff training (KSh million)	273	310	128	193
Average training index*	81%	83%	81%	85%

\*Percentage of staff who attended training during the year

## EMPLOYEE ENGAGEMENT SURVEY RESULTS

	FY19	FY20	FY21	FY22
Employee engagement index	96	89	92	85
Manager engagement index	84	89	90	89
Staff turnover	5.7%	5.0%	3.3	5.1

## TOTAL OSH-RELATED INCIDENTS

	FY19	FY20	FY21	FY22
Fatalities	2	1	3	2
Lost Time Injuries (LTIs)	2	14	9	2
Incidents	150	175	136	147
Medical treatment cases	20	18	19	116
Man-hours (million)	12.3	11.9	11.5	11.5
FIFR	0	0	0	0
LTIFR	0.016	0.017	0	0

\*\*\* Only Safaricom employee man-hours tracked hence FIFR and LTIFR tracking at zero

## BUSINESS PARTNERS

### TOTAL SUPPLIERS AND SPEND

	FY19	FY20	FY21	FY22
Number of suppliers	1 138	1 095	839	<b>799</b>
Total spend (KSh million)	84 829	86 696	92 827	<b>94 698</b>

### SPEND BY SUPPLIER CATEGORY

	FY19	FY20	FY21	FY22
Spend with foreign suppliers (KSh million)	28 3110	22 226	36 173	<b>36 289</b>
Spend with local suppliers (KSh million)	56 519	64 470	56 654	<b>58 408</b>

### NUMBER OF SUPPLIERS

	FY19	FY20	FY21	FY22
Number of foreign suppliers	182 (16%)	197 (18%)	191 (23%)	<b>186 (23%)</b>
Number of local suppliers	956 (84%)	898 (82%)	648 (77%)	<b>613 (77%)</b>

### SUPPLIER PERFORMANCE EVALUATION COVERAGE

	FY19	FY20	FY21	FY22
Supplier performance evaluations score (%)	80%	82.61	86	<b>88.87</b>
Number of evaluations performed	605	1 025	1 493	<b>1 594</b>

### OUR DEALER NETWORK

	FY19	FY20	FY21	FY22
No. of active dealers	433	440	435	<b>435</b>
No. of dealer relationship managers	6	6	6	<b>6</b>
No. of area sale managers/ active sales managers	40	42	42	<b>42</b>

### MOBILITY SCHEME (CUMULATIVE NO. OF BIKES)

	FY19	FY20	FY21	FY22
	1 978	2 465	2 633	<b>2 515</b>

### OUR M-PESA AGENTS

	FY19	FY20	FY21	FY22
No. of M-PESA agents	167 083	173 259	247 869	<b>262 000</b>

## MEDIA

### STORIES IN THE MEDIA FY22

Media type	M-PESA Foundation	Safaricom Foundation / Ndoto Zetu	Sustainable Business Report
Print	24	46	22
TV	45	101	55
Radio	95	257	94
Online	43	114	80
Total number	204	518	251
PR value (KSh)	171 674 490	567 007 330	270 088 495

### WEBSITE PERFORMANCE

	FY20	FY21	FY22
Total users	524 544	783 134	<b>4 167 205</b>
Sessions	714 511	1 106 644	<b>6 620 309</b>
Bounce rate*	27.59%	23.04%	<b>24.18%</b>
Avg. session duration	1 min 28 sec	1 min 29 sec	<b>1 min 39 sec</b>
Page views	1 183 813 2	2 133 177	<b>11 335 918</b>
Avg. page load time	12.71	11.39	<b>14.25 sec</b>
Clicks	434 000	490 000	<b>5 822 375</b>
Impression	3 710 000	4 990 000	<b>66 053764</b>
Avg. website position**	11.9	9.1	<b>11.4</b>

\*The percentage of all sessions on the site in which users viewed only a single page and triggered only a single request to the analytics server

\*\*The average ranking of a website URL for the query/ queries





# GOVERNANCE

## GOVERNANCE, BUSINESS ETHICS AND RISK

### DEMOGRAPHICS OF THE BOARD (GENDER AND COMPOSITION)

	FY19	FY20	FY21	FY22
Females	30%	30%	35%	36%
Males	70%	70%	65%	64%
Executives	1	1	1	1
Non-executive directors	9	9	9	9

### ETHICS AND ANTI-CORRUPTION STAFF TRAINING (% of total staff)

	FY19	FY20	FY21	FY22
% of total staff attending ethics and anti-corruption training	96%	98%	98.5%	98%

### ANTI-CORRUPTION MONITORING MEASURES (at year end)

	FY19	FY20	FY21	FY22
Risk assessments	26	18	8	14
Fraud reviews	10	10	17	5
Audit reviews	21	23	17	19
Special request reviews	3	2	9	6

### ANTI-CORRUPTION CORRECTIVE MEASURES (at year end)

	FY19	FY20	FY21	FY22
Fraud cases investigated	30	35	36	27
Disciplinary warnings	0	19	3	3
Dismissals	18	16	28	24
Cases reported to law enforcement agencies	14	5	1	5

### TYPES OF CASES INVESTIGATED

	FY20	FY21	FY22
Asset misappropriation	9	2	7
Breach of policy/procedure	3	8	8
Conflict of interest	9	0	0
Data privacy	3	22	1
Negligence of duties	5	0	1
SIM swap	6	4	10
Grand total	35	36	27

### ETHICS TRAINING FOR PARTNERS

	FY19	FY20	FY21	FY22
Suppliers	248	286	530	489 (61.2%)
Dealers	282	309	451	435 (100%)
M-PESA agents	61 567	63 812	1 345	*4 217 (100%)
No. of awareness broadcasts covering all M-PESA agents	37	32	50	55

\* Represents super agents trained physically, remaining agents trained during area sales manager visits and weekly awareness broadcasts.

### % BREAKDOWN OF SHAREHOLDERS

	FY19	FY20	FY21	FY22
Vodacom	35%	35%	35%	35%
Vodafone	5%	5%	5%	5%
Government of Kenya	35%	35%	35%	35%
Free float	25%	25%	25%	25%

### PROPORTION OF 'FREE FLOAT' SHAREHOLDERS (%) BY CATEGORY

	FY19	FY20	FY21	FY22
Foreign corporate	45.1	44.7	45.6	43.7
Local corporate	39.0	39.7	39.4	41.2
Local individual	15.5	15.3	14.6	14.8
Foreign individual	0.4	0.4	0.4	0.4

## STANDARDS AND CERTIFICATIONS

### KEY BENEFITS DERIVED FROM STANDARDS IMPLEMENTED AND CERTIFICATIONS

Standard	Benefit
Information Security Management (ISO/IEC 27001 - ISMS)	Has enabled Safaricom to define criticality league of critical systems which assure compliance, supplier relations, asset management, system acquisition, development and maintenance.
Business Continuity Management (ISO 22301 - BCMS)	Ensures continual identification and closure of single points of failure hence improving system's robustness and leading to continuity and security of Safaricom's products and services.
Quality Management (ISO 9001 - QMS)	Safaricom uses the QMS to standardise operations and quality checks which has led to consistency in assurance of quality and sustainable products and services for our customers, employees and stakeholders, this has also improved efficiency and compliance with legal, regulatory and contractual requirements.
Environmental Management (ISO 14001 - EMS)	EMS has enabled Safaricom to preserve the environment in a responsible manner, and at the same time align environment sustainability into the Safaricom mission and strategy.
Occupational Health and Safety Management (ISO 45001 - OHS)	Ensures mechanisms are in place to safeguard the health, safety and wellbeing of our staff, Customers and stakeholder.
Energy Management (ISO 50001 - EnMS)	EnMS has enabled Safaricom to put in place an energy efficiency framework, thus optimising energy use and consumption across the business. Our priority is use of clean energy.
Service Management (ISO/IEC 20000 - SMS)	The standard ensures effective delivery of managed services, measure service levels and assess their performance, thus offering better value to our customers.
Corporate Social Responsibility (ISO 26000 - CSR)	The guideline supports Safaricom in ensuring responsible investment with partners and communities.
Global System for Mobile Communications Association (GSMA)	The standard supports Safaricom in ensuring safer, more transparent and resilient financial services to M-PESA users.





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