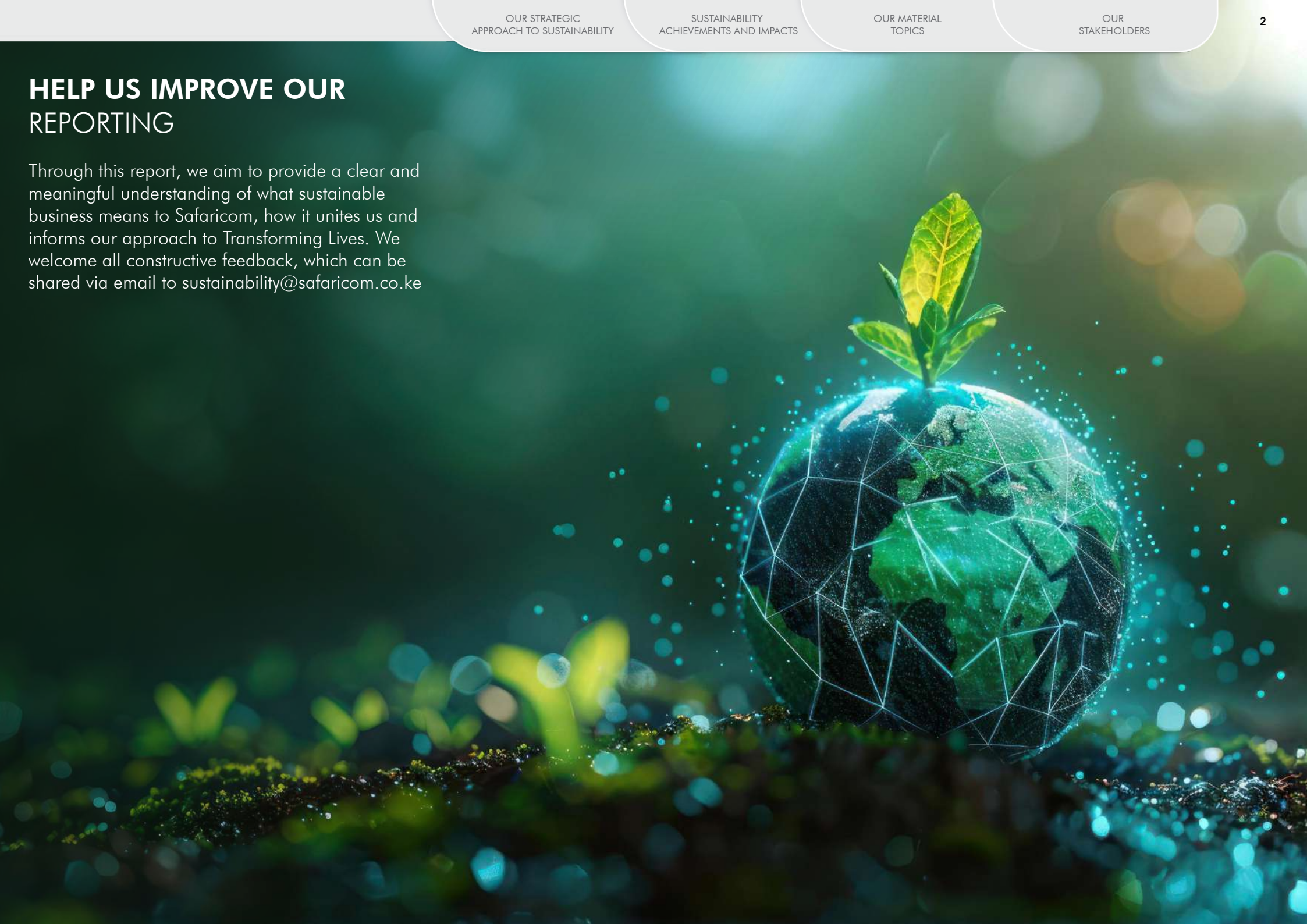2024 SUSTAINABLE BUSINESS REPORT

# ACCELERATING DIGITAL INCLUSION

**Safaricom**

# HELP US IMPROVE OUR
## REPORTING

Through this report, we aim to provide 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

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# GLOSSARY

| Acronym | Description |
|---------|-------------|
| ABLC | Africa Business Leaders Coalition |
| AI | Artificial Intelligence |
| AWS | Amazon Web Services |
| AML | Anti-Money Laundering |
| BTS | Base Transceiver Stations |
| CPF | Combating Proliferation Financing |
| CA | Communications Authority of Kenya |
| CFT | Countering the Financing of Terrorism |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CSP | Content Service Provider |
| EADAK | East Africa Device Assembly Kenya Limited |
| EIA | Environmental Impact Assessment |
| EOI | Expression of Interest |
| ESG | Environmental, Social and Governance |
| EVP | Employee Value Proposition |
| FIFR | Fatal Injury Frequency Rate |
| FSI | Financial Services Institute |
| FTTB | Fibre-to-the-Business |
| FTTH | Fibre-to-the-Home |
| FY | Financial Year |
| GCNK | Global Compact Network Kenya |
| GHG | Greenhouse Gas |
| GRI | Global Reporting Initiative |
| ICT | Information Communication Technology |
| IFC | International Finance Corporation |
| IoT | Internet of Things |
| IoGT | Internet of Good Things |
| ISO | International Organisation for Standardization |
| IVR | Interactive Voice Response |
| JMP | Journey Management Platform |
| KEPSA | Kenya Private Sector Alliance |

| Acronym | Description |
|---------|-------------|
| KSh | Kenyan Shilling |
| KHF | Kenya Healthcare Federation |
| KPLC | Kenya Power and Lighting Company |
| KRCS | Kenya Red Cross Society |
| KYC | Know Your Customer |
| LMM | Lipa Mdogo Mdogo |
| LTI | Lost Time Injury |
| LTIFR | Lost Time Injury Frequency Rate |
| LXP | Learning Experience Platform |
| MNO | Mobile Network Operator |
| MoU | Memoranda of Understanding |
| M-PESA | M-PESA is a fintech platform that allows customers to send and receive money, pay bills, access loans and more across seven African markets. |
| MWC | Mobile World Congress |
| NCD | Non-Communicable Disease Platform |
| NPS | Net Promoter Score |
| NTSA | National Transport and Safety Authority |
| NUR | Network Unavailability Rate |
| OCSEA | Online Child Sexual Exploitation and Abuse |
| PIP | Performance Improvement Plans |
| PLC | Public Limited Company |
| PPE | Personal Protective Equipment |
| PwDs | Persons with Disabilities |
| RAN | Radio Access Network |
| RPA | Robotic Process Automation |
| SBS | Safaricom Business School |
| SDG | Sustainable Development Goals |
| SHW | Safety Health and Wellbeing |
| SIG | Special Interest Groups |
| SLL | Sustainability Linked Loan |
| SLM | Service Lifecycle Management |

| Acronym | Description |
|---------|-------------|
| SQM | System of Quality Management |
| STEP | Safaricom Telecommunications Ethiopia PLC |
| Supplier NPS | Supplier Net Promoter Score |
| SUR | Service Unavailability Rate |
| SVAI | Shared Value Africa Initiative |
| UN | United Nations |
| UNGA | The UN General Assembly |
| UNGC | UN Global Compact |
| UNHCR | United Nations High Commissioner for Refugees |
| USF | Universal Service Fund |
| USSD | Unstructured Supplementary Service Data |
| WEEE | Waste from Electrical and Electronic Equipment |
| WIT | Women in Technology |

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INTRODUCTION
# TO OUR 2024 SUSTAINABLE BUSINESS REPORT

## AFRICA'S LEADING PURPOSE-LED TECHNOLOGY COMPANY

As we look toward the future, our 2030 vision is to become Africa's leading purpose-led technology company. This ambitious goal is underpinned by our commitment to sustainability, ensuring that every facet of our strategy aligns with the principles of responsible and ethical growth.

By integrating sustainability into the core of our operations, we aim to create innovative solutions that not only drive our business forward but also contribute positively to the environment and the communities we serve. This dedication to sustainability will remain a guiding force as we evolve and expand, ensuring that our progress is both meaningful and enduring.

## ABOUT THE 2024 SUSTAINABLE BUSINESS REPORT

Our 13th annual Sustainable Business Report covers our fiscal year from 01 April 2023 – 31 March 2024. With this report we showcase our matured sustainability approach, reflecting advanced content and thought leadership on our sustainability efforts. The report aims to describe our actions, opportunities and challenges in empowering the tech ecosystem in Kenya and beyond as we work to transform lives across every level of society, business and government.

In this Sustainable Business Report, we primarily focus on the operations of our Kenya branch, referencing the Global Reporting Initiative (GRI) standards to ensure transparency and accountability. While this report centres on our activities in Kenya, we have also included a brief section of our growing operations in Ethiopia. As our presence in Ethiopia continues to expand, we plan to integrate more comprehensive data and insights on these operations in future reports.

For a complete overview of our value to stakeholders and societal impact, we encourage you to read this report alongside the 2024 Annual Report and Financial Statements.

## SCOPE AND BOUNDARY

We aim to present information that is relevant, material, complete and comparable.

## OUR REPORTING STANDARDS

This report has been prepared referencing the GRI Standards 2021. Safaricom remains committed to continuously maturing our sustainability reporting practices to ensure transparency, accountability and alignment with global best practices. As we progress on this journey, our goal is to deliver a sustainability report that is in full accordance with the GRI Standards, demonstrating our dedication to responsible business practices and sustainable growth.

For ease of reference, a GRI index will be included at the end of this report. It will guide you through our sustainability disclosures, ensuring you can easily find the information you need. Our Sustainable Business 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 remains responsible for integrating sustainability into our business strategy. For details on our governance and responsibilities, see the governance section of the 2024 Safaricom Annual Report. We take great care to ensure the integrity of this sustainable business report, presenting our progress towards a more sustainable future with both accuracy and impartiality.

**For more information, contact:**
sustainability@safaricom.co.ke

**ADIL ARSHED KHAWAJA (MGH)**
CHAIRMAN

**Dr. PETER NDEGWA (CBS)**
CEO

We provide transparent reporting on both our successes and setbacks, supplemented with four-year data trends to ensure relevant, material and comparable information. Our coverage includes key highlights, stakeholder concerns, the progress made in 2024, and our future focus areas — topics vital to our business and of great interest to our stakeholders.

FY2024
# IN REVIEW

▲ 20 counties
**Rolling out 5G network infrastructure in 43 counties**

Safaricom's economic impact increased by **10%** from FY23

▲ 128 cooling systems
Implemented **200 free cooling systems** to reduce reliance on traditional air conditioning

▲ 1.4% recycling rate
Achieved a **98% recycling** rate for municipal solid waste across **71 facilities**

▼ 3 EIA
Conducted **40 environmental impact assessments** and 786 environmental audits for base stations and buildings

▲ 7 million people
Increased financial inclusivity, with over **22 million Kenyans** accessing affordable services through the Hustler and Women Enterprise Fund

Trained **98.3% of employees** on data protection

Digitised the fertiliser subsidy programme, benefiting **3.3 million farmers**

▲ 70 tonnes
Recycled **290.44 tonnes of network waste**

Achieved ISO 50001 and ISO14001:2015 recertification

▲ 7%
KSh 348bn worth of societal value – a **7.2% year-on-year increase**

FY24: Base year
Secured KSh **15bn Sustainability-Linked Loan (SLL)**

Achieved **43%** year-on-year reduction in upstream, transportation and distribution emissions

▲ 62bn
Contributed an estimated KSh **722bn to Kenya's Gross Domestic Product (GDP)**

**1,432 sites operating on solar energy**

**Connected 2 additional sites to a privately** owned hydro mini-grid network

FY23: Base year
**Improved CDP score to A-minus (top 31% globally)**

Ethiopian operations: M-PESA onboarded **4.5 million customers**

Ethiopian operations: **38% population coverage**

▲ 6% increase
**45804.75 tCO₂e** (scope 1,2 and 3)

**263,757** direct and indirect jobs sustained

**Safaricom at a glance**

| **2000** Year Founded | **5,547** ^ Permanent Employees | **413** Dealers | **65.6%** market share (% overall subscribers) | HQ: Nairobi | Regional office Ethiopia | **44.67** million Total Customers (Safaricom Kenya) | **4.35 million** Total customers (Safaricom Ethiopia) | **262,016** M-PESA Agents | KSh **349.447bn** Total Revenue in FY24 | **17,000 km** Fibre Optic Footprint |

^ PWC assured FY24

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# MESSAGE FROM THE CEO

With technology at the heart of our strategy, we are on a journey of transformation, evolving from a TelCo to Africa's leading TechCo by 2030. This transition will enable us to tap into new opportunities and meet the evolving needs of our customers, while continuing to contribute to social and environmental sustainability.

Our efforts to integrate sustainability into our business strategy have positioned us to remain resilient in a rapidly changing world. **By embracing the Sustainable Development Goals (SDGs), we are driving innovation, lowering costs through clean energy, and building partnerships that enhance our impact.** These initiatives are not only helping us to thrive but are also ensuring that we retain the trust and loyalty of our customers.

Securing the KSh 15bn SLL, the largest – and first of its kind – Environmental, Social and Governance (ESG) linked debt facility in East Africa, stands as a significant achievement. This funding is empowering us to accelerate investments in innovative technologies and pursue diversified investments that are aligned with our sustainability goals. Additionally, our involvement in the Forward Faster initiative has driven us to bring about a deeper commitment to the SDGs, ensuring we deliver meaningful impact.

The broader economic downturn posed significant challenges, affecting the resources available for our community initiatives and sustainability projects. The turbulent economic climate, policy changes, and fluctuating regulatory landscapes pose significant challenges.

Key issues such as the Mobile Termination Rates (MTR) and resource limitations due to the economic downturn have hindered some of our sustainability efforts. Additionally, securing stakeholder support for our sustainability journey requires continuous effort to ensure confidence in the direction we're taking.

Despite these constraints, we remained focused on operating responsibly and sustainably.

Safaricom made substantial strides in furthering its commitment to transforming lives. Some of our key achievements include:

- In our efforts to provide all our customers with faster internet connectivity, we implemented 5G network infrastructure across 43 of the 47 counties, including underprivileged and underserved areas. This has established us as a market leader in digital connection and innovation, ensuring every community has access to high-speed, reliable internet. Bridging the digital divide improves access to key services, promotes economic development, and strengthens our position as a national leader in digital transformation of society.
- For agriculture, we digitised the revolutionary fertiliser subsidy programme, benefiting 3.3 million farmers.
- We have expanded financial inclusivity, with over 22 million Kenyans accessing affordable services through the Hustler and Women Enterprise Fund.
- Our Ethiopian operations have seen remarkable growth, with network coverage now reaching 40% of the population, more than 9.4 million customers onboarded and 4.5 million customers registered on M-PESA which continues to expand rapidly, providing more customers with mobile money solutions.

Each of these milestones is aligned with our core purpose of "Transforming Lives" by bridging digital divides, supporting economic empowerment, and enhancing social welfare.

Safaricom's four sustainability pillars—Shared Value, Our Planet, Operating Responsibly, and Our People and the world around us—continue to guide our efforts.

We are committed to becoming Net-Zero by 2050. To achieve this, we are focused on managing our environmental impact by adopting circular economy principles and building partnerships that reduce carbon emissions.

While we made limited progress on solarising our network sites in FY24, we remain fully committed to achieving our target of 5,000 solar-powered sites by next year.

Shared value remains central to our strategy, as we continue to leverage technology solutions, such as M-PESA, to promote financial inclusion and economic growth across Kenya and beyond. Over 8 million people have been positively impacted through social impact efforts led by the Safaricom and M-PESA Foundations, which focus on health, education and economic empowerment.

Dr. PETER **NDEGWA (CBS)**

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**Safaricom's innovation is driven by our mission to leverage connectivity for new digital opportunities and social impact.**

We innovate not just because we can, but to combine technology with purpose, helping us stay ahead in a fast-changing environment and better meet the needs of our customers, employees and communities.

Our agile culture allows us to adapt and improve solutions based on real-time feedback, ensuring lasting impact.

Looking ahead, we will continue partnering and using our platforms to transform Safaricom into Kenya's leading, purpose-led technology company by 2025. Despite the challenges posed by reduced purchasing power, it is clear that our customers continue to prioritise value. We are dedicated to earning their trust by consistently delivering reliable services. This involves focusing on strengthening the fundamentals of our network to ensure we are always on, secure, and able to provide a worry-free customer experience.

We remain committed to further enhancing our role as a leading purpose-led technology company. Small and Medium Enterprises (SMEs) will be a major area of focus, as they play a critical role in job creation and reducing inequalities.

We will also continue to invest in clean energy, aiming to power all our transmitter stations with solar and expand our use of renewable energy across the business.

We are partnering to develop AI solutions that will positively impact nearly all areas of life. We've already seen its effect on health, the environment and education, and we plan to expand its reach even further.

As industry leaders, there's always room for improvement, including enhancing our efforts to increase the representation of Persons with Disabilities (PwDs) as part of our commitment to diversity and inclusion. Achieving the international standard of 5% representation remains a top priority.

In conclusion, the past year has reinforced our commitment to addressing societal needs through technology. We are doubling down on our sustainability efforts as we transition into a technology company. **Our aim is clear: to enhance customer experiences, drive economic empowerment, and leave a lasting, positive impact on the communities we serve.** We remain steadfast in our mission to transform lives through innovation and sustainable practices.

Safaricom's future is bright, and together with our stakeholders, we will continue to lead the way towards a more sustainable and equitable future.

**"This Sustainable Business Report provides a comprehensive assessment of our performance against our strategic goals. It demonstrates our commitment to accountability and our ongoing dedication to advancing sustainable development."**

- CEO, Dr. Peter Ndegwa (CBS)

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# MESSAGE FROM THE CHAIRMAN

Over the past financial year, Safaricom has navigated a rapidly changing environment with resilience, innovation, and a deep sense of purpose. It has been a privilege to witness the unwavering dedication of our people as we expanded into Ethiopia while continuing to lead in Kenya. Our commitment to driving positive change and creating lasting value for our customers, communities, and stakeholders remains at the heart of everything we do.

As we work towards our current vision of becoming Kenya's leading purpose-led technology company by the end of 2025, we are already looking ahead.

The Board has approved a new vision to guide us until 2030: positioning Safaricom to be **Africa's leading purpose-led technology** company.

**This vision underscores our commitment to harnessing technology for social good, economic progress and driving innovation across Kenya and Ethiopia. We are excited about the possibilities that lie ahead.**

Despite the macroeconomic challenges we faced this year, including inflation and regulatory changes, Safaricom remained proactive and adaptable.

We continue to engage with regulators to foster a supportive environment for business success, and we are grateful for their ongoing collaboration. We further embraced the growing needs of our various stakeholders across Kenya and Ethiopia and will continue to contribute meaningfully to their social and economic development.

The Board's sustainability priorities will continue to be guided by Safaricom's four purpose pillars: Shared Value, Planet, Responsible Business, and People. These pillars guide our response to evolving socio-economic challenges and shape our approach to addressing the pressing challenges of climate change, waste management, and energy efficiency, while ensuring our long-term success.

Safaricom has made significant progress in advancing its sustainability agenda and taken noteworthy steps through its ESG agenda which will continue as we invest in initiatives that ensure the company's long-term sustainability while transforming lives.

One of our most ambitious commitments is to become a Net Zero company by 2050. We are making tangible strides toward this goal, including our plans to plant five million trees by next year and solarising our Base Transceiver Stations (BTS). In Ethiopia, we have already installed 31 solar-powered sites, with a goal to have 40% of our operations running on solar by 2030. Additionally, 41 engineers have been trained in ESG best practices in collaboration with Nokia and Huawei. Safaricom is also shifting from a linear model of production and consumption to a circular economy approach, prioritising reduction, preservation and regeneration.

Our dedication to sustainability is clear, and I am confident we will continue to make meaningful contributions toward a greener future.

Digital technologies are vital in addressing the socioeconomic challenges faced by Africa, such as unemployment and underdeveloped health and education systems which hinder economic growth.

At Safaricom, we believe that the power of technology transforms lives. In line with our vision to become Africa's leading purpose-led technology company by 2030, we are actively developing digital innovations to address Kenya's socioeconomic challenges.

For example, through our collaboration with county governments, we are digitising processes via the MyCounty app. This is part of a Safaricom-led technology initiative to enable all 47 counties to digitise their services and operations through a single, citizen access channel. The platform will ease public access to county services, such as paying for parking and applying for single business permits.

This initiative, along with our Integrated County Revenue Management System, is modernising public service delivery, enhancing transparency, and making services more accessible to all - A reflection of our commitment to digital transformation, improving service delivery and making public services more accessible to all Kenyans.

We also remain committed to establishing a foundation for a digital society in Kenya and Ethiopia, and to providing high-quality, competitive technology services that will transform lives across all our markets, **connecting people to people, people to opportunities, and people to information.**

Despite the complexities associated with establishing operations in a new market, Safaricom remained committed to forming sustainable partnerships and contributing to Ethiopia's digital transformation.

ADIL ARSHED
**KHAWAJA (MGH)**

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Our expansion into Ethiopia has been a rewarding journey, and we remain committed to contributing to Ethiopia's digital transformation. The positive reception from the Ethiopian government and regulators encourages us as we help unlock the country's vast potential.

Safaricom's customer-obsessed, digital-first strategy has been instrumental in driving growth. By placing customers at the heart of everything we do and embracing the latest digital technologies, Safaricom has continually reimagined what's possible, delivering innovative and value-rich services that truly connect with our community of over 46 million people.

This approach has not only strengthened customer loyalty but also attracted new clients, bolstering revenue growth – proving that profitability and sustainability can co-exist.

As a Board we are proud of the work we've done to align our partnerships with our sustainability goals. Collaboration, transparency, and shared values are the cornerstones of these partnerships, and they will continue to guide us as we pursue our vision of creating a more connected, inclusive, and sustainable Africa.

For businesses navigating the balance, it's essential to make the necessary trade-offs, invest in resources, and maintain flexibility in a changing world.

**On behalf of the Board, I would like to acknowledge the work done by management, we are confident that this Sustainable Business Report presents the progress we have made towards our goal of building a more sustainable future with accuracy and impartiality.**

By fostering synergies and monitoring project outcomes, together, we are building a future where technology not only drives growth but also improves lives, fosters opportunity, and protects our planet.

> **"Safaricom's success demonstrates that sustainability and profitability can coexist. For companies struggling to strike a balance, it is essential to make necessary trade-offs, invest in resources, and ensure shareholder and stakeholder support while remaining flexible in response to changing business environments."**
>
> – Safaricom Chairman, Adil Arshed Khawaja (MGH).

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# MESSAGE FROM SUSTAINABILITY EXECUTIVE

As we present this year's Sustainable Business Report, we are proud to share a comprehensive overview of our ongoing efforts and achievements in advancing our sustainability agenda. Our commitment to sustainability remains central to Safaricom's strategy, driving us to integrate sustainable practices into every aspect of our operations. This report highlights our progress, reflects on our challenges, and outlines our future direction.

Reflecting on the past year, I am particularly excited about leading Safaricom towards becoming Africa's leading purpose-driven tech company. This aligns with our 2030 vision and the global Sustainable Development agenda. The achievement of our Sustainability Linked Loan is a testament to the maturity and value of our sustainability agenda.

At the group level, we convene quarterly as part of the ESG Reputation and Stakeholder Committee, chaired by the Vodacom Group CEO. These meetings help us evaluate our progress and align our strategies. The support from this committee and the ability to tie budgets to our sustainability efforts make the role both exciting and full of growth opportunities.

At Safaricom, we continue to innovate across various sectors including education, health, finance and climate solutions. Some noteworthy efforts include initiatives addressing human-wildlife conflict through technology and tree-planting projects that contribute to environmental sustainability.

Our journey towards net zero remains a top priority and we are on track to achieve our goal by 2050, with an accelerated target of 2030.

The effects of climate change are increasingly evident, with prolonged droughts followed by floods affecting both consumers' purchasing power and operational costs. In FY24, the number of network sites powered by solar energy remained unchanged compared to previous years. However, our commitment to carbon offset projects and adherence to science-based targets have been reinforced, resulting in an improved CDP score of A-minus, placing us among the top 31% globally. These accomplishments highlight our unwavering dedication to sustainability and accountability.

Additionally, our transition from a traditional Telco to a TechCo involves adapting to emerging technologies like AI, which are not yet fully developed in our market. This shift highlights the need for building a robust pool of digital talent through partnerships and industry collaboration.

We are transitioning from limited product development to integrating advanced AI and full digital solutions. Our focus is on using AI to enhance life and stay ahead of trends while ensuring responsible and ethical innovation. Engaging with regulators is key to ensuring that emerging technologies like AI and robotics foster, rather than hinder, innovation.

We take pride in our achievements in fostering diversity and inclusion, with 42.4% of women in leadership roles and a 55% female board.

The launch of the East Africa Device Assembly Plant is a testament to our focus on circularity and innovation in our operations. Additionally, our active participation in international forums, such as the UNGA, UNGC, MWC, COP28 and the Global Refugee Forum, has evolved from attendance to shaping policy and influencing global narratives.

Although we encountered challenges, including slower-than-expected progress on some projects, navigating complex regulatory environments, and addressing data privacy concerns, we are committed to overcoming these obstacles through compliance, collaborating with stakeholders, and innovative solutions. Looking ahead, we will focus on two main pillars: people and planet with doing-the-right-thing being a foundational enabler. For people, our goal is to transform and invest in society through driving digital and financial inclusion, enhancing diversity, and making sustainable community investments. By aligning all aspects of our business with a purpose-led approach, we are preparing for significant growth and impact.

We are observing a shift in societal expectations, with increased demand for accountability. Recent unrest in Kenya, driven by younger generations but extending across age groups, reflects a heightened awareness and call for accountability from both government and businesses. As these expectations evolve, it becomes crucial for us to demonstrate the authenticity of our sustainability commitments and practices.

KAREN **BASIYE**

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We prioritise purpose over profits, reputation over revenue, and use the SDGs as our guiding framework. A brand must be grounded in strong values to be meaningful, and our focus is on fulfilling our purpose and achieving impactful results.

Thank you to our customers, business partners, employees and key stakeholders for your continued support as we advance our sustainability goals and contribute meaningfully to the world.

**In summary, this year's report reflects Safaricom's unwavering dedication to sustainability and our commitment to making a meaningful, positive impact in our communities and beyond. We look forward to continuing our journey, driven by our purpose and guided by our sustainability goals.**

– Director Sustainable Business and Social Impact, Karen Basiye

## Our accolades in FY24

We are proud to have received several awards and accolades from external stakeholders this year, including recognition in the following areas:

### Diversity & Inclusion

2023 Safaricom Women in technology Award by Institute of Electronic Engineers (IEEE)

Most Inclusive Listed Company in Kenya 2024 by Diversity, Inclusion Awards and Recognition (DIAR)

### Sustainability Awards

Environment sustainability award by the United Nations Environment Programme (UNEP) and Kenya Private Sector Alliance (KEPSA)

Loan Currency, Loan Deal of the Year; by Bonds, Loans & ESG Capital Markets Africa Awards

Best ICT Adoption in Supply Chain by Kenya Institute of Supplies Management (KISM) SPURS

### Brand

4th Edition of the Consumer Market Study of the Top 100 Most Loved Brands by Women in Kenya, 2024
- M-PESA; No. 1
- Safaricom PLC; No. 2

Payment Card Industry Data Security Standard (PCI DSS) Certification

### Financial Reporting

FiRe Awards – ICPAK Various awards on Integrated Reporting, Environmental & Social Reporting & Governance

### Top Employer

- 3rd Best Employer in Africa Ranking by Forbes
- Top Employer Certification 2024 - Kenya & Africa by the Top Employers Institute (TEI)

# OUR STRATEGIC APPROACH TO SUSTAINABILITY

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**OUR STRATEGIC APPROACH**
- **Corporate Strategy 2030: Transitioning from a TelCo to a TechCo**
- **Our Material Topics and Their Contribution to the SDGs**

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# OUR STRATEGIC APPROACH

Over the past five years, we have focused on transforming Safaricom to a purpose-led technology company. This 2020-2025 strategy was driven by our ambition to not only serve customers but also to make a meaningful social impact. We expanded our reach in digital financial services, scaled up our role in healthcare and education, and significantly boosted connectivity through innovations like M-PESA. Our journey has been driven by a clear goal: to evolve into a digital-first, insights-led organisation that enables platforms and ecosystem partnerships.

Now, as we transition to our **2025-2030 corporate strategy**, we remain committed to driving digital transformation while further broadening our scope. Our new vision is to become **Africa's leading purpose-led technology company by 2030**. This next phase will build on our achievements, focusing on emerging technologies like 5G, AI, and data analytics, and expanding our services across new markets across Africa. Our goal is to continue advancing digital connectivity and financial inclusion, while keeping sustainability at the core of everything we do. By aligning our strategy with global sustainability goals, we will continue to create lasting impact on the communities we serve and the continent as a whole.

We have a unique way of doing business and consistently seek to create and invest in opportunities for Kenyans and Ethiopians, by empowering them with the right tools for their own economic growth, further embedding our purpose of transforming lives and committing to an ongoing story of meaningful progress. Safaricom is one of a select group of about 400 companies across Africa whose annual revenues exceed USD 1 billion. Safaricom Group operates in Kenya and Ethiopia via Safaricom Telecommunications Ethiopia Limited.

## Did you know?

We became the first Kenyan company to integrate sustainability within the core of our every business decision. We use the SDGs to transform and boost the success of our business and enhance our purpose of Transforming Lives.

## OUR IDENTITY AND VALUES

Our vision and mission guide us in this journey, providing a clear direction and a shared sense of purpose. They are the foundation upon which we build our strategies, make decisions, and measure our success.

**OUR VISION**

**OUR MISSION**

**OUR CULTURE**

**OUR VALUES**

**WHERE WE SEE OURSELVES GOING**
We are a leading purpose-led technology company that uses innovation to drive social and socio-economic empowerment in society.

**WHAT WE AIM TO ACCOMPLISH**
To scale tech solutions in order to be Kenya's leading purpose-led technology company by the end of 2025.

**HOW WE CONDUCT OUR JOURNEY**
Purpose-driven, customer-obsessed, innovative and collaborative.

**THE PRINCIPLES WHICH GOVERN OUR CONDUCT**
1. **Simple** – in the way we reach out to you
2. **Transparent** – in what we deliver to you
3. **Honest** – in what we say to you

The Group has **49 million customers** on our network and over **33 million people** use our M-PESA service. We also have over **6,500 towers connecting Kenyans across the country and 2,806 active 2G/3G/4G base stations in Ethiopia.**

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CORPORATE STRATEGY 2030: TRANSITIONING FROM A TELCO TO A TECHCO

# OUR VISION IS TO BE AFRICA'S **LEADING PURPOSE-LED TECHNOLOGY COMPANY** BY 2030.

## OUR CORPORATE STRATEGY: 2020 - 2025

Safaricom's 2020 - 2025 strategy has been pivotal in steering our sustainability journey. The year under review (2024) constitutes the final year of a five-year plan designed to create the path of becoming the leading technology company by 2025.
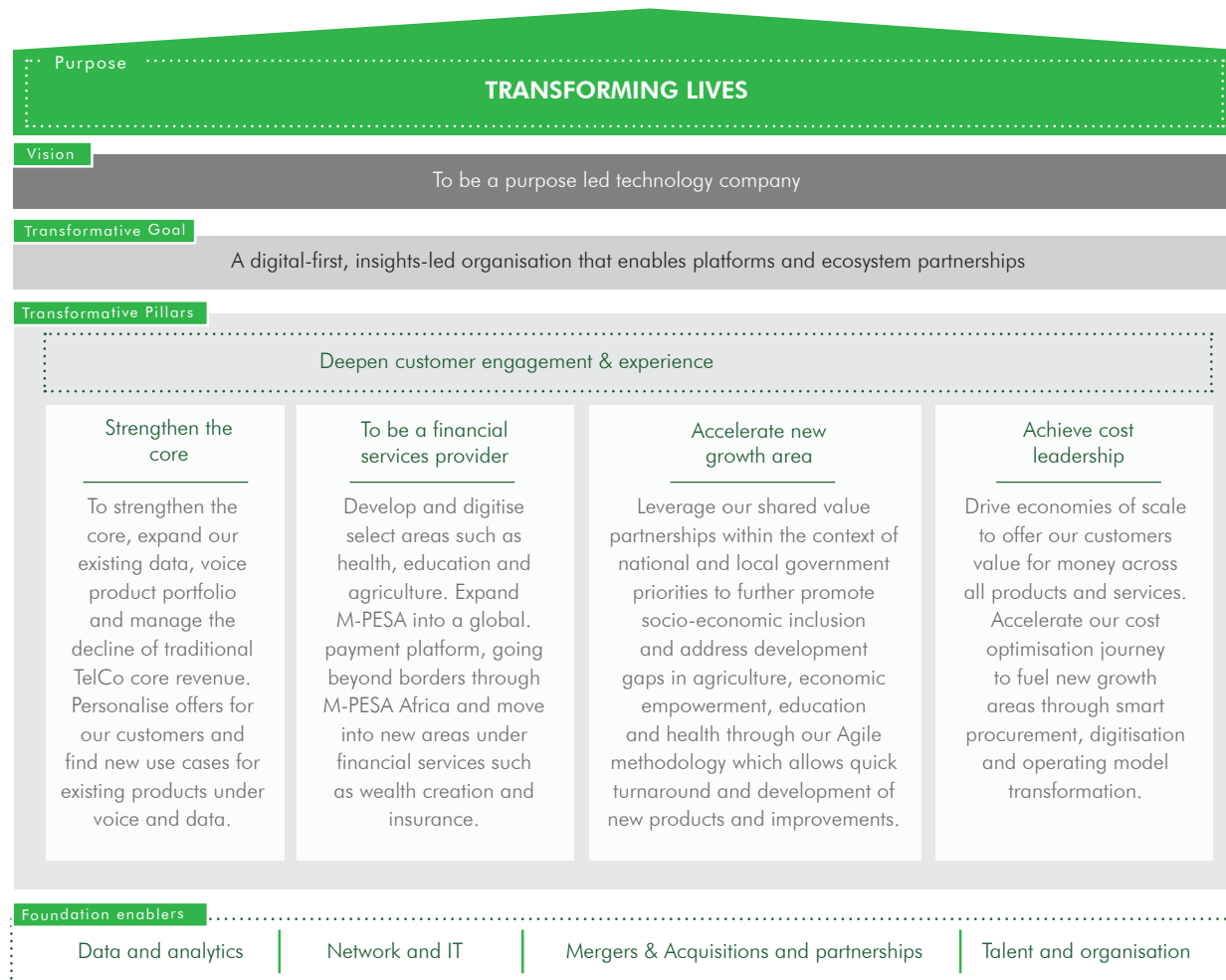
## OUR **NEW** CORPORATE STRATEGY: 2025 - 2030

At the heart of our newly approved corporate strategy (2025 - 2030) is our determination to decisively deliver what our customers need, and to empower and enable them to transform their lives through technology. As we build a customer-centric and purpose-led business, our focus remains on what matters most: our customers. We are committed to providing truly differentiated experiences and propositions for our various customer segments.

**Purpose**

### TRANSFORMING LIVES

**Vision**

To be a purpose led technology company

**Transformative Goal**

A digital-first, insights-led organisation that enables platforms and ecosystem partnerships

**Transformative Pillars**

Deepen customer engagement & experience

| Strengthen the core | To be a financial services provider | Accelerate new growth area | Achieve cost leadership |
|---|---|---|---|
| To strengthen the core, expand our existing data, 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. | 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. | 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. | 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. |

**Foundation enablers**

Data and analytics | Network and IT | Mergers & Acquisitions and partnerships | Talent and organisation

**Purpose**

### TRANSFORMING LIVES

**Vision**

Africa's leading purpose-led technology company

**Transformative Pillars**

| Protect and grow the core | Accelerate the transition to TechCo | Boost and evolve Ethiopia | Unlock value through innovation delivery models |
|---|---|---|---|
| Protect and grow consumer mobile | Scale consumer digital services | Grow Ethiopia in a sustainable way | Reduce overall cost to serve |
| Deepen the adaptation of core enterprise | Establish enterprise (including Public Sector) solutions | Leapfrog Ethiopia to TechCo and accelerate financial services | Adapt to new infrastructure delivery models |
| Future-proof financial services core business | Scale financial services | | Create verticals through carve-outs |

Build end to end device play

Supercharge fixed broadband delivery

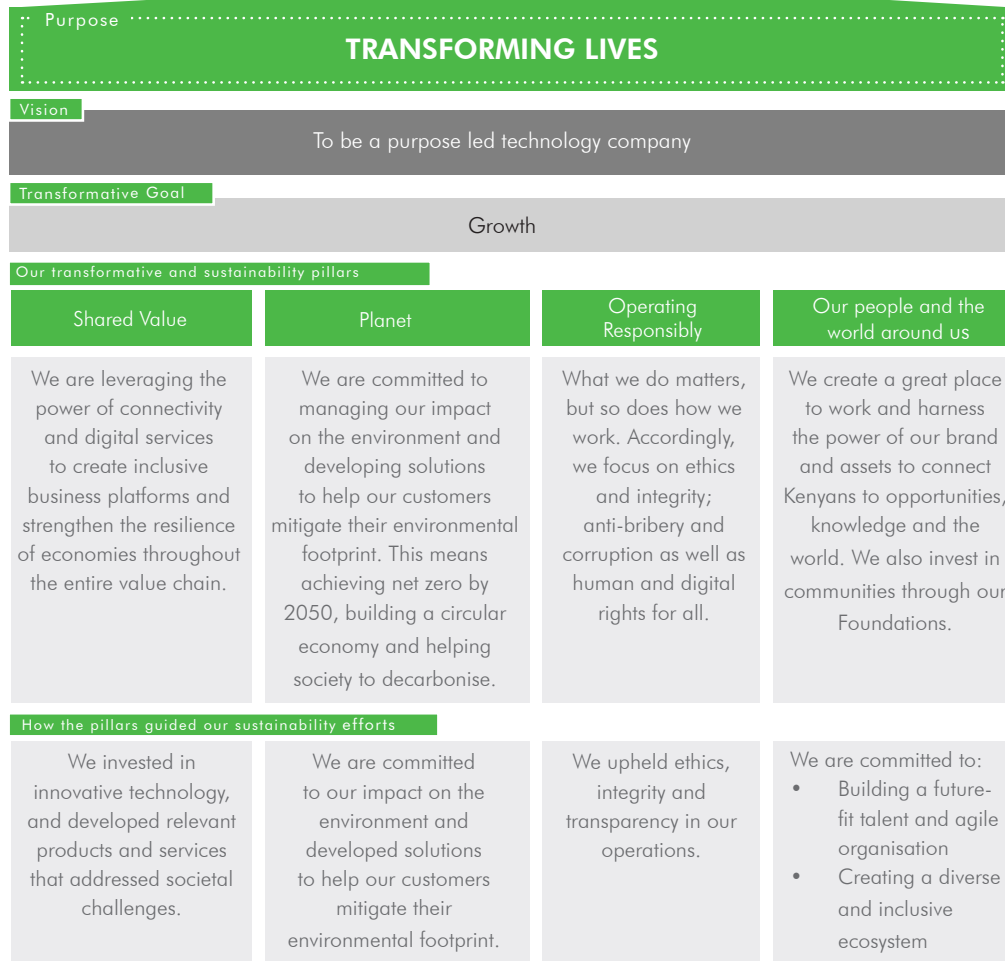Deliver superior customer experience as a key differentiator

## OUR PURPOSE STRATEGY

Our corporate strategy is deeply intertwined with our purpose of transforming lives. Our **Purpose Strategy** shapes every aspect of our operations and will ensure that we function as the leading purpose-led technology company in Africa, with sustainability at the core of our business. Our Purpose Strategy serves as a guiding framework that aligns all our sustainability actions with our broader goals.
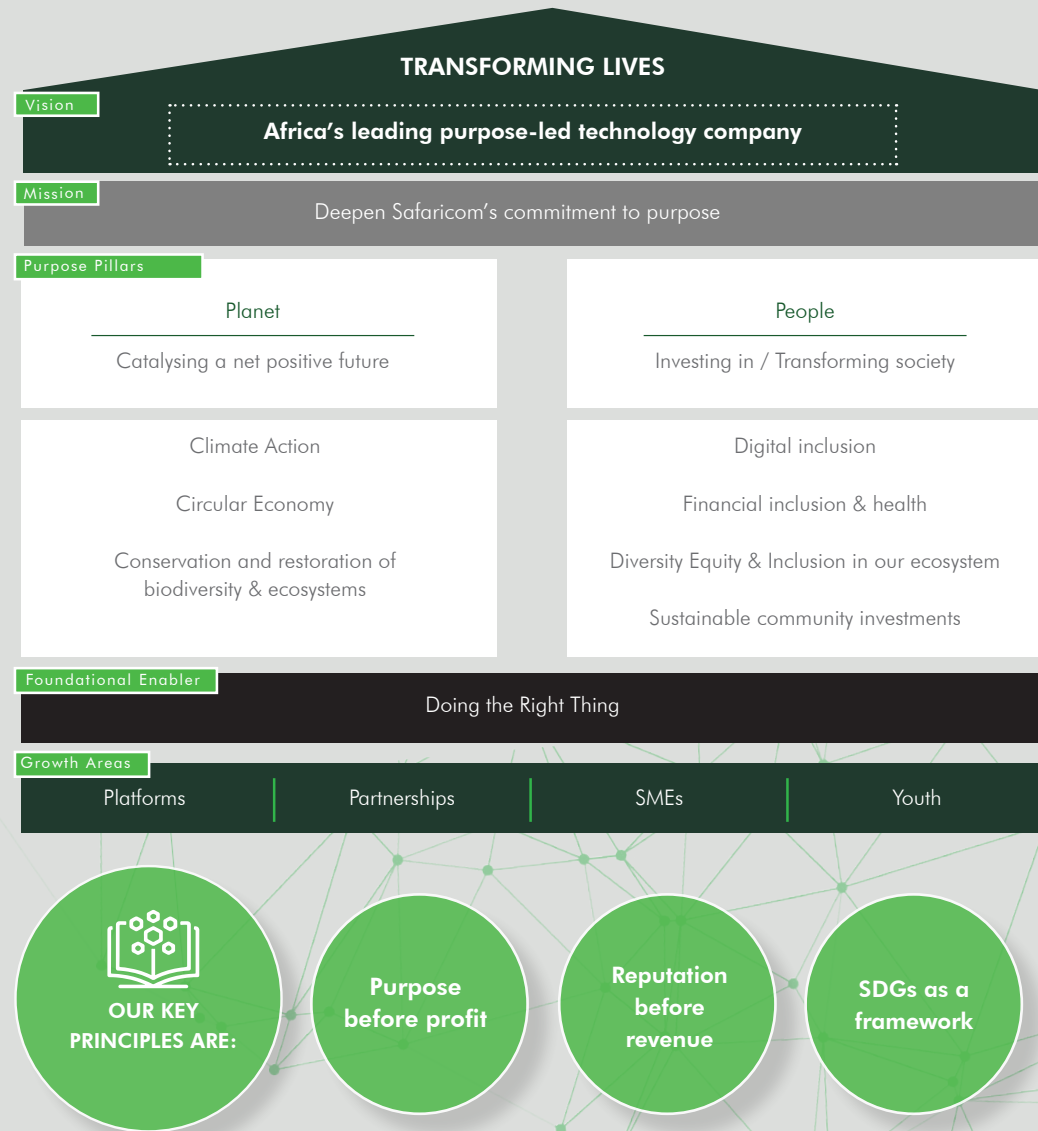
### OUR PURPOSE STRATEGY: 2020 - 2025

The 2020 - 2025 Purpose Strategy was instrumental in propelling us to new heights of impact. Centred on four key pillars, it enabled us to stretch beyond our conventional boundaries, embrace innovation, and be bolder in our pursuit of transforming lives. This strategy laid a strong foundation for growth, embedding sustainability into our core business operations while fostering a positive societal impact.

**Purpose**

### TRANSFORMING LIVES

**Vision**

To be a purpose led technology company

**Transformative Goal**

Growth

**Our transformative and sustainability pillars**

| Shared Value | Planet | Operating Responsibly | Our people and the world around us |
|---|---|---|---|
| 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. | 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. | 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. | 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. |

**How the pillars guided our sustainability efforts**

| | | | |
|---|---|---|---|
| We invested in innovative technology, and developed relevant products and services that addressed societal challenges. | We are committed to our impact on the environment and developed solutions to help our customers mitigate their environmental footprint. | We upheld ethics, integrity and transparency in our operations. | We are committed to:<br>• Building a future-fit talent and agile organisation<br>• Creating a diverse and inclusive ecosystem |

## OUR PURPOSE STRATEGY: 2025 - 2030

As we transition into our 2025 - 2030 corporate strategy, we have aligned it with a new Purpose Strategy to ensure a seamless integration between our business goals and sustainability ambitions. Both strategies share common targets, reinforcing alignment and driving cohesive growth. This Purpose Strategy is designed to solidify our role as Africa's leading purpose-led technology company, ensuring that our progress is both impactful and sustainable, enabling us to create lasting value for the communities we serve.

### TRANSFORMING LIVES

**Vision**

Africa's leading purpose-led technology company

**Mission**

Deepen Safaricom's commitment to purpose

**Purpose Pillars**

| Planet | People |
|---|---|
| Catalysing a net positive future | Investing in / Transforming society |
| Climate Action | Digital inclusion |
| Circular Economy | Financial inclusion & health |
| Conservation and restoration of biodiversity & ecosystems | Diversity Equity & Inclusion in our ecosystem |
| | Sustainable community investments |

**Foundational Enabler**

Doing the Right Thing

**Growth Areas**

| Platforms | Partnerships | SMEs | Youth |
|---|---|---|---|

**OUR KEY PRINCIPLES ARE:**

- **Purpose before profit**
- **Reputation before revenue**
- **SDGs as a framework**

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# OUR MATERIAL TOPICS AND THEIR CONTRIBUTION TO THE SDGs

Our material topics are the most important environmental, social, economic and governance imperatives and opportunities for our organisation and our stakeholders. This section offers a high-level summary of our material topics, their alignment with the SDGs, and their relevance to key focus areas.

## 1 Innovation and partnerships

**Why is it important?**
As a purpose-led technology company, we consider innovation to be central to achieving our strategic objectives, retaining our competitive edge, and ensuring that we continue to grow.

## 2 Our platforms

**Why is it important?**
Our platforms – networks, stations and digital ecosystems – are the core foundation of our business, facilitating inclusive, sustainable, economic development and innovation to transform lives.

## 3 Environmental stewardship

**Why is it important?**
How we live and work in the environment underpins our strategic focus on customers, colleagues, community and company.

## 4 Regulatory environment

**Why is it important?**
The regulatory environment plays a significant role in Safaricom's ability to operate effectively, as we reflect and respond to change in the socio-economic environment.

## 5 Governance, business ethics and risk

**Why is it important?**
Good corporate governance enables a company to generate long-term value and helps to regulate risk. Robust governance and board effectiveness are key elements of corporate governance.

## SDG CONTRIBUTION TO EACH MATERIAL MATTER

We transform lives in the areas of healthcare (SDG3) and education (SDG4). To do so, we co-create innovative solutions (SDG9) by leveraging our expertise, technology and partnerships (SDG17).

We leverage our partnerships (SDG17) to continually develop and refine our innovative products and services (SDG9) which broaden socio-economic development (SDG8) and contribute to reduced inequalities at every level of society (SDG10).

We progressed our commitment to SDG7 through our accelerated deployment of solar. We continued to partner with various stakeholders (SDG17) to drive responsible environmental actions and contribute to a circular economy (SDG12).

Increasing access to information and communications technology (SDG9) is important for expanding social equity and transforming lives. We work to maintain the highest standards of transparency and governance (SDG16) by collaborating with regulators (SDG17) to ensure such standards and maintain a positive outlook and favourable consideration of our products and services.

Creating strong, accountable institutions underpins a just society (SDG16) and promotes sustained, inclusive economic growth (SDG8). We work to realise these goals through long-established partnerships (SDG17) with the broader business community and various regulatory authorities.

## FOCUS AREAS IN FY24 OF THE MATERIAL TOPIC

Our efforts remained centred on identifying, developing, piloting, and scaling sustainable product innovations, while establishing shared value partnerships across key sectors such as **health, education, finance, humanitarian aid, agriculture, and essential services.**

Our customer focus remains unwavering as we seek to reconnect with and deliver more value to them. This is done through our key platforms: **Networks, M-PESA and DigiFarm.**

We remain committed to managing our operations responsibly by prioritising our four key planet strategy pillars: **climate action, circular economy, conservation and restoration of biodiversity and ecosystems, and environmental compliance.**

Our focus is on providing a reliable, high-quality mobile network experience for our customers, by achieving a **90% Quality of Service rating**, which exceeds the regulatory benchmark of 80%.

We drive ethical operations by implementing robust privacy and data protection strategies, delivering targeted training programmes, providing supplier onboarding and education, and engaging proactively with regulatory bodies.

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# SUSTAINABILITY ACHIEVEMENTS AND IMPACTS

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## IMPACT AND OUTCOMES OF
# OUR PURPOSE-DRIVEN
# **STRATEGY**

As we continue our journey of becoming Africa's leading 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.

Since 2015, we have used a structured impact modelling tool – the KPMG 'True Value' methodology – to continuously monitor and measure our contribution to Kenyan society. By assessing our significant value to society, we harness opportunities and understand how to create more value for society.

**Did you know?**
**True value assessment aligns with initiatives, such as the SDGs, helping us align our business strategies with broader societal goals.**

## **UNDERSTANDING** OUR TRUE VALUE
## ASSESSMENT METHODOLOGY

KPMG's True Value Assessment is a comprehensive framework designed to measure and report the broader impact of Safaricom's activities on society, the environment and the economy beyond traditional financial metrics. This framework aims to help us understand and manage our total value creation by integrating social, environmental and economic dimensions into our decision-making processes.

KPMG's approach includes quantifying and monetising our social and environmental impacts, converting them into monetary values that can be integrated into financial analyses and reports. The framework encourages us to engage with a wide range of stakeholders, improve our understanding of their expectations, and identify areas where we can create shared value.

**THE VALUE ASSESSMENT REFERS TO THREE VALUE DIMENSIONS:**

**OUR ECONOMIC
VALUE-ADD**
Assesses our traditional financial performance and identifies areas of potential risk and opportunity.

**OUR IMPACT ON
SOCIETY**
Measures the positive and negative impacts of our operations on society, including health, education, and community engagement.
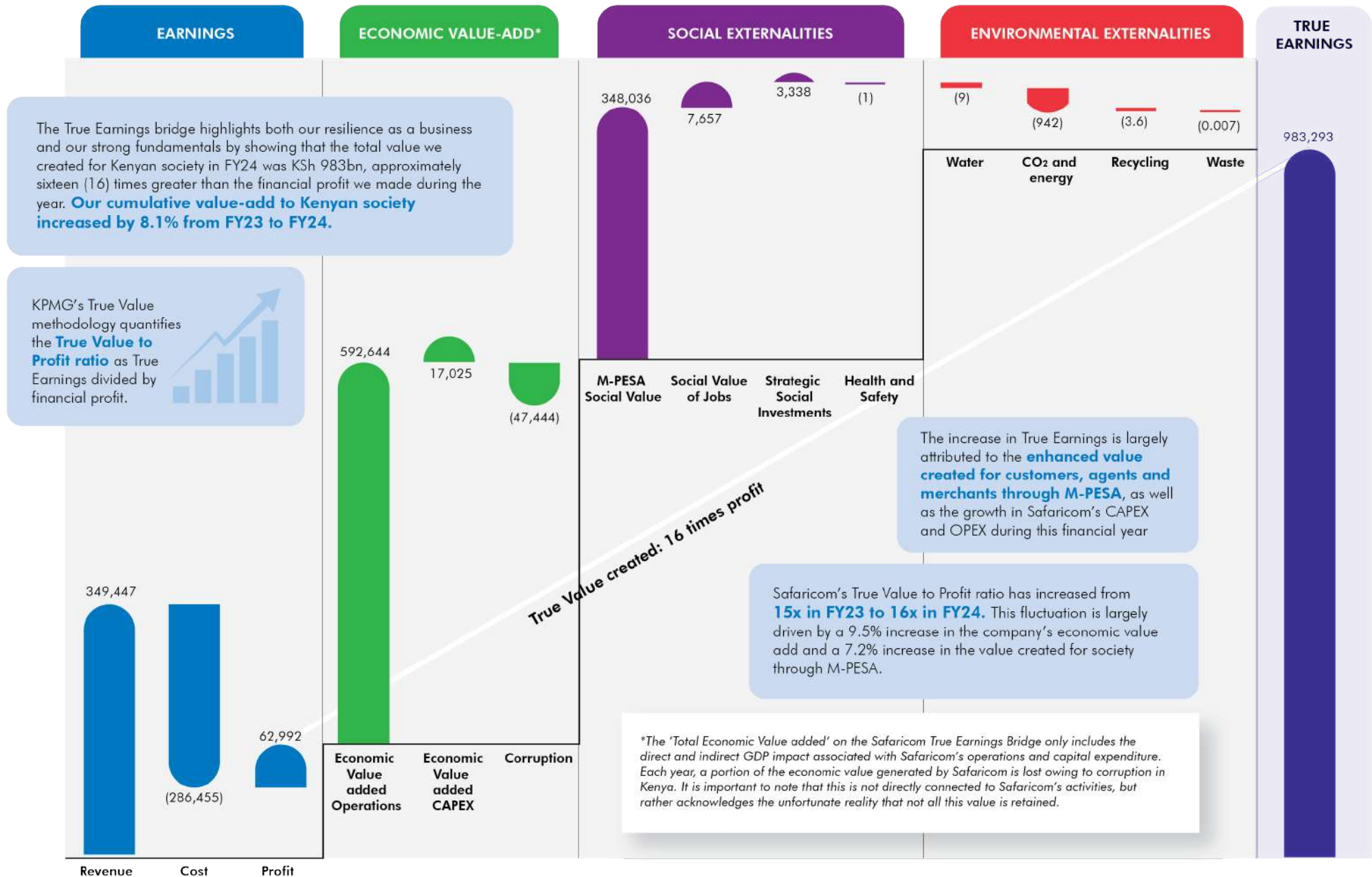
**OUR
ENVIRONMENTAL
VALUE-ADD**
Evaluates our environmental footprint, including emissions, resource use, and biodiversity impacts.
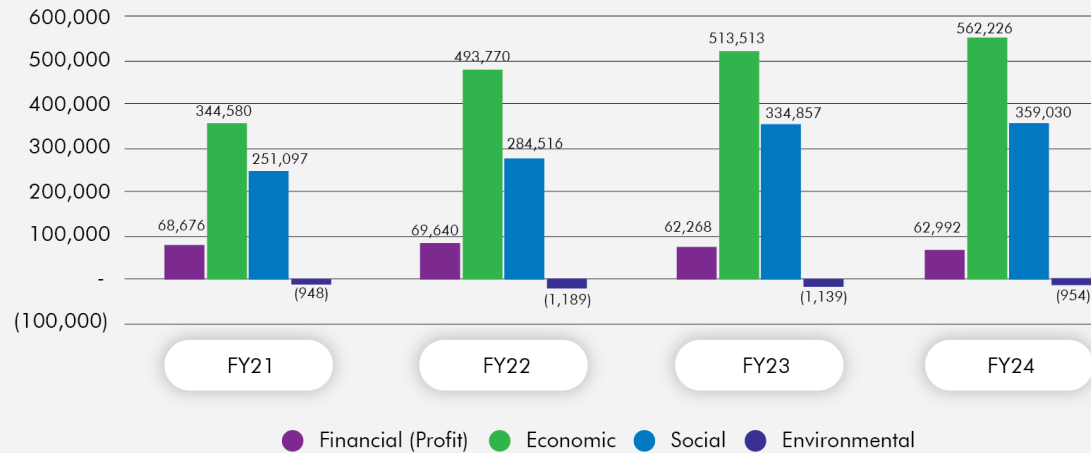
# THE TRUE VALUE BRIDGE

## THE FOLLOWING IS AN INDEPENDENT ANALYSIS OF SAFARICOM'S TRUE EARNINGS BY KPMG.



**EARNINGS**    **ECONOMIC VALUE-ADD***    **SOCIAL EXTERNALITIES**    **ENVIRONMENTAL EXTERNALITIES**    **TRUE EARNINGS**

The 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 FY24 was KSh 983bn, approximately sixteen (16) times greater than the financial profit we made during the year. **Our cumulative value-add to Kenyan society increased by 8.1% from FY23 to FY24.**

KPMG's True Value methodology quantifies the **True Value to Profit ratio** as True Earnings divided by financial profit.

Social Externalities values:
- M-PESA Social Value: 348,036
- Social Value of Jobs: 7,657
- Strategic Social Investments: 3,338
- Health and Safety: (1)

Environmental Externalities values:
- Water: (9)
- CO$_2$ and energy: (942)
- Recycling: (3.6)
- Waste: (0.007)

True Earnings: 983,293

Economic Value-Add values:
- Economic Value added Operations: 592,644
- Economic Value added CAPEX: 17,025
- Corruption: (47,444)

Earnings values:
- Revenue: 349,447
- Cost: (286,455)
- Profit: 62,992

**True Value created: 16 times profit**

The increase in True Earnings is largely attributed to the **enhanced value created for customers, agents and merchants through M-PESA**, as well as the growth in Safaricom's CAPEX and OPEX during this financial year

Safaricom's True Value to Profit ratio has increased from **15x in FY23 to 16x in FY24.** This fluctuation is largely driven by a 9.5% increase in the company's economic value add and a 7.2% increase in the value created for society through M-PESA.

*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.

# VALUE CREATION ACROSS **ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACTS**

## TRUE EARNINGS
### (FY21- FY24)

| | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| Financial (Profit) | 68,676 | 69,640 | 62,268 | 62,992 |
| Economic | 344,580 | 493,770 | 513,513 | 562,226 |
| Social | 251,097 | 284,516 | 334,857 | 359,030 |
| Environmental | (948) | (1,189) | (1,139) | (954) |

● Financial (Profit)  ● Economic  ● Social  ● Environmental

This chart shows year-on-year movements in our value creation across the scoped impacts (economic, social and environmental). Most noteworthy was the growing contribution from social externalities, particularly through the social value created by M-PESA which has grown further since 2023.

# **OUR IMPACT** ON THE ECONOMY

All financial information can be found in the 2024 Annual Financial Report, including taxes paid and actual direct employment. Both capital and operational expenditures 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).

Economic value created through Safaricom's operations and capital projects resulted in the greatest value creation during 2024. Though recognised as a material topic, value erosion through environmental externalities, continues to have minimal impact.

Economic impact increased by **9.5% since FY23.**

Overall capital expenditure for **FY24 increased by 17.2%.**

The value created through operational and capital expenditure increased by **9.4%** and **26.1%** respectively in FY24.

The economic impact of the **KSh 339.7bn in annual revenue generated** from Safaricom's operations resulted in an estimated **KSh 722bn contribution to Kenya's GDP**. This impact can be separated as follows:

- Direct impact of KSh 189bn
- Indirect impact of KSh 132bn
- Induced impact of KSh 400.7bn

The total economic impact of Safaricom's **KSh 47.2bn capital expenditure resulted in a total GDP contribution of KSh 29.8bn.** This GDP impact can be separated as follows:

- Direct impact of KSh 18.9bn
- Indirect impact of KSh 15.1bn
- Induced impact of KSh 38.8bn

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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 model and include direct and indirect contribution to employment, as well as the induced wider effects of employment in the economy. We sustained over **263,757 direct and indirect jobs** during the year and, if the wider (induced) effects on the economy are included, this number increases to **1,283,329**.

## JOBS IMPACT
### (Number of jobs sustained)

| | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| Jobs | 1,003,669.00 | 1,135,613.45 | 1,159,308.62 | 1,283,329.00 |
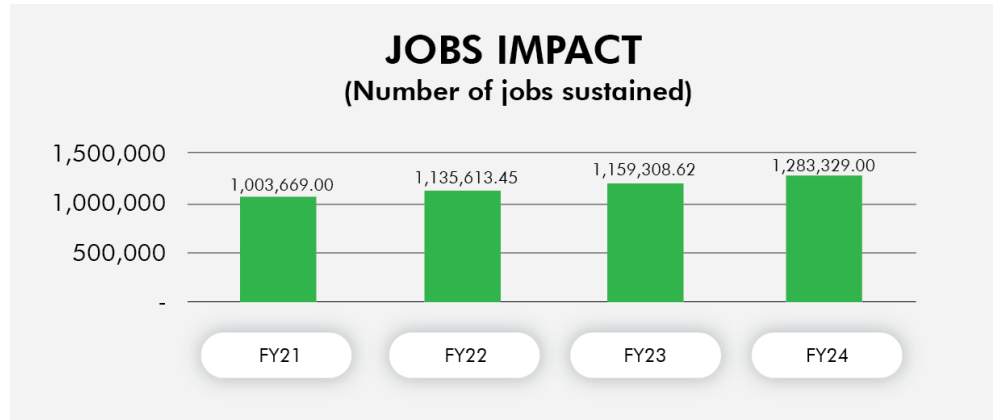
## OUR IMPACT ON SOCIETY

During FY24, M-PESA created KSh 348 billion worth of societal value – a 7.2% year-on-year increase – reflecting our efforts to provide relevant and impactful solutions to our society. Safaricom aims to transform lives by improving the well-being of our customers, agents, and merchants as the M-PESA service evolves over time.

The greatest value continues to be felt by customers, constituting 47% of the total M-PESA value-add. Most notably, our customers benefit from their improved ability to manage and save money, lower transaction costs, and reduced levels of risk resulting from not having to carry cash.

Enhanced wellbeing also comes with access to goods, services and opportunities, and a heightened feeling of safety and security.

Positive movements in these impacts were primarily driven by a yearly increase in our number of 30-day active customers. Additionally, the KPMG True Value assessment updated financial proxies to align with more current representations of impact assessments related to the social return on investment in Kenya.

The social value-add to merchants has increased by 29% and constitutes 43% of the FY24 M-PESA value-add. The major driver of this growth is attributed to an increase in the number of merchants and related transactions resulting in a significant rise in the income received by merchants through the provision of M-PESA. The value-add to agents remained fairly consistent year-on-year, with minor growth in the number of M-PESA agents and the number of transactions made through agents.

### Impact on Society and Economy

- **16x times more than profit generated (profit of KSh 62.9bn)**
- **Total True Earnings (⇧7%)**
- **Economic value added through operations KSh 562.2bn (⇧9.5%)**
- **Sustained over 263,757 direct and indirect jobs**

### Social Value M-PESA

- **KSh 348bn (⇧7.2%)**

### Environmental Impact Erosion

- **KSh 875 million (⇧16%)**

### Health and Safety

**This year, there were no recorded fatalities. Our health and safety value erosion is attributed to the occurrence of three unfortunate Loss Time Injuries (LTIs). The impact of health and safety on our total true earnings remains negligible.**

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# OUR IMPACT ON THE ENVIRONMENT

The overall negative environmental impact on Safaricom's 'True Earning's decreased by 16% from FY23. The largest contributor to this value erosion was due to carbon emissions. For more details on Safaricom's emission trends, please refer to the Environmental Stewardship section in this report.

## CARBON EMISSIONS

Carbon emissions released into the atmosphere have a direct negative impact on societies and the environment through the effects of climate change. Our emissions are assessed against the social cost of one tonne of $CO_2e$ to quantify the value of erosion due to the company's carbon footprint.

**The largest contributor to this value erosion was due to:**

- Scope 1 and 2 emissions increasing by 9% and 3% respectively.
- The decrease is primarily attributed to methodological changes in the quantification of Scope 3 emissions.

## WATER

All businesses consume water, which in many regions is an essential, increasingly scarce resource with a broader social and economic value that exceeds the tariff paid for it. To quantify the value eroded through water consumption, the True Value Methodology quantifies the commercial consumption of water against the social cost of water, water scarcity and water stress. The 2023 quantification of Safaricom's water consumption has been updated to represent the social cost of water within Kenya based on recent literature.

**The value erosion attributed to water consumption has increased year-on-year:**

- A 26% increase in the quantity of water consumed by the entity
  - The heightened water consumption is due to occupancy dynamics, namely a gradual increase post COVID-19 and expanded reporting for stores located in malls.
  - Kenya is classified as a moderate to high water stressed country, according to the World Resources Institute (WRI). The KPMG True Value methodology correlates water stress with water scarcity to determine the average cost of water consumption. Thus, the impact of heightened water consumption will result in a proportionate value erosion to the environment.

## WASTE

Waste disposal has a negative cost to society. The quantification of this impact is based on the social cost of handling one tonne 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.

**Waste quantifications are based on the social cost of handling one tonne of waste within a region.**

In FY24, total e-waste and office waste collected and recycled amounted to 99.8% of the waste collected from our operations, including paper, organic and plastics.

The remaining 0.2% was composed of waste to landfill items that could not be recycled. In FY24, we did not produce any incinerated waste.

The incineration in previous years was primarily attributed to SIM cards and airtime. This year, these items were shredded for recycling purposes resulting in an extra 1.2 tonnes of recycled materials. The avoided cost of 100% waste to landfill amounts to KSh 665,369. This is reflected in the negative recycling environmental impact of KSh 284 million.

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# PROGRESS ON OUR
# SDG COMMITMENTS

The 2030 Agenda for Sustainable Development, launched in 2015, provides a global blueprint for dignity, peace and prosperity for people and the planet, now and in the future. Since 2016, Safaricom has worked to translate this shared vision into our sustainable business strategy. Rather than adopt a one-size-fits-all approach, we prioritised the SDGs most relevant to our business and where we felt we could have the biggest impact.

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 to implement, monitor and report on SDG-related initiatives in each of the squads and teams in our newly implemented agile working structure.

## OUR GUIDING SDG FRAMEWORK
## FOR OUR KENYAN OPERATIONS

We commit ourselves to delivering connectivity and innovative products and services (SDG9) that will 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 manage our operations responsibly (SDG12) and ethically (SDG16) to stimulate growth and generate value (SDG8) for our company, society and economy.



SDGs WE FOCUS ON

17 Partnership for the Goal
16 Peace, Justice, & strong Institution
12 Responsible Consumption
10 Reduced Inequalities
09 Industry, Innovation, Infrastructure
08 Economic Growth
07 Clean Energy
04 Quality Education
03 Good Health & Well Being

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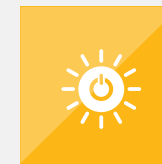
## SDG 7: Affordable & Clean Energy
Ensure access to affordable, reliable, sustainable and modern energy for all.

### Our commitment to SDG 3

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

### Our commitment to SDG 4

Expanding access to education through innovative solutions, our network and through partnerships.

### Our commitment to SDG 7

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

### Key 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 1,000 live births and under 5 mortalities to at least as low as 25 per 1,000 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 healthcare services, and access to safe, effective, quality and affordable essential medicines and vaccines for all.

### Key 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.
- 4.2: By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education, and therefore prepared for primary education.
- 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.

### Key SDG targets

- 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.
- 7.2: By 2030, substantially increase the share of renewable energy in the global energy mix.

### Our contribution
- 85,367 women of reproductive age and children under five years have benefitted from the Uzazi Salama ('Safe parenting') initiative aimed at strengthening the county's health systems to support the delivery of quality Reproductive, Maternal, New-born, Child and Adolescent Healthcare (RMNCAH).
- The M-Mama Programme (a tech-enabled emergency transport system) was launched to save the lives of pregnant mothers and newborns.
- We supported seven fistula camps across Migori, Kilifi, Bungoma, Tharaka Nithi, Garissa, and Homa Bay Counties restoring dignity for women and girls affected by female genital fistula with 429 surgeries.
- The Daktari Smart telemedicine programme provided high-quality healthcare to 8,560 children in remote counties with no resident paediatrician.
- Installed in-vehicle cameras across the fleet, trained 680 supplier drivers in the "Expect the Unexpected" programme, and conducted 12 authorised driver sessions to address road safety.

### Our contribution
- Through the Wezesha Vijana TVET Programme, we provided direct scholarships to 1,300 students.
- We invested KSh 460m to enhance learning infrastructure through our Citizens of the Future Programme, improving 15,340 lives.
- We enhanced education access for children with disabilities, performed 188 surgeries and distributed 158 mobility devices through the Wezesha Elimu Programme.
- Our M-PESA Foundation Academy educated 551 students from poor backgrounds and enrolled 568 in tertiary institutions globally.

### Our contribution
- We implemented 200 free cooling systems, reducing reliance on traditional air conditioning and minimising energy use.
- We have achieved ISO 50001 recertification, demonstrating commitment to best practices in energy management.
- We reduced energy consumption by 15% from the baseline year of 2019 to 2024.
- We use AI and digital technologies for advanced remote monitoring and energy management optimisation, leading to reduced generator run hours and an improved energy mix.

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

### Our commitment to SDG 8

Providing 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.

### Key SDG targets

- 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including 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 formalisation 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 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
- Through the Wezesha Agri Programme, we trained 1,121 women and youth in advanced agricultural practices and technologies
- We supported 1,000 women in Nairobi's informal settlements with capacity building and financial access through the Rose Women's Foundation.
- M-PESA Agent Network: Over 262k agents driving cash flow, velocity, and distribution across the ecosystem.
- Supported our agents to finance their business: Uptake reached KSh 85.7bn via the Safaricom Bloom platform and other platforms in partnership with banks.
- Developer Ecosystem: 80k developers with 42k integrations on the Daraja platform, supporting sectors with APIs for transactions, fraud, compliance, and experience.
- Permanent Employment Transition: 16 PWD interns and contractors transitioned to permanent roles.
- Employee Experience: Recognised as the No. 1 Best Place to Work, with zero fatalities and 3 external safety awards.
- Invisible Workers Initiative: Conducted 12 supplier audits, addressing 83% of minor non-conformities, ensuring labour and human rights compliance.

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

### Our commitment to SDG 9

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

### Key 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.

### Our contribution

- Rolled out 155 new BTSs, 803 5G sites (since 2021), and 3,000 km of fiber, upgrading the core network to meet rising data demand for mobile and fixed customers.
- Built in-house dashboards for remote monitoring, improving network stability and energy efficiency.
- Launched the Partner App and Mobigo 2Q+ to support with automated dealer reports, enhancing operational efficiency.
- Started construction of Limuru Data Centre designed for high power efficiency and environmental sustainability.
- Implemented the Falcon system for process automation, reducing manual tasks and improving customer onboarding.
- Enabled customer asset visibility and efficiency through the Internet of Things (IoT).
- Provided scalable, cost-efficient cloud solutions, reducing CAPEX for customers.
- Self-service interactive voice response (IVR) grew to 113,000 daily interactions.

## SDG 10: Reduced Inequalities
Reduce inequality within and among countries.

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

### Our commitment to SDG 10

Reducing inequalities by enabling equal access to opportunities for everyone, especially to vulnerable groups, leveraging Safaricom leadership, networks, solutions and technology.

### Key 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% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%.

### Our contribution

**Digital Inclusion:**
- Supported Instant Network Schools, providing 19 schools across refugee camps in Kenya, Tanzania, DRC, and South Sudan with internet access and digital learning tools for young refugees, host communities, and teachers.
- Facilitated financial inclusion for refugees through M-PESA, empowering underserved communities.
- Enabled the acquisition of over 1.2 million smart devices through the Lipa Mdogo Mdogo financing partnership with Meta, Google, and M-Kopa Solar.
- Partnered with YouTube to offer cost-effective data bundles, making digital content and video streaming more accessible to all.

**Gender & Disability:**
- Gender diversity: 51% male, 49% female, with 42% women in leadership.
- 3.2% of our workforce comprises of Persons with Disabilities.
- Achieved 99% gender pay equity and continued supporting and retaining women in STEM careers through Women in Technology (WIT) programmes.
- Empowered 200 visually impaired youth with digital assistive technologies.

**Financial Inclusion:**
- 56.9% of M-PESA transactions are non-chargeable, enabling financial access for those without traditional banking services.
  Disbursed KSh 1.2bn to 253,000 beneficiaries through the Inua Jamii cash transfer programme.
- In collaboration with the Government, the Hustler Fund provided KSh 49.5bn in savings and credit to 21 million customers, achieving a 77% repayment rate.
- Empowered 977,000 women's groups with KSh 0.9bn in funding.

### Our commitment to SDG 12

Reducing inequalities by enabling equal access to opportunities for everyone, especially for vulnerable groups, leveraging Safaricom leadership, networks, solutions and technology.

### Key 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.

### Our contribution

- Achieving a 43% reduction in carbon emissions from upstream transportation by shifting to sea shipments.
- Implementing the 'Paperless Project', saving KHs 55k/month on printer leasing and KHs 130k/month on paper costs through automation.
- 290.438 tonnes of Network e-waste recycled/refurbished.
- 174,496kgs of solid waste recycled.
- 12,517 mobile devices repaired through our retail outlets and tech partners.

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## 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.

### Our commitment to SDG 16

Managing our operations responsibly and ethically and fighting corruption in all its forms.

### Key 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 organised crime.
- 16.5: Substantially reduce corruption and bribery in all their forms.
- 16.10: Ensure public access to information and protect fundamental freedoms according to national legislation and international agreements.

### Our contribution

- Increased the number of suppliers who signed up to the Supplier Code of Conduct from 81% to 90%, which is aligned with the Code of Ethics for Business in Kenya.
- Adopted a robust Data Protection Framework, with an independent maturity assessment scoring 3.4 out of 5.
- Trained 98.3% of employees on data protection via e-learning and face-to-face sessions.
- Engaged with the Office of the Data Protection Commissioner, resolving four complaints with no negative determinations.
- Our AML/CFT/CPF program helps combat organised crime, reduce illicit financial flows, and enhance legal frameworks for asset recovery.
- 31,000 new subscriptions to SecureNet, a feature within our Fibre to the Home service that helps parents and guardians protect children from inappropriate content.

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

### Our commitment to SDG 17

Partnering and building the collective capacity of people, organisations and nations to promote and advance the SDGs.

### Key SDG targets

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

### Our contribution

- Spark Fund Accelerator Programme: In partnership with Sumitomo and M-PESA Africa as founding partners, supported by Vodacom, AWS, and PWC. The program is designed to empower and mentor startups, providing them with the knowledge, skills, and resources necessary for sustainable growth and long-term success.
- Established the East Africa Device Assembly Kenya Limited (EADAK) alongside a consortium of telecommunications partners to produce high-quality, affordable 4G digital devices.
- Collaborated with Kenya Union of the Blind and Ayudh Kenya to distribute 20,000 white canes and assistive devices.
- Expanded into Enterprise and FTTH markets and revamped systems for timely payments to support our Dealers.
- Hosted the first physical Supplier Day post-COVID, engaged with IFC's Sourcing2equal, UNGC and KEPSA. The UNGC's Sustainable Supplier Impact Programme saw 51 suppliers complete the programme.

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KENYA OPERATIONS:
# ESG TARGETS AND ACHIEVEMENTS

During the year, we continued to embed the ESG framework in our operations. As part of these efforts, we received a KSh 15bn Sustainability-Linked Loans (SLL), the first of its kind and the largest ESG-linked debt facility undertaken in East Africa. This funding will unlock our ability to create more diversified investments, support our investments in innovative technologies, and allow us to manage our ESG footprint.

## OUR **COMMITMENT AND PROGRESS** TOWARDS ENVIRONMENTAL SUSTAINABILITY

**Net Zero by 2050**

| ENVIRONMENTAL SUSTAINABILITY **GOALS** | PROGRESS AND ACHIEVEMENTS FOR **2024** | PROGRESS AND ACHIEVEMENTS FOR **2023** |
|---|---|---|
| Achieve **20% reduction** on Scope 1 and 2 emissions from the network | **7%** increase in scope 1 and 2 emissions | **5.9%** reduction in scope 1 and 2 |
| Purchase or **generate 50% of energy needs** from renewable sources by installing solar PV and battery storage for **5,000 sites** | **>1,432** Sites using solar and hybrid clean power | **>1,432** Sites using solar and hybrid clean power |
| Grow **5 million trees** as part of our carbon offset programme | **1.5 million trees grown** to date in five sites across the country, restoring 1,500 ha of degraded public forests | **1.3 million indigenous trees grown** in 1,300 ha of public degraded forests |
| | 2,914 Community Forest Association (CFA) members engaged, **impacting 14,570 livelihoods** | 2,000 Community Forest Association (CFA) members engaged |
| | Signed a collaboration framework with the Kenya Forest Service (KFS) | |
| **50% reduction of emissions** from supply and value chains | For category 4 upstream transportation and distribution, we had a **43% decrease in carbon emissions by shifting to sea** shipments | Achieved a **50% reduction of emissions** from supply and value chains |

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## Building a circular economy

| ENVIRONMENTAL SUSTAINABILITY GOALS | PROGRESS AND ACHIEVEMENTS FOR 2024 | PROGRESS AND ACHIEVEMENTS FOR 2023 |
|---|---|---|
| Reuse/repurpose **100% of our solid waste** from our operations | 178,237 kg total solid waste collected **174,496 kg recycled** <br><br> **98% recycling rate** for solid waste | 91,920 kg total waste collected 88,796 kg recycled <br><br> 97% recycling rate for solid waste |
| **20%** growth in e-waste collected year-on-year | **2,048 tonnes e-waste collected**, 100% recycled/ refurbished | **1,758 tonnes e-waste collected**, 100% recycled/refurbished |
| Recycle, reuse or resell 100% of our network waste | A total of **290.438 tonnes** of network waste recycled/refurbished with the business earning KShs **25 million** from this disposal | 488,570 pieces of network waste collected and recycled, earning KShs 220 million |
| Zero single-use plastics from our operations | Remains at **98%** elimination of single-use plastics | **98%** elimination of single-use plastics |
| Helping society to decarbonise through digital technologies and services | The growth in IoT customers stayed the same compared to FY23 (1.5 million). <br><br> We continued to implement technology solutions to decarbonise: <br><br> • Air quality monitoring innovation using IoT <br> • Partnership with Vodafone, WWF and KWS that uses solar powered AI technology to prevent human-wildlife conflict by detecting and deterring wild animals in human settlements <br> • Tree growing app to track our tree-growing project <br> • 30,000 sites equipped with AVA energy-efficient software | Our IoT business, which mainly serves enterprise clients, also grew its revenue by 61% driven by new connections which grew by 23.6% to close at 1.5 million customers |

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# OUR **COMMITMENT AND PROGRESS**
## TOWARDS SOCIAL SUSTAINABILITY

### Social Goals

| SOCIAL SUSTAINABILITY **GOALS** | PROGRESS AND ACHIEVEMENTS FOR **2024** | PROGRESS AND ACHIEVEMENTS FOR **2023** |
| --- | --- | --- |
| Achieve **50:50 gender parity** at senior management/leadership, and 5% of workforce PwDs by 2025 | Women in senior management: **42.4%**<br><br>Employees with disabilities: **3.2%** | Women in senior management: **40.1%**<br><br>Employees with disabilities: **3%** |
| Allocate **10% of procurement spend to marginalised groups** (women, youth and PwD) | Procurement spend on WIBs: **5.7%** | Procurement spend on WIBs: 5.8% |

### Health and Safety

| | | |
| --- | --- | --- |
| Zero harm work environment for our staff and business partners; provide spaces for employees to thrive | Staff fatalities: 0 staff; 0 third-party employees | Staff fatalities: 0 staff; 2 third-party employees |
| Make sustainable community investments through our foundations (6 million lives) across healthcare, education, economic empowerment, livelihoods and environment | Impacted 3.6 million lives through the Safaricom and M-PESA foundation | Impact 2.4 million lives through the Safaricom and M-PESA foundation |
| Leverage our technologies and partnerships to provide access to healthcare for 15 million people and e-learning for 15 million learners | 3.81 million active users on M-TIBA solution for sending, saving and spending funds for medical treatment at 5,580 clinics | 4.7 million subscribers making use of our M-TIBA solution for sending, saving and spending funds for medical treatment at: 3,700 clinics |

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## Customer Engagement

| SOCIAL SUSTAINABILITY GOALS | PROGRESS AND ACHIEVEMENTS FOR 2024 | PROGRESS AND ACHIEVEMENTS FOR 2023 |
|---|---|---|
| Deepen customer engagement through our Customer Obsession strategy | Customer Obsession score: **87%**<br><br>Brand love: **92**<br><br>Consumer NPS: **64**<br><br>System uptime/availability: **99.9%**<br><br>Fraud prevented: **91%** | Customer Obsession score: **79%**<br><br>Brand love: **80**<br><br>Consumer NPS: **63**<br><br>System uptime/availability: **99.7%**<br><br>Fraud prevented: **98%** |

## Digital Society

| | | |
|---|---|---|
| Connect 3 million businesses (SMEs and MSMEs) through fibre and 4G LTE | Connected **59,461 businesses** (SMEs and MSMEs) to fibre and LTE | Connected **52,399 businesses** (SMEs and MSMEs) to fibre and LTE |
| Digital skills and livelihoods for 3.5 million people | The Vodafone co-funded Digital Skills Programme supported the renovation of eight teacher-training colleges' ICT laboratories to benefit 2,400 people. The goal is to renovate the 35 ICT centres to benefit at least 35,000 trainee teachers through digital skills. | The Safaricom and Vodafone Foundations have co-funded the Digital Skills Programme to improve teacher competencies for improved education outcomes in Kenya |
| Connect 28 million people to the Internet (home fibre and mobile) | **27.59 million mobile data customers** (Safaricom Kenya)<br><br>**371,989 residential homes** connected to a fibre-optic network | **26.07 million mobile data customers** (Safaricom Kenya)<br><br>**275,657 residential homes** connected to a fibre-optic network |

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# OUR **COMMITMENT AND PROGRESS**
# IN GOVERNANCE SUSTAINABILITY

## Governance issues

| GOVERNANCE SUSTAINABILITY **GOALS** | PROGRESS AND ACHIEVEMENTS FOR **2024** | PROGRESS AND ACHIEVEMENTS FOR **2023** |
|---|---|---|
| 100% compliance with Code of Ethics by all employees and business partners | **90%** suppliers signed up to Code of Conduct | 81% suppliers signed up to Code of Conduct |
| Safaricom Sustainable Future series, UNGC, African Business Leaders Coalition (ABLC), CFO Coalition for the SDGs and SVAI Platforms | Safaricom joins UN Global Compact Forward Faster Initiative | Engagement at key sustainability forums including UNGC, African Business Leaders Coalition (ABLC), CFO Coalition for the SDGs and SVAI Platforms, COP28 |
| 100% integration of the UN Guiding Principles and enactment of responsible sourcing principles in our supply chain | Launched the Sustainable Supplier Impact Programme (which was piloted in FY24) with the UNGC. | Instituted 100% of the UN Guiding Principles and responsible sourcing principles |
| 50:50 Board diversity | 50% Female 50% Male | 45% Female 55% Male |
| Fit-for-purpose governance structure | Our governance structure remains the same | Our governance, business ethics and risk priorities for the year were:<br>• Further embedding a positive risk culture<br>• Customer Obsession<br>• Data privacy and protection<br>• Cyber security<br>• Managing risks and uncertainties facing the business |

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**Governance issues (continued)**

| GOVERNANCE SUSTAINABILITY **GOALS** | PROGRESS AND ACHIEVEMENTS FOR **2024** | PROGRESS AND ACHIEVEMENTS FOR **2023** |
|---|---|---|
| Products to support digital rights such as privacy and access to information | Adopted a robust Data Protection Framework guided by the relevant laws and regulations, as well as the principles of ISO 27701 Privacy Information Management System<br>• An independent maturity assessment of our Privacy programme ranked it at **3.4 on a scale of 1 to 5**. Goal for 2025 is to be at 4 out of 5<br>• **98.3%** of all our employees were trained and tested via e-learning supplemented by face-to-face tailored training across the business on their data protection roles and responsibilities<br>• Service providers are trained annually via online forums, partner bulletins, SMS reminders and contractual terms to further safeguard individuals' personal information processed | Introduced security, safety and privacy by design in all product innovations and systems development<br>• Collaboration with financial institutions, TelCo's and system integrators to co-create fraud management controls, enhance customer privacy, and improve cyber security posture for the ecosystem partners<br>• Board of Directors, staff and partners continually trained on anti-money laundering/countering the financing of terrorism (AML/CFT), privacy and cyber security |

**Children's Rights Advocacy**

| | | |
|---|---|---|
| Using our products and services to promote the rights of children and integrating child safeguards into our products | We made significant strides in ensuring children's safety and access to educational content:<br><br>**SecureNet:** Our Fibre to the Home service saw 31,000 new subscriptions for its parental control feature.<br><br>**Baze:** This mobile-first, subscription-based video-on-demand service now offers 550 hours of child-focused educational and entertainment content. | Partnered with UNICEF to develop the national plan of action on child online safety on OCSEA and an online safety campaign for children dubbed Spot It Stop It! |
| Business Advocacy on Sustainability | The pilot UNGC programme, Sustainable Supplier Impact Programme, saw **51 unique suppliers** enrolled and completing the programme from March 2023 to August 2023, with each committing to start and continue the sustainability journey in their businesses. There were four live touch points covering business value of sustainability, climate, gender and the sustainability journey<br><br>Key engagements were held at UNGA, GCNK, COP28, Global Refugee Forum, CFO Coalition on SDGs, and Commitment to Forward Faster Initiative towards 2030 Agenda | • Key engagements at UNGA, GCNK, COP27, CFO Coalition on SDGs<br>• ABLC Commitment |

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# MESSAGE FROM THE CEO, ETHIOPIA

As we celebrate our first year of operations in Ethiopia, I am incredibly excited about the strong foundation we have established in this dynamic market. Over the past year, we have successfully launched our services in key regions and rapidly scaled our network infrastructure to meet the growing demand. Ethiopia presents a unique set of challenges and opportunities, and we have focused on understanding the local landscape to tailor our offerings to meet the needs of our customers.

We have made considerable investments in building strong partnerships with local stakeholders, hiring and training a talented workforce, and aligning our services with regulatory requirements. The award of the M-PESA licence in Ethiopia marks a significant milestone in our journey. Despite initial challenges related to security, skills, and infrastructure, we are now well-positioned to accelerate our momentum.

Safaricom's expansion into Ethiopia signifies our commitment to grow beyond Kenya, expand our services, and contribute to the development of Ethiopia's telecommunications and digital infrastructure. As we continue to grow, our priority remains delivering high-quality, reliable services that support Ethiopia's digital transformation and promote financial inclusion.

We are committed to being a long-term partner in Ethiopia's growth and are excited about the potential for future innovations and collaborations in this vibrant market. We are confident that we will deliver value as we continue to scale our operations, driving digital connectivity and fostering economic empowerment in Ethiopia.

> "We have made considerable investments in building strong partnerships with local stakeholders, hiring and training a talented workforce, and aligning our services with regulatory requirements."
>
> – Wim Vanhelleputte, CEO, Ethiopia

> The expansion into Ethiopia represents a significant opportunity for us to test and refine our sustainability strategies. Our goal is to support Ethiopia in accelerating its development by leveraging our experience and offering advisory services. We are working closely with our Ethiopian entity to help them advance their sustainability practices more rapidly, avoiding the lengthy process we, the Kenya entity, underwent. This collaboration includes assisting with materiality assessments, human rights impact evaluations, and establishing a suitable governance framework. Our aim is to enable Ethiopia to achieve sustainability milestones efficiently and effectively.
>
> – Karen Basiye, Director Sustainable Business and Social Impact
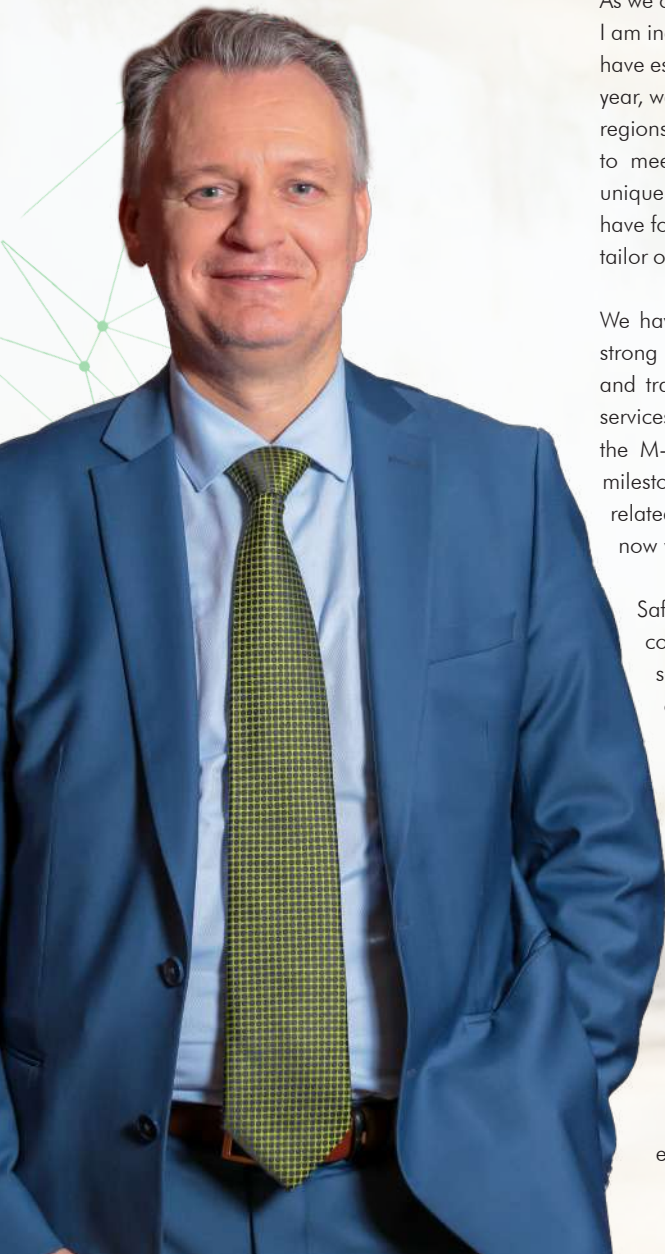
# ETHIOPIA OPERATIONS:
## A YEAR IN REVIEW

## OUR GROWTH IN ETHIOPIA:

- **4.4Mn** — 90-day active customers
- **4.5Mn** Total Registered M-PESA Customers
- **38%** Population Coverage
- **887** Permanent Employees
- **2,806 Network** 2G/3G/4G Sites

## GOVERNANCE STRUCTURE
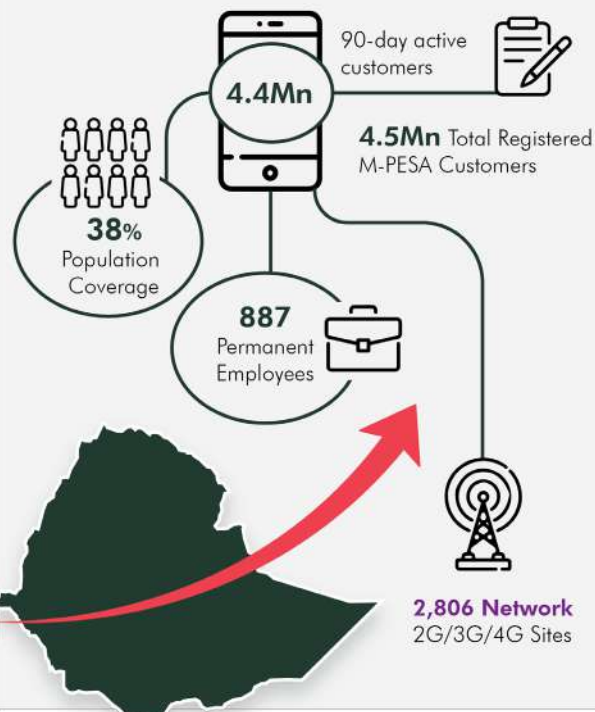
- GPE Board: **89% male**, **11% female**
- Safaricom Ethiopia Board: **100% male**
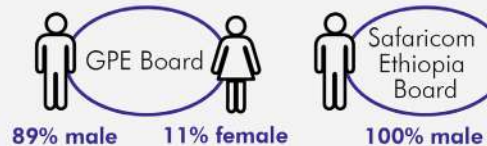
### COMMITMENT TO DIVERSITY AND INCLUSION

- Achieved 36% female representation in overall employment (target 40%)
- Reached 23% female representation in senior leadership roles (target 28%)

## OUR ENVIRONMENTAL IMPACT

- **84 solar-powered sites**
- All our sites rely on a mix of solar power, grid electricity and diesel generators.
- **1,052 grid-connected** sites powered by renewable sources
- **57% waste diversion rate**
- The total Scope 1 and 2 emissions were **10,374 tCO$_2$e**
- Planted **4,500 trees** in support of #GreenLegacy
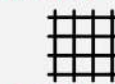
Safaricom Ethiopia's 5-year decarbonisation strategy, aligned with science-based targets, aims to reduce Scope 1 and 2 emissions by expanding solar power, optimising electricity, and phasing out diesel generators.

## OUR IMPACT ON COMMUNITIES

Partnering with Teki Paper Bags, a social enterprise that provides **employment opportunities to women with disabilities**

Minimise waste and reduce reliance on plastic by sourcing eco-friendly paper bags

**Rebuilt 98 shops in Jijiga's Taiwan Market**, after a devastating fire

ETHIOPIA OPERATIONS:
# OUR ALIGNMENT TO THE SDGs

## SDG 17: Partnerships for the Goals

- Actively engaged with stakeholders to ensure alignment with their expectations and needs

## SDG 16: Peace, Justice and Strong Institutions

- Implemented various frameworks and policies to enhance governance, mitigate risks, ensure compliance with environmental and social standards, promote ethical business practices, and protect the rights and safety of employees and stakeholders

## SDG 13: Climate Action

- Implemented climate resilience and adaptation strategies to sustain operations in response to climate change impacts

## SDG 12: Responsible Consumption and Production

- Implemented an Environmental and Social Management System to manage and mitigate environmental impacts in alignment with responsible production
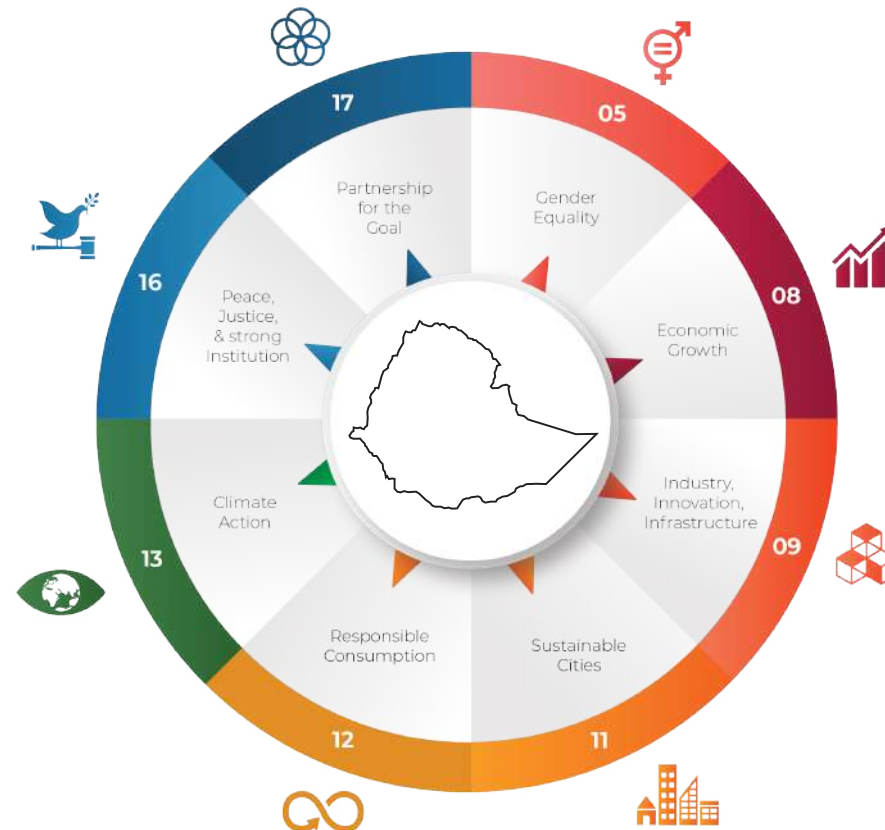


## SDG 5: Gender Equality

- Adopted a human rights approach to promote gender equality and fair treatment
- Promoted women's economic empowerment through initiatives supporting financial services, entrepreneurship and leadership roles

## SDG 8: Decent Work and Economic Growth

- Implemented HR policies and processes that promote fair labour practices, equal opportunities and employee development
- Supported employee development through health and safety initiatives, as well as diversity and inclusion efforts

## SDG 9: Industry, Innovation and Infrastructure

- Adopted a Mobile Money Policy to ensure secure and accessible financial services that support innovation in the digital economy

## SDG 11: Sustainable Cities and Communities

- Established guidelines for land acquisition and right of way to ensure fairness and transparency, respecting the rights of local communities
- Developed climate resilience and adaptation strategies to ensure sustainable operations in changing urban conditions

# OUR MATERIAL TOPICS

## IN THIS SECTION

**INNOVATION AND PARTNERSHIPS**
- Our Strategic Partners to Enable Impact

**OUR PLATFORMS**
- Enabling Digital Transformation for Sustainable Impact
- Network Reliability and Performance
- Solutions that Create Value for our Customers
- DigiFarm Transforming Agriculture Through Digital Innovation
- M-PESA and Financial Inclusion

**ENVIRONMENTAL STEWARDSHIP**
- Taking Action on Climate Change
- Our Pathway to NetZero by 2050
- Quantifying Our Carbon Impact
- Boosting Renewable Energy
- Transforming Waste
- Revitalising Nature: Our Role in Biodiversity Restoration
- Meeting Environmental Standards

**OUR REGULATORY ENVIRONMENT**

**GOVERNANCE, BUSINESS ETHICS AND RISK**
- Upholding Governance Responsibilities
- Whistle-Blowing Policy
- Building a Positive Risk Culture
- Safeguarding Customer Privacy and Data

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# OUR MATERIAL MATTERS

At Safaricom, we define material matters as the critical environmental, social, and governance issues that have a substantial impact on our ability to create long-term value. These matters guide our strategic priorities, helping us navigate risks and seize opportunities in a constantly evolving landscape.

To effectively manage these material topics, we engage with senior decision-makers, assess our business model and strategy, and take into account the operating environment as well as the interests of our stakeholders. This comprehensive review allows us to identify key ESG issues that not only pose risks but also offer opportunities for enhancing our business performance and delivering value to our stakeholders. As part of our ongoing commitment to the SDGs, we have integrated the most relevant SDGs into each material matter we address. This alignment ensures our efforts contribute to global sustainability goals while fostering growth that benefits both our business and society.

**Our material topics are outlined below, with further details on each provided in the following sections:**

1. Innovations and Partnerships
2. Our Platforms
3. Environmental Stewardship
4. Governance, Business Ethics, and Risk
5. Regulatory Environment

**A comprehensive overview of how we rank and manage our materiality matters are included in our latest Annual Integrated report, page 46.**

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INNOVATION AND
PARTNERSHIPS

# INNOVATION AND
# PARTNERSHIPS

At Safaricom, innovation lies at the core of achieving our strategic objectives and maintaining our competitive edge. As a purpose-led technology company, we recognise that innovation extends beyond product development and encompasses financing, partnerships and engagement across the entire value chain. This holistic approach enables us to create solutions that transform lives in meaningful ways, ensuring both business growth and societal impact.

In this reporting year, we prioritised co-creating new products that strengthened our shared-value partnerships and contributed to sustainable offerings. By aligning our innovations with the SDGs, we focused on addressing pressing societal challenges, particularly in health, education, finance, humanitarian aid, agriculture, and essential services.

**Through connectivity and strategic partnerships, we were able to scale products and services that not only drive digital transformation but also create long-term**

**sustainable change in the communities we serve**. This continuous focus on innovation is key to ensuring our resilience and future success, as we seek to deliver impact while remaining a leader in the technology space.

**Our Agile culture provides us with the flexibility to continuously learn, adapt and improve solutions based on evolving insights and feedback. This approach allows us to refine strategies and remain responsive to changing needs, ensuring we achieve long-term sustainable impact. By leveraging the power of big data, we contribute to social and economic development, address inequalities, and empower marginalised communities.**

We are **driving digital transformation** in the health, education, finance, humanitarian aid, and agriculture sectors. By leveraging cutting-edge technology and strategic partnerships, we aim to drive sustainable growth and promote inclusive development. A key example of this is our collaboration with county governments, where **we are digitising public sector services** to streamline operations through a unified citizen-access platform. This initiative enhances the efficiency of essential services, making them more accessible to all citizens.

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## ENHANCING ACCESS TO **QUALITY EDUCATION**

In partnership with UNICEF, our **School Internet Connectivity Programme** aims to enhance digital skills and infrastructure in public schools across Kenya, with a strong focus on promoting equality by including less privileged students.

- As of 2024, we have connected 91 out of 127 schools, **reaching 227,298 students**.
- We trained two teachers per school, benefiting **182 educators** by the project's completion.
- The programme's digital platform is available on both Android and iOS for easy access.

We also launched Baze, a subscription-based, mobile-first, video-on-demand service that offers a wide selection of local and regional short entertainment videos. This service offers children-friendly content. Currently we have 550 hours of child-based edutainment content.

Our Internet of Good Things (IoGT) initiative, launched in partnership with UNICEF during FY24, provides free access to vital, life-enhancing information through mobile-packaged content, even on low-end devices. This initiative aims to bridge the digital divide and empower communities by making crucial knowledge easily accessible. Safaricom subscribers can access the IoGT platform free of charge, with no data costs incurred.

## DRIVING DIGITAL TRANSFORMATION THROUGH **LOCAL MANUFACTURING**

One of our most significant and impactful initiatives over the past year has been the establishment of **East Africa Device Assembly Kenya Limited (EADAK)**, a venture that reflects our commitment to digital inclusion and economic empowerment in the region. Incorporated in August 2023, EADAK is a consortium of telecommunications partners, with Safaricom PLC as a strategic investor, focused on advancing digital penetration by providing affordable smart devices to millions of people across Africa.

In just 10 weeks, we constructed a state-of-the-art factory, which was officially launched on 30th October 2023 by His Excellency, the President of the Republic of Kenya. The factory's mission is clear: **to become Africa's leading manufacturer of high-quality, affordable 4G digital devices, with a vision of transforming the continent through digital connectivity.**

By March 2024, we had produced over **291,000 devices and created more than 139 local jobs**, contributing to the growth of Kenya's economy while fostering innovation in the tech sector. The factory currently assembles two devices under the Neon brand—Neon Smarta and Neon Ultra—and is continuously exploring new innovations to expand the range of affordable smart devices. Through this consortium, and in partnership with the Ministry of Health we are able to provide students with access to educational content via smart devices, helping to bridge the digital divide. This initiative aims to scale the distribution of smart devices by 1.5 million annually, significantly accelerating digital penetration and enabling our customers to access a wide range of products and services within the digital ecosystem.

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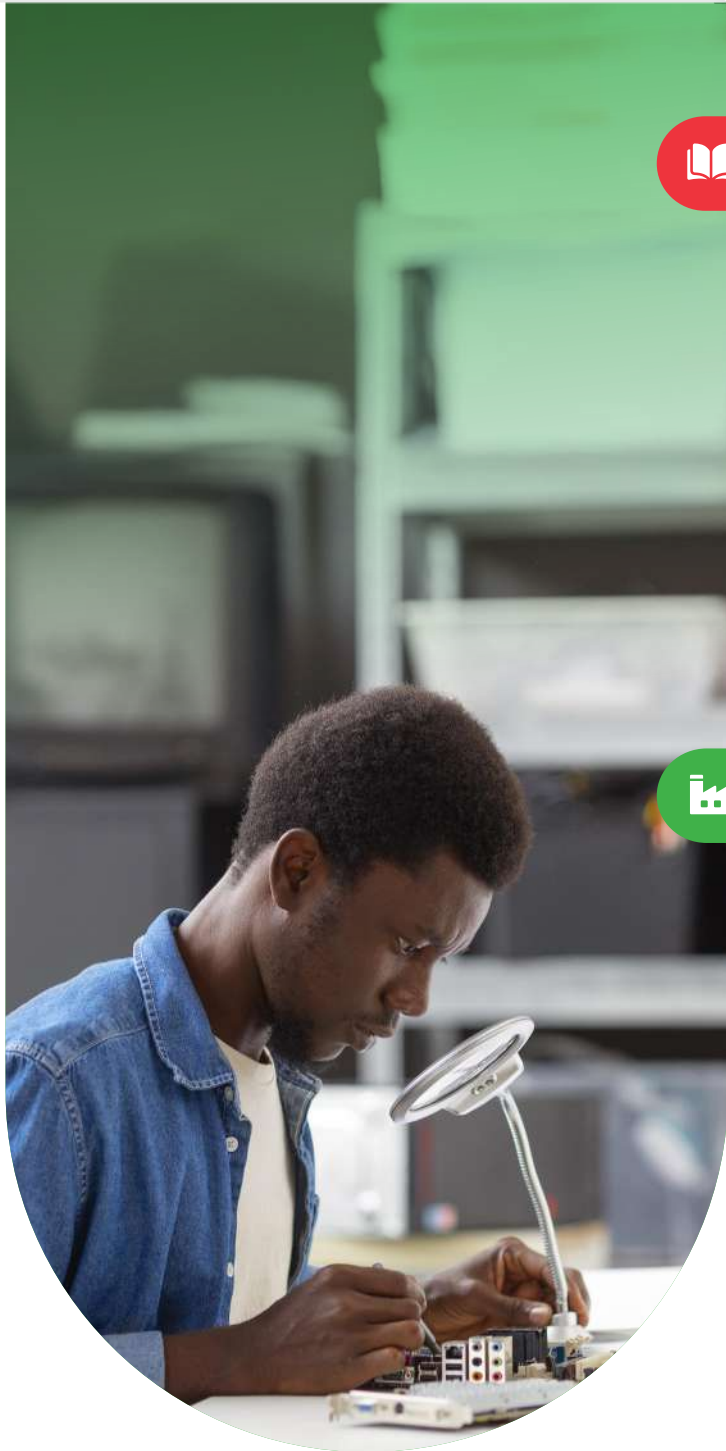
# ♥ DIGITAL SOLUTIONS FOR HEALTHCARE

In partnership with BYON8, we continued piloting the AI-driven symptom checker and telehealth service, BYON8, aimed at making high-quality healthcare more accessible, affordable and equitable. By digitalising healthcare at an individual level, this platform allows patients to connect with medical practitioners through an AI symptom checker, ensuring timely and effective medical consultations.

- The platform, available on Android and iOS, integrates telemedicine with AI technology to streamline healthcare services.
- We are scheduled to officially launch this service in FY25, marking a significant step toward improving digital healthcare access in Kenya.

## INNOVATIVE HEALTH PLATFORMS STILL IN DEVELOPMENT:

- **Uzazi Salama Digital Platform:** We are testing the Uzazi Salama Digital Platform, which is designed to improve maternal and child health by monitoring key delays in healthcare. This platform will connect community health volunteers to patients and health facilities while providing educational resources to patients.
- **One Health Initiative – Afya Moja:** The Afya Moja initiative, being developed in partnership with the Ministry of Health, IntelliSOFT Consulting, and Savannah Informatics, will serve as a mobile-based digital health passport. This platform will securely store patient information, enabling individuals to access and share their medical records with healthcare providers via mobile devices.
- **Non-Communicable Disease (NCD) Platform:** The NCD platform, currently being developed in collaboration with the Ministry of Health, Non-Communicable Diseases Alliance of Kenya, Nairobi County, and Savannah Informatics, will address the rising burden of non-communicable diseases in Kenya by providing accessible information on NCD prevention and management.
- **Mental Wellness Telehealth Solution:** We are developing a telehealth solution that will address mental health issues using AI and mobile technology such as USSD/IVR. This service will make mental healthcare more accessible, especially in counties without Level 4 mental health facilities, enabling individuals to receive care remotely.
- **Ambulance Aggregator Initiative:** To resolve logistical challenges in emergency response, we are developing an Ambulance Aggregator Platform that will bring all available emergency responders onto a single, accessible map, ensuring better coordination of ambulance services across the country.
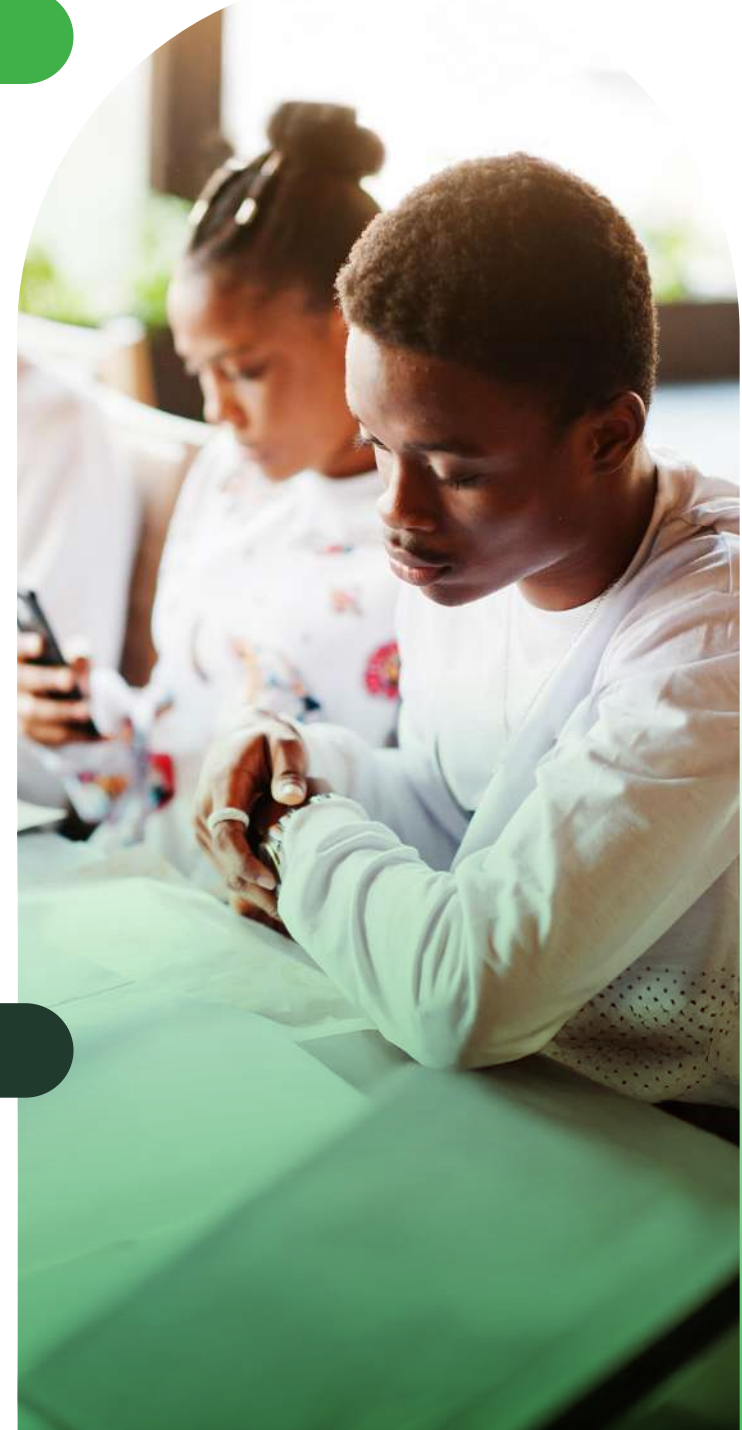
# 🛡 INTERNET SAFETY THROUGH **PRODUCT DESIGN**

Safaricom offers digital initiatives aimed at enhancing online safety and education. SecureNet, a feature within our Fibre-to-the-Home service helps parents and guardians protect children from inappropriate content. This service allows parents to block certain sites, set age restrictions, and manage time limits on internet usage, ensuring a safer and more controlled online experience for younger users.

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## EMPOWERING START-UPS FOR GROWTH

**We launched the Safaricom Spark Fund Accelerator Programme,** with Sumitomo and M-PESA Africa as founding partners, supported by Vodacom, AWS, and PWC. The program is designed to empower and mentor startups, providing them with the knowledge, skills, and resources necessary for sustainable growth and long-term success. By fostering innovation, the initiative aims to accelerate the development of technology-driven ventures, offering access to mentorship, funding, and Safaricom's extensive network and expertise. Through this initiative, we are committed to nurturing the next generation of innovators and equipping them to thrive in an increasingly competitive market.

## PARTNERING TO PROVIDE **HUMANITARIAN AID**

We have partnered with key humanitarian organisations to deliver critical support to vulnerable communities. At the heart of these initiatives is our commitment to **leverage digital transformation** as a catalyst for societal change and driving inclusive growth. This means that we are utilising digital technology to streamline service delivery and enhance accessibility. By harnessing digital platforms, we are not only improving the efficiency of aid distribution but also empowering young refugees and providing digital financial services to displaced populations.

### TERA EARLY WARNING MESSAGES

Through our TERA Early Warning Messages system, we delivered critical disaster alerts via Customer Value Management (CVM), reaching approximately 20 million people. This initiative provided KSh 6m worth of in-kind support to the Kenya Red Cross Society, significantly contributing to disaster mitigation and response efforts.

- During the devastating floods, 70 million messages were sent to impacted communities.
- We supported 96 Kenya Red Cross volunteers with 100 minutes of talk time and 500MB of data per volunteer per day for 20 days, amounting to KSh 864,000 in aid.

### BONGA FOR HUMANITARIAN FUNDRAISING

Safaricom leveraged the Bonga loyalty platform to facilitate humanitarian fundraising efforts through key campaigns:

- BongaForLife (UNHCR), Inuka Angaza (World Vision), and World Food Programme.
- Over 25 million Bonga points were donated, positively affecting more than 4,000 lives.

### ADVOCACY FOR DIGITAL AND FINANCIAL INCLUSION OF REFUGEES

We continued our joint mission with humanitarian agencies and other like-minded partners to advocate for the implementation of the Refugee Act 2021, to enable M-PESA and digital inclusion for over 636,000 registered refugees in Kenya. Our commitment includes:

- Addressing connectivity gaps through a data-driven approach
- Advocating for a legal framework to provide forcibly displaced persons with access to digital and financial services
- Supporting refugees with access to information, education and digital financial services, including M-PESA.
- Offering in-kind and financial support to improve connectivity and livelihoods for refugees and their host communities

### INSTANT NETWORK SCHOOLS

This was set up in 2013 by the Vodafone Foundation and UNHCR, the UN Refugee Agency, to give young refugees, host communities and their teachers access to digital learning content and the Internet, improving the quality of education in some of the most marginalised communities in Africa. There are 36 Instant Network Schools currently operating across eight refugee camps in Kenya, Tanzania, the Democratic Republic of Congo and South Sudan. Safaricom provides connectivity for all the Instant Network Schools in Kenya.

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# OUR STRATEGIC
# PARTNERSHIPS TO ENABLE IMPACT

Our strategic partnerships are pivotal to driving **digital transformation through innovation** and delivering sustainable impact.. These partnerships not only enable us to scale our efforts but also ensure that we create value that benefits both society and the environment. Through shared goals and mutual collaboration, we drive progress toward a more sustainable future while continuously evolving our business strategies to remain resilient and future-focused.

**Banks**
Partnered with banks to create micro and small credit solutions for Kenyans, fostering financial inclusion.

**RevTech**
Supported the development of a county revenue management system, enhancing local governance and efficiency.

**Amazon Web Services**
A key enabler for our vision to be Africa's leading purpose-led technology company through the acceleration of digital services using the cloud.

**Google**
Through our partnership with Google, we have advanced the Lipa Mdogo Mdogo device financing initiative, with over 1.2 million devices sold since its inception. This year, we added five new devices to the program, along with system stabilisation efforts to enhance user experience and expand access to affordable smartphones.

**Microsoft**
Safaricom's partnership with Microsoft focuses on providing enterprise customers with productivity tools, cloud services, and collaboration solutions. These offerings are designed to be flexible, meeting the diverse needs of businesses while ensuring productivity both on-premises and remotely. The solutions prioritise security, safeguarding both users and the business in the process.

**VISA**
Delivered the M-PESA Global Pay Virtual Card linked to the M-PESA account to enable payments to international online merchants.

**Meta**
The Meta (formerly Facebook) partnership improves digital connectivity and increases smartphone accessibility. Through Meta's involvement in the Lipa Mdogo Mdogo initiative, customers can purchase 4G smartphones with daily instalments as low as $0.20, addressing affordability barriers for low-income users. Additionally, Meta helped shape affordable data packages, driving a 22% month-on-month growth in subscriptions.

**Sumitomo and M-Pesa Africa**
Launched the Spark Accelerator program, with Vodacom, AWS, and PWC as supporting partners. Over 200 applications were received, with the first cohort of 9 early stage startups announced in May.

**Groupe Speciale Mobile Association**
Collaboration with **Groupe Speciale Mobile Association** (GSMA) highlights our commitment to advancing the global mobile industry. Safaricom actively participates in the AI for Impact initiative. This initiative focuses on forging global partnerships to drive progress and achieve significant outcomes aligned with the SDGs.

**Internet Watch Foundation**
Safaricom works with the Internet Watch Foundation (IWF) to proactively block sites that have inappropriate child sexual content. This is part of a global effort to block websites that have been flagged globally for inappropriate or harmful content.

**Kenya Healthcare Federation**
Safaricom continues to be an active member of the Kenya Healthcare Federation (KHF), an organisation dedicated to creating an enabling environment for quality and affordable healthcare in Kenya. Through this partnership, we engage with private sector players across the health sector to foster knowledge sharing, gain industry insights, and collaborate on key healthcare initiatives.

**UNICEF Partnership**
Working with UNICEF on the Spot It, Stop It campaign that aims at driving awareness of online safety, as well as other forms of violence against children.

**Eneza**
Shupavu291 is a revision tool for primary and secondary school learners in Kenya, with over 10 million users across Kenya, Ghana, Rwanda, and Côte d'Ivoire.

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LOOKING AHEAD:
## OUR FY25 GOALS

As we move forward into the next year, our focus remains on leveraging digital innovation to create sustainable growth and drive inclusive development across key sectors. By addressing critical societal needs through targeted technological solutions, we ensure that our digital ecosystems not only support economic development but also promote equity, particularly for underserved communities. The following are the key areas where we will prioritise our efforts:

### Education

- We aim to expand mobile learning platforms, providing students in remote areas with access to quality educational content.
- Further development of **virtual classrooms and e-learning tools** will enable more students to learn remotely, bridging the educational gap for underserved regions.

### Agriculture

- Farm management systems will help farmers monitor crop growth and optimise irrigation, reducing losses and increasing productivity.
- Mobile-based weather monitoring will assist farmers in better planning their planting and harvesting cycles.
- Our mobile marketplace initiative will connect smallholder farmers directly to buyers, improving income by ensuring fair prices and bypassing intermediaries.

### Health

- We will focus on mobile health applications to enhance health education, diagnosis and treatment adherence.
- Development of remote patient monitoring systems will allow healthcare providers to better manage chronic conditions from a distance.
- Telemedicine platforms will continue to be enhanced, enabling patients to consult healthcare professionals remotely.

### Humanitarian aid

- We plan to scale mobile emergency response systems to assist communities during crises.
- Mobile payment systems will be used to efficiently distribute aid and ensure transparency.
- Enhanced communication platforms will facilitate better disaster response coordination, including alert systems and fundraising tools.

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**OUR PLATFORMS**

Our platforms not only provide connectivity but also support sustainable development across the country, ensuring that all communities benefit from the opportunities presented by the digital age.

# OUR **PLATFORMS**

## ENABLING DIGITAL TRANSFORMATION FOR SUSTAINABLE IMPACT

At Safaricom, our platforms are central to our mission of transforming lives through digital innovation. We have consistently invested in expanding our network infrastructure to meet the growing demands of our customers while fostering inclusivity and promoting sustainable development. By enhancing both mobile and fixed connectivity, we ensure access to critical services such as healthcare, education and financial inclusion.

Over the past year, we made significant progress in strengthening our mobile and fibre networks to deliver excellent connectivity experiences. In partnership with vendors such as Huawei and Nokia, we improved indoor coverage in key areas of Nairobi, resolving issues in 190 locations within densely built areas like the CBD, Eastleigh, Kasarani, Embakasi and Kayole. However, indoor coverage remains a challenge with an additional 122 locations, which we have prioritised for the current financial year.

To further boost capacity and coverage, we rolled out 155 new sites and upgraded 1,380 4G cells, addressing coverage and capacity challenges. As part of our commitment to SDG 9, we have deployed 803 5G sites (since 2021) and laid 3,000 kilometres of fibre since the project's inception, positioning Safaricom as a leader in Kenya's digital transformation.

We are committed to empowering the Kenyan society through enhanced digital connectivity. Our key platforms—including our expansive network, M-PESA, and DigiFarms—serve as **catalysts for bridging the digital divide**. By implementing 5G network infrastructure across 43 counties, including underserved areas, we are strengthening our role as a leader in digital connection and innovation. This expansion not only enhances access to essential services but also promotes economic development and contributes to the digital transformation of society.

# NETWORK **RELIABILITY** AND **PERFORMANCE**

Safaricom continues to prioritise network reliability and performance as a key part of our sustainability strategy. Ensuring consistent service availability is crucial for our customers and aligns with our efforts to build resilient infrastructure under SDG 9. We focused on reducing downtime related to power issues and optimising the radio access network (RAN) to provide uninterrupted connectivity across the country.

The **average weekly unavailable minutes graph** captures the increased average downtime caused by power issues. In FY24, we experienced an increase in power-related disruptions, which highlights the need for further investment in energy resilience, such as expanding the use of renewable energy sources. The **RAN Service Unavailability Rate (SUR)** tracks the availability of our RAN. The increase in 2024 reflects the growing demand for data and increased usage, emphasising our ongoing efforts to strengthen network infrastructure and meet customer needs.

## NETWORK AVAILABILITY & STABILITY

| | FY21 | FY22 | FY23 | FY24 ^ |
|---|---|---|---|---|
| Average weekly unavailable minutes (power NUR) | 11.4 | 11.4 | 4.1 | 19.32 |
| Average Radio Access Network Service Unavailability Rate (SUR) | 24.7 | 24.7 | 29.9 | 36.7 |

■ Average weekly unavailable minutes (power NUR)

■ Average Radio Access Network Service Unavailability Rate (SUR)
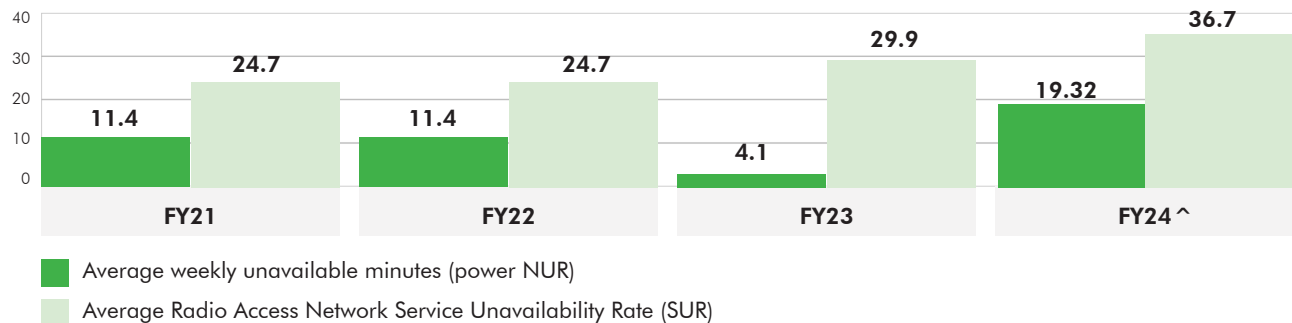
^ PWC assured FY24

This year, we secured KSh 15 billion through Sustainability-Linked Loans (SLL), enabling us to invest in green energy solutions and optimise network operations. By migrating to solar-powered sites and reducing operational costs, we are providing customers with more reliable and affordable services, while significantly enhancing our ESG footprint.

# NETWORK NPS **PERFORMANCE**

Over the past few years, Safaricom has consistently monitored and improved its NPS, which reflects ongoing efforts to optimise the network and address customer needs. Safaricom achieved a Network NPS of 78, just 2 points shy of its target of 80. The performance was driven by ongoing network optimisation and upgrades, maintaining a lead over competitors in key network metrics. However, competitors closed the gap in data metrics with expanded 4G coverage. Other challenges affecting the score include limited coverage in remote areas, poor indoor coverage in densely built areas, and capacity constraints. Safaricom is addressing these with new site rollouts and capacity upgrades.

The table to the right provides an overview of the company's performance across key metrics, illustrating progress and areas where further enhancements are being made to meet customer expectations. This is vital for reiterating Safaricom's focus on delivering excellence in connectivity.

**Did you know?**

The Network Net Promoter Score (NPS) measures customer satisfaction across various aspects of the network, including signal coverage, voice quality and data speed.

## BREAKDOWN OF NETWORK NPS

| | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| Signal Coverage | 78 | 76 | 73 | 72 |
| Voice Quality | 86 | 81 | 81 | 81 |
| Data Coverage | 62 | 60 | 70 | 70 |
| Data Speed | 71 | 74 | 65 | 67 |
| Overall | 82 | 79 | 78 | 78 |

# FIBRE OPTIC **NETWORK GROWTH**

Safaricom's **fibre optic network** plays a critical role in enhancing digital connectivity and supporting the increasing demand for reliable, high-speed internet. The growth of this infrastructure is essential for boosting access to online services for businesses and homes, while also contributing to the broader development of Kenya's digital economy. The tables to the right highlight the significant progress made in expanding fibre coverage and connecting both residential and enterprise customers.
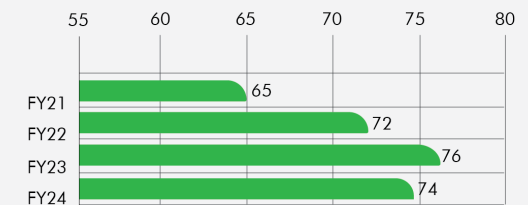
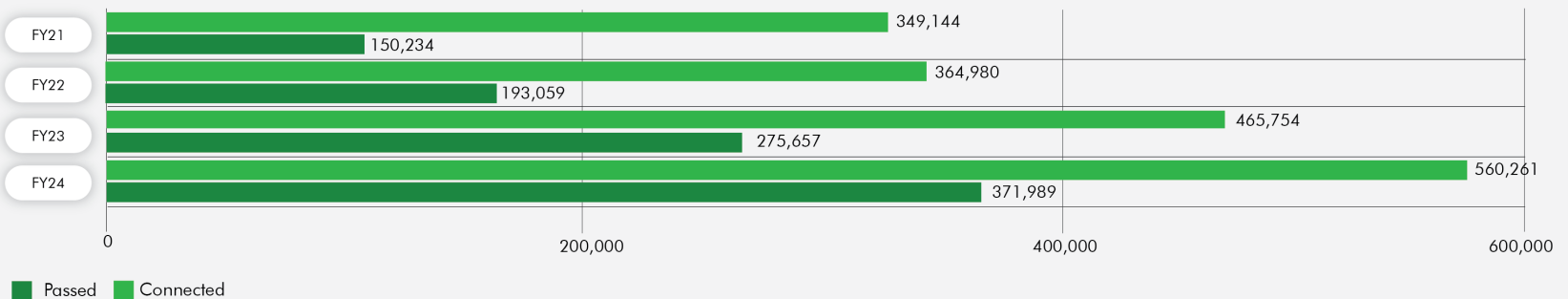**FOOTPRINT (TOTAL KILOMETERS TO DATE)**

| | |
|---|---|
| FY21 | 9,617 |
| FY22 | 10,880 |
| FY23 | 14,000 |
| FY24 | 17,000 |
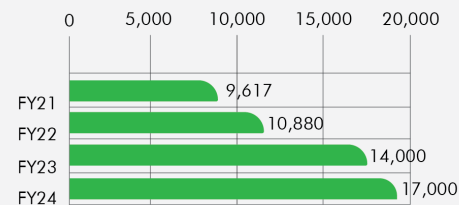
**ENTEPRISE BUILDINGS CONNECTED**

| | |
|---|---|
| FY21 | 4,327 |
| FY22 | 4,807 |
| FY23 | 6,305 |
| FY24 | 8,370 |
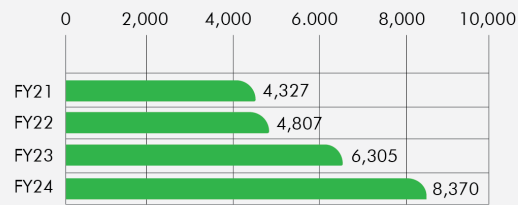
**BASE STATION TYPES CONNECTED (%)**

| | |
|---|---|
| FY21 | 65 |
| FY22 | 72 |
| FY23 | 76 |
| FY24 | 74 |

**RESIDENTIAL HOMES**

| | Connected | Passed |
|---|---|---|
| FY21 | 349,144 | 150,234 |
| FY22 | 364,980 | 193,059 |
| FY23 | 465,754 | 275,657 |
| FY24 | 560,261 | 371,989 |

■ Passed  ■ Connected

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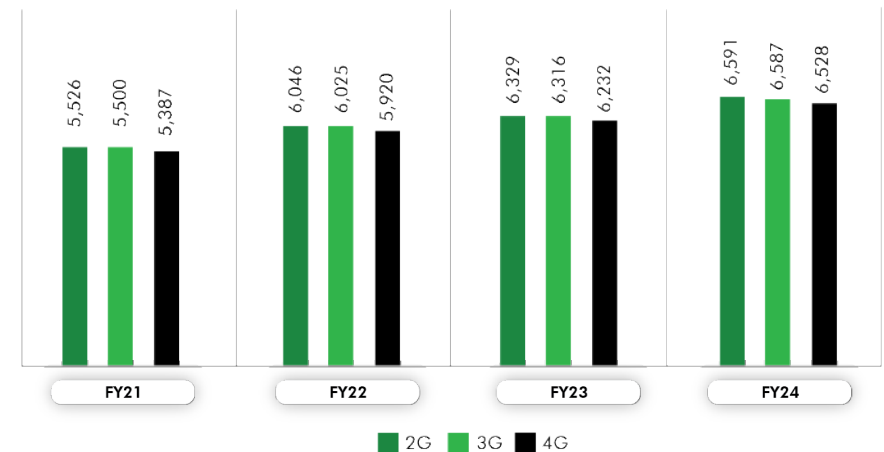# NETWORK **COVERAGE EXPANSION**

Our continued focus on expanding network coverage is crucial to ensure connectivity across the country. The data reflects steady improvements in 2G, 3G and 4G population coverage, showcasing efforts to bring more areas online and enhance digital inclusion.

## NETWORK COVERAGE
**(% OF POPULATION)**

| | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| 2G | 96% | 96% | 97.7% | 97% |
| 3G | 95% | 95% | 96.9% | 96.5% |
| 4G | 94% | 95% | 96.5% | 96.5% |

■ 2G ■ 3G ■ 4G

Base stations (also known as Base Transceiver Stations (BTS)) help us bridge the digital divide and expand access to mobile services. These stations form the foundational building blocks of our mobile network ecosystem, connecting mobile devices by transmitting and receiving radio signals, which are then converted to digital signals and routed to other terminals or the internet.

## BASE STATION BY TYPE

| | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| 2G | 5,526 | 6,046 | 6,329 | 6,591 |
| 3G | 5,500 | 6,025 | 6,316 | 6,587 |
| 4G | 5,387 | 5,920 | 6,232 | 6,528 |

■ 2G ■ 3G ■ 4G

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# SOLUTIONS THAT CREATE **VALUE FOR OUR CUSTOMERS**

At Safaricom we provide a comprehensive range of financial, technological and innovative services and products tailored to meet the needs of key business and consumer sectors. This page highlights our current suite of products and services that add value to our customers' daily lives.

## OUR FINANCIAL **SERVICES AND SOLUTIONS**

**M-PESA Interoperability:**

Allows payments across Safaricom, Airtel and Telkom networks at any merchant

**Lipa Na M-PESA:**

Enables merchants to collect payments using a till number

**Fuliza:**

Provides an overdraft facility to cover short-term cash-flow shortages on M-PESA

**M-PESA Global Pay Virtual Visa Card:**

Facilitates international transactions and payments with card details

**M-Kesho:**

Connects Safaricom's mobile money clients with Equity Bank accounts

**M-KOPA:**

Delivers solar home systems with M2M technology and micro-payment solutions

**KCB M-PESA:**

Offers savings and credit services, with minimal savings and accessible loans

**M-TIBA:**

Health e-wallet for saving and managing healthcare expenses, and for targeted donations

**M-Shwari:**

Provides micro-lending and savings products

**M-PESA:**

Mobile phone-based money transfer, payments and micro-financing platform launched in 2007

**M-PESA Go:**

Designed for ages 10-17, allowing children to use M-PESA with parental guidance

**Pochi La Biashara:**

Registers informal business owners to separate business and personal funds on M-PESA

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# SUITE OF PRODUCTS AND SERVICES **CONTINUED**

## OUR CUSTOMER-CENTRIC APPS

**M-PESA Consumer App:**

Streamlines the M-PESA experience, reducing call-centre demand and simplifying payments

**M-PESA Mini-Apps:**

Available within the M-PESA App, these mini-apps enhance our ecosystem, functioning like a play store.

**M-PESA Business App:**

Empowers merchants to visualise payments, view statements, and transact directly from their M-PESA Business Till.

## OUR INNOVATIVE ENTERPRISE SOLUTIONS

**Kifaru Net:**

Fast, secure fibre internet with 24/7 firewall protection, reducing the cost and hassle of in-office firewall management

**Cloud Services:**

Metered online computing services offering software, hardware and information to businesses

**Scaling Cloud and Security:**

Comprehensive cybersecurity including SOC, integrated solutions, hosted contact centres and unified communications

**Accelerated IoT Solutions:**

Smart water project and fleet management telematics

**Fibre to the Business (FTTB):**

Affordable high-speed internet for small and medium-sized businesses in Safaricom fibre-enabled buildings

## OUR HOME VALUE PROPOSITIONS

**Fibre-to-the-Home (FTTH)**

We provide add-ons like secure-net, smart TV box, home CCTV and home insurance

**Seamless and fast:**

Wi-Fi internet via 4G and 5G wireless connection

DIGIFARM:

# TRANSFORMING AGRICULTURE THROUGH DIGITAL INNOVATION

DigiFarm is transforming agriculture in Kenya through digital innovation, providing smallholder farmers with access to agronomy information, agricultural inputs, services, and market linkages. By creating digital profiles, DigiFarm enables farmers to build an economic identity, improving their access to financial institutions. This agri-tech platform is a pathway to financial inclusion and economic resilience, offering farmers vital tools to optimise production and weather climate challenges.

## FY24 FOCUS

**We focused on developing digital credit solutions for smallholder farmers to improve access to capital. Key accomplishments include:**

- 168,000 farmers engaged through credit initiatives, with more than KSh 944 million in loans disbursed.
- Our new in-house platform now supports 24 agri-MSMEs, serving approximately 3,000 farmers.
- Development of an agriculture credit scoring model for financial inclusion.
- Partnership with Family Bank for input loans to farmers.
- Launch of a digital solution for agri-SMEs to digitise operations and offer market access.
- Introduction of a smartphone programme to enhance digital inclusion.
- Offering farming loans, weather-related insurance, agronomy advisories, and market linkages to farmers.

## CHALLENGES

**Key challenges in providing digital agriculture services include:**

- **Infrastructure:** Inadequate transportation and storage solutions limit market access.
- **Access to Digital Tools:** Low smartphone penetration and limited digital infrastructure hinder adoption.
- **Literacy and Language Barriers:** Low literacy rates and language differences complicate tech adoption.
- **Digital Identity and Data to Unlock Financing:** Lack of digital identities limits financing options for smallholder farmers.

## VISION 2030

**DigiFarm's vision is to transform agriculture in Africa by leveraging the power of technology.**

- **Digital Innovation:** Leveraging AI and big data for customised farming solutions and climate resilience.
- **Financial Empowerment:** Developing tailored fintech solutions for farmers to drive financial inclusion.
- **Gender Inclusivity (SDG5):** Ensuring women farmers have equal access to technology and financial products.
- **Partnerships (SDG17):** Expanding public and private sector collaborations.

### LOOKING AHEAD

In FY25, DigiFarm's focus is on scaling its core products to impact more smallholder farmers across Kenya. **Key thematic areas will include:**

- Providing affordable smartphone solutions to increase farmers' access to digital tools and services.
- Enhancing agronomy advice through SMS and introducing Gen AI for personalised, real-time support.
- Expanding credit offerings with two new loan products and strengthening partnerships to improve farmers' access to finance.
- Digitising operations for agri-buyers to boost market linkages and economic resilience.
- Continuing to offer weather-related insurance and piloting a climate-resilient loan product.

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# M-PESA AND FINANCIAL INCLUSION

Since its inception in 2007, M-PESA has evolved from a mobile payment platform into a powerful tool for **accelerating digital inclusion**, enabling societal change. More than just a business innovation, M-PESA's influence extends deeply into the social fabric of Kenya, driving financial inclusion and enabling access to critical services for millions, especially those previously excluded from the formal financial system.

By leveraging tools such as mobile devices and AI-driven platforms, M-PESA has simplified access to financial services, allowing individuals and businesses to participate more fully in the digital economy. **In fact, 56.9% of transactions are non-chargeable by volume and 43.5% by value, meaning a significant portion of transactions incur no fees.** This reduction in transaction costs plays a vital role in enhancing financial accessibility, reinforcing our commitment to driving financial inclusion and promoting sustainable development across Kenya.

**M-PESA revenue experienced consistent growth, reaching KSh 139bn in 2024, a significant increase from KSh 117.2bn in 2023. This steady rise reflects M-PESA's expanding adoption and its central role in Safaricom's financial services portfolio.**

## OUR ACHIEVEMENTS:

**M-PESA continued to build on its foundation of financial inclusion by enhancing key products and services, driving new innovations, and expanding its customer base. Noteworthy updates include:**

- **Revenue Growth & Active User Base:** M-PESA recorded a revenue of KSh 139.9 billion, driven by sustained customer engagement and product innovations. The 30-day active customer base grew to 32.41 million, an indication of increasing reliance on the platform for daily financial transactions.
- **M-PESA Go:** As part of our initiative to empower young users and introduce financial literacy early on, M-PESA Go enables parents to manage and monitor their children's mobile wallet usage. By the end of FY24, we successfully onboarded 89,000 child accounts, providing users aged 10-17 a safe and controlled way to navigate digital finance.
- **Mini Apps Ecosystem Expansion:** The M-PESA Super App, aimed at enriching the digital lifestyles of our customers, now hosts 80 Mini Apps. These Mini Apps span across categories such as financial services, entertainment, shopping, and transportation, further integrating M-PESA into the everyday lives of our users.
- **Fuliza:** The popular overdraft service continues to grow, with disbursements reaching KSh 833.8 billion, a 18.9% year-on-year increase, demonstrating its crucial role in bridging short-term liquidity gaps. Fuliza's repayment rate stands at an impressive 96.2%, highlighting customer trust in the service.
- **Pochi la Biashara:** This service allows small business owners, such as kiosk vendors, boda-boda operators, and matatu drivers, to separate business funds from personal funds on their M-PESA line. With simple onboarding and no paperwork, Pochi La Biashara has gained traction, especially among micro-merchants. One of its key features is the prevention of payment reversal without the approval of the business owner, making it particularly popular in sectors like transport and street vending. It also enables business owners to sell airtime, earning a 5% commission, while accessing mini-statements and making secure transactions.
- **M-PESA Global:** To enhance cross-border transactions, the M-PESA Visa card now supports international payments, with 144,000 active customers processing cross-border transactions worth KSh 14.5 billion.

| Financial Inclusion | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| M-PESA | | | | |
| M-PESA Revenue (KSh billion) | 82.6 | 107.6 | 117.2 | 139 |
| No. of M-PESA Customers (million) (30 day active) | 28.3 | 30.5 | 32.1 | 32.4 |
| No. of Lipa Na M-PESA Merchants | 301,597 | 492,772 | 606,662 | 633,009 |
| Diaspora Remittances through M-PESA Global (KSh billion) | 289.7 | 395.7 | 418 | 454.5 |
| M-SHWARI | | | | |
| No. of customers (million: active users) | 3.98 | 4.67 | 5.28 | 6.46 |
| M-Shwari Deposits (KSh billion)* | 571.2 | 745 | 416.7 | 504.4 |
| M-Shwari loans (KSh billion) | 94.5 | 86.1 | 91.5 | 103 |
| FULIZA | | | | |
| Transaction Volumes (millions) | 787.1 | 1,456 | 2,353.8 | 3,268 |
| Amount Disbursed (KSh billion) | 351 | 502.6 | 701.5 | 833.8 |

*Deposit balance (sum of monthly deposit balances)

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## LOOKING AHEAD:

Our strategy for M-PESA will focus on expanding into new areas of growth and innovation, continuing to build on the platform's success while driving financial inclusion and sustainability. The following are our key focus areas:

- **International Remittances:** We will expand into the global remittances space, using M-PESA to enhance cross-border payments.
- **Lending and Credit:** Growth in short-term credit facilities will be a priority, leveraging M-PESA to increase access.
- **Savings and Investments:** We aim to lower the savings threshold to under KSh 100, enabling wider access to savings and investment products such as treasury bonds and unit trusts.
- **Insurance:** Expanding retail insurance, including embedding insurance within our credit offerings, will be a focus.
- **Big Data & AI:** We will use Big Data and AI to personalise customer experiences and improve service offerings.
- **Micro-Services Technology:** Integrating additional services on the M-PESA platform using micro-services technology will provide more comprehensive solutions.
- **Government Partnerships:** We will continue working with the government on initiatives like digital identification to enhance compliance with AML and KYC regulations.
- **Cybersecurity and Privacy:** Ensuring customer safety by continuously improving cybersecurity measures and adhering to data privacy regulations will remain critical.
- **Network and coverage:** Increased coverage in 122 locations for indoor coverage, while increasing deployment of 900 5G sites.

**3**

**ENVIRONMENTAL STEWARDSHIP**

We are committed to managing our operations responsibly, reducing our environmental impact, and promoting sustainable practices among all our stakeholders. Our planet strategy centres around four key pillars:

**Climate Action**

**Circular economy**

**Conservation and restoration of biodiversity and ecosystems**

**Enviromental compliance**

We aim to grow five million trees by 2025. Once fully matured, these trees are expected to offset up to 26% of our carbon emissions, significantly advancing our goal of achieving net-zero emissions by 2050.

# ENVIRONMENTAL **STEWARDSHIP**

## TAKING ACTION ON CLIMATE CHANGE

As part of our environmental stewardship material topic, we are committed to reducing our carbon footprint and advancing towards a net-zero future. To achieve this, we have adopted an **operational control approach**, ensuring that all operations where we have direct influence through our policies are included within our organisational boundary. In line with the GHG Protocol Corporate Standard, we have revised our greenhouse gas (GHG) emissions data from previous years, continuously refining our methods to improve accuracy and reliability. **This allows us to set ambitious reduction targets, monitor our progress, and make informed decisions as we transition towards a greener economy.**

Our approach is grounded in transparency, and we leverage cutting-edge technologies and strategies to drive meaningful progress towards a sustainable future.

## OUR PATHWAY TO NET ZERO BY 2050

To achieve our net-zero target by 2050, we have set ambitious reduction goals. Currently, our emissions (Scope 1 and Scope 2) total 41,485 $tCO_2e$, which is a reduction of 28.2% compared to the 2017 baseline emissions of 57,803 $tCO_2e$. Although the overall reductions keep us on track to meet our science-based targets, it is, however, important to note that total Scope 1 and Scope 2 emissions increased from 38,740 $tCO_2e$ in 2023 to 41,485 $tCO_2e$ in 2024. The rise in emissions was driven by a 9% increase in Scope 1 emissions and a 3% rise in Scope 2 emissions, primarily due to infrastructure expansion and delays in our solarisation projects. With regards to Scope 3 emissions (unpacked on the following pages), we achieved a 2% reduction, decreasing from 4,404.01 $tCO_2e$ to 4,319.72 $tCO_2e$. This improvement was primarily driven by reductions in upstream transportation and distribution emissions. These emissions are aligned with three key categories of the GHG Protocol standard.

We adhere to ISO 14064 guidelines to measure and quantify our GHG emissions accurately. This involves multiplying activity data for each emission source by its associated emission factor.

**OECD PATHWAY REDUCTION TARGETS**
Scope 1 & 2 Emissions ($tCO_2e$)

● Targets   ● Achieved

| Year | Value | % |
|------|-------|---|
| 2020 | 48,843 | 15% ▽ |
| 2021 | 43,225 | 25% ▽ |
| 2022 | 41,177 | 29% ▽ |
| 2023 | 38,740 | 33% ▽ |
| 2024 | 41,485 | 28% ▽ |
| 2025 | 39,974 | 30% ▽ |
| 2030 | 32,715 | 43% ▽ |
| 2035 | 26,774 | 53% ▽ |
| 2050 | 14,676 | 74% ▽ |

The OECD graph illustrates the absolute emissions reductions required for us to meet our 2050 net-zero target. These reductions are calculated using a compound average growth rate between the 2016/17 baseline and 2050, following the IPCC AR5 guidelines for the OECD region.

In FY23, we reported Scope 1 and Scope 2 emissions totalling 38,740 tCO2e. However, these figures will be restated due to changes in our calculation methodology, particularly within the Capital Goods and Services category. This restatement will cover the previous three years to ensure consistency and accuracy across reporting periods.

# QUANTIFYING OUR **CARBON IMPACT**

Supporting connectivity for over 20 million people demands significant investment in network infrastructure, buildings and data centres, all of which consume energy from diesel, electricity, gas and refrigerants. As a responsible corporate citizen, we recognise the urgent need to address climate change and are committed to reducing our environmental impact.
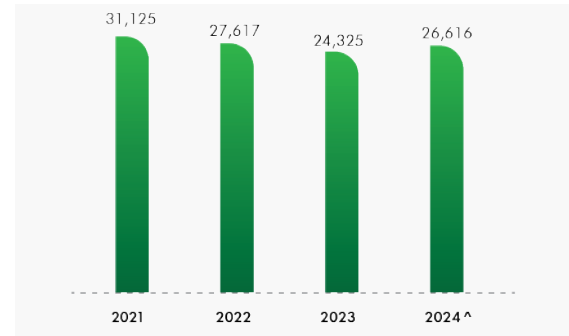
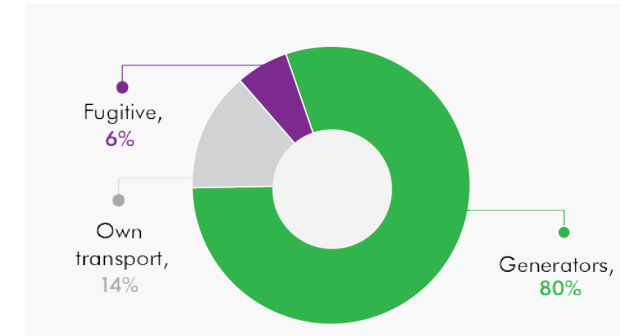The gases included in our Scope 1, 2 and 3 calculations are $CO_2$, $CH_4$, $N_2O$ and HFCs.

## SCOPE 1

In 2024, our Scope 1 emissions, resulting from the combustion of fossil fuels in our company-owned vehicles and generators, totalled 26,616 $tCO_2e$. This figure represents a 9% increase compared to 2023 but remains lower than emissions recorded in 2021 and 2022. The rise in emissions this year is primarily driven by national power outages, which increased reliance on backup generators, and the continued expansion of our infrastructure. Diesel used in generators accounted for 80% of our Scope 1 emissions, followed by fuel used in company vehicles at 14%, and fugitive emissions from refrigerants at 6%.

## SCOPE 2

Our Scope 2 emissions, which stem from the consumption of electricity in our operations, amounted to 14,869 $tCO_2e$. This represents a 3% increase compared to our 2023 emissions due to infrastructure expansions. If this trend continues unchecked, it could jeopardise our ability to meet or exceed our overall sustainability targets.

**To combat this, we have put a target in place to reduce Scope 1 and Scope 2 emissions by 20%.**
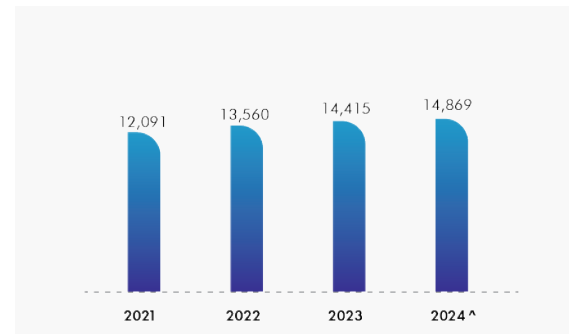
## SCOPE 3

Our Scope 3 emissions for 2024 totalled 4,319.72 $tCO_2e$, marking a 2% reduction from the previous year. This decrease was largely driven by a 43% reduction in emissions from upstream transportation and distribution. However, business travel emissions rose by 39%, primarily due to increased air travel. These results reflect our ongoing efforts to minimise environmental impact while highlighting the need to focus more on managing travel-related emissions. Please refer to the graphs on the next page for a detailed breakdown.

Please refer to annexure for more details.

### SCOPE 1 EMISSIONS ($tCO_2e$)

| 2021 | 2022 | 2023 | 2024 ^ |
|---|---|---|---|
| 31,125 | 27,617 | 24,325 | 26,616 |

### SCOPE 1 EMISSIONS BY SOURCE

- Fugitive, 6%
- Own transport, 14%
- Generators, 80%

### SCOPE 2 EMISSIONS ($tCO_2e$)

| 2021 | 2022 | 2023 | 2024 ^ |
|---|---|---|---|
| 12,091 | 13,560 | 14,415 | 14,869 |

### SCOPE 3 EMISSIONS ($tCO_2e$)

| 2021 | 2022 | 2023 | 2024 ^ |
|---|---|---|---|
| 6,165 | 4,763 | 4,404 | 4,319 |
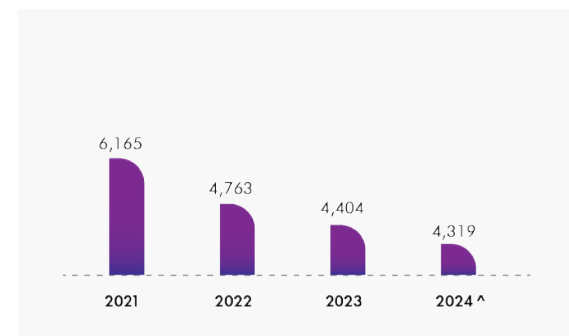
### SCOPE 3 EMISSIONS BY SOURCE

- Capital Goods 3%
- Upstream Transportation & Distribution 28%
- Business Travel 69%

^ PWC assured FY24

OUR STRATEGIC APPROACH TO SUSTAINABILITY | SUSTAINABILITY ACHIEVEMENTS AND IMPACTS | **OUR MATERIAL TOPICS** | OUR STAKEHOLDERS

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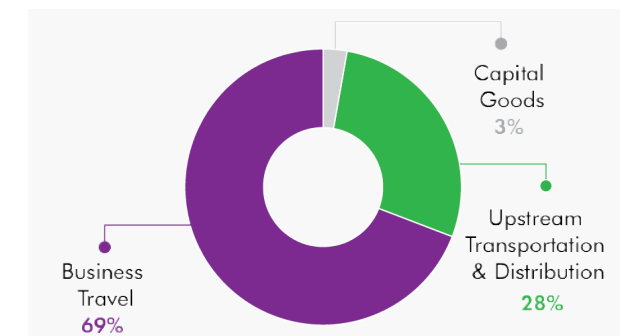
# EXPANDING OUR SCOPE 3 EMISSIONS REPORTING

We introduced new Scope 3 categories to better capture and manage our indirect emissions, extending our commitment to transparency and climate responsibility.

**Purchased Goods and Services:** This category accounts for cradle-to-gate emissions from our procurement activities, including IT, corporate services, and enterprise products. Total emissions amounted to 10,414 tonnes.

**Fuel and Energy-Related Activities:** This covers upstream emissions from the extraction, production, and transportation of fuels used in our operations, with a total of 9,397 tonnes of $CO_2$e.

**Use of Sold Products:** Focused on handsets, this category measures emissions from th e energy consumption of devices used by customers, resulting in 4,212 tonnes of $CO_2$e.

These new categories allow us to gain a more comprehensive understanding of our environmental impact, ensuring we continue to take meaningful steps towards reducing our carbon footprint.

*These three categories are not included in the assurance process.*

## BUSINESS TRAVEL EMISSIONS
($tCO_2e$)



| | 2024 | 2023 |
|---|---|---|
| Air travel | 2,208 | 1,464 |
| Taxi | 442 | 408 |
| Car hire | 339 | 275 |

● 2024  ● 2023

## UPSTREAM TRANSPORTATION & DISTRIBUTION
($tCO_2e$)



| | 2023 | 2024 |
|---|---|---|
| Sea Freight | 374 | 261 |
| Air Freight | 1,781 | 962 |

● Sea Freight  ● Air Freight

## CDP DISCLOSURE AND PERFORMANCE

In 2024, we successfully improved our Carbon Disclosure Project (CDP) score from a B in FY23 to an A-, reflecting our commitment to enhanced transparency and robust climate action. This achievement underscores our efforts in integrating climate-related risks and opportunities into our business strategy, aligning with global best practices, and taking significant steps towards reducing our carbon footprint. Through continuous improvement and proactive engagement, we have positioned ourselves as a leader in environmental stewardship in the industry.

## REVENUE EMISSION INTENSITY
($tCO_2e$/KSh'm)



| 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|
| 262,450 | 295,846 | 310,480 | 339,717 |
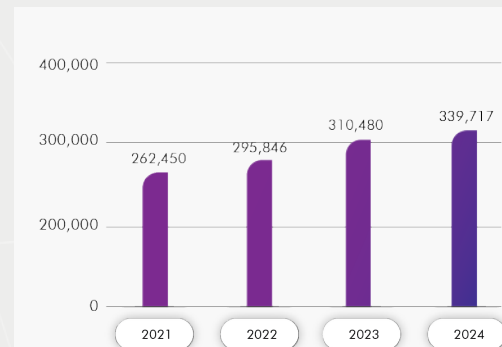
This graph represents our emissions intensity in relation to revenue, illustrating how much $CO_2$ equivalent ($tCO_2e$) is emitted per million Kenyan shillings (KSh'm) of revenue generated.

## EMPLOYEE EMISSIONS INTENSITY
($tCO_2e$/FTE)



| 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|
| 9.7 | 9.3 | 7.2 | 7.5 |
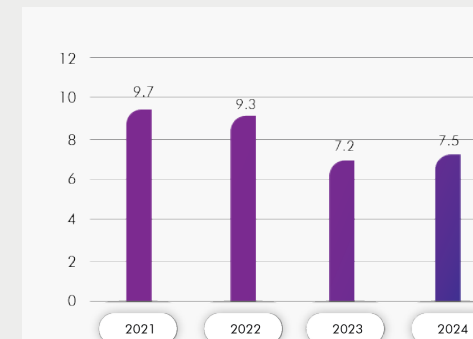
This graph illustrates our full-time employee emissions intensity ($tCO_2e$/FTE), providing insight into the environmental impact of our operations relative to the size of our workforce.

# BOOSTING
## RENEWABLE ENERGY

In our efforts to provide reliable and widespread connectivity, our energy consumption plays a role in shaping our impact on the economy, environment and people. Positively, our investments in energy-efficient technologies and renewable energy sources contribute to reducing our carbon footprint, promoting sustainable economic growth, and supporting global climate goals. This transition not only minimises our environmental impact but also drives innovation and job creation within the renewable energy sector.

However, there are potential negative impacts associated with our energy use. The reliance on traditional energy sources, like diesel and electricity, can contribute to GHG emissions, resource depletion and environmental degradation. Additionally, the installation and maintenance of energy infrastructure may have socio-economic implications for local communities, such as land use conflicts or displacement. To mitigate these risks, we have implemented a comprehensive environmental policy that prioritises the use of renewable energy sources, enhances energy efficiency across our operations, and ensures compliance with environmental regulations while continuously monitoring and improving our energy management practices.

In the last financial year, we are proud to report that we have:

- Recovered decommissioned equipment and racks to reduce waste and repurpose materials
- Optimised solar PV plants to maximise solar energy production, enhancing renewable energy use
- Ensured rectifier units operate in ECO-mode to increase energy efficiency
- Implemented 200 free cooling systems to reduce reliance on traditional air conditioning
- Achieved ISO 50001 recertification, affirming our commitment to energy management best practices
- Adjusted temperature setpoints in data centres to minimise energy use while maintaining operational efficiency
- Connected two additional sites to a privately owned hydro mini-grid network to diversify our energy sources
- Converted indoor BTS to outdoor BTS, eliminating the need for air-conditioning units and reducing energy consumption
- Addressed KPLC backlog connections on off-grid BTS sites, enhancing network reliability and reducing diesel generator reliance

## SETTING A BENCHMARK IN SUSTAINABILITY: THE LIMURU DATA CENTRE

As part of our long-term strategy to transform from a telecommunications company to Africa's leading purpose-led technology company by 2030, we are developing the Limuru Data Centre. This state-of-the-art facility is the first of three Central Data Centres we plan to construct at a Tier 3+ scale. Designed for high power efficiency and environmental sustainability, the Limuru Data Centre will operate with 99.9% uptime, ensuring robust and resilient service.

Phase 1 of the project includes 200 racks with an IT load of 1.4 MW, with Phase 2 planned to match this capacity by 2025. The facility is designed for future growth, with the potential to support 1,000 high-density racks and an IT load of up to 20 MW within the next decade.

Located in the cooler Limuru region, the data centre boasts a Power Utilisation Effectiveness of 1.35, making it one of the most energy-efficient facilities in Africa. The facility is equipped with a 200 kWp rooftop solar PV plant, with plans to scale up to 2MWp. Additionally, we are exploring partnerships with renewable energy producers to further enhance our commitment to sustainability.

**We are driving energy efficiency through a series of targeted initiatives designed to optimise our energy use. By maximising solar PV output, implementing ECO-mode rectifiers, and adopting free cooling systems, we reduce reliance on traditional air conditioning and enhance the sustainability of our operations. These efforts accelerate digital transformation by creating scalable, sustainable solutions that support both our business and the communities we serve.**

# IMPACT OF NON-RENEWABLE FUEL CONSUMPTION

**As we strive to realise Safaricom's vision of becoming Africa's leading purpose-led technology company by 2030, we are rigorously driving digital transformation in energy management. We are leveraging data-driven insights to enhance forecasting, adopting cutting-edge technologies e.g. AI, and adhering to energy standards.**

Our integration of AI and digital technologies has been transformative. Through advanced remote monitoring and dashboard visualisation, we have gained unprecedented visibility into our energy usage. This capability allows us to optimise energy management in real-time, reducing generator run hours and adjusting our energy mix swiftly in response to changing conditions. Despite challenges such as adverse weather and fluctuating energy costs, our commitment to digital innovation ensures we stay ahead in our quest for energy efficiency and sustainability.

Our use of non-renewable energy sources has been closely monitored and assessed. Our reliance on diesel generators increased from 0.7% to 9% due to power cuts and grid availability constraints. The rise in diesel consumption underscores the ongoing challenges we face in maintaining consistent power supply. To counterbalance, we are optimising our renewable energy resources, including real-time monitoring and panel maintenance, to enhance efficiency and performance across our sites.

We conduct regular energy audits and surveys to pinpoint areas of improvement. By meticulously reviewing energy equipment installations and ensuring they follow our procedures, we optimise performance and efficiency. Our enhanced remote visibility of energy equipment has also allowed for more effective remote configuration, leading to a reduction in diesel and grid energy consumption.

As part of our commitment to renewable energy, we have **solarised 1,432 sites**, which account for 22% of our total renewable energy usage. This **renewable energy mix represents 22% of our overall energy consumption**. By expanding our solar capacity through these solarised sites, we are taking significant steps towards reducing our carbon footprint.

In line with our commitment to energy efficiency, Safaricom has successfully reduced its energy consumption by 15% from the baseline year of 2019 to the current reporting period in 2024. The table below highlights the number of Safaricom sites that have adopted renewable energy sources (compared to those that still use non-renewable sources):

## NETWORK ENERGY BY SOURCE (AT YEAR END)



Bar chart legend: ■ KPLC and Genset ■ KPLC (no generator) ■ 24/7 diesel generator ■ Solarwind hybrid solution

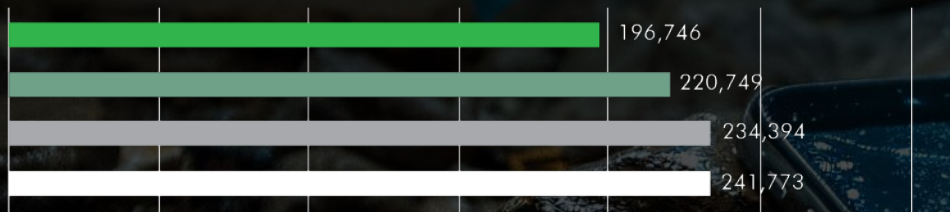| Source | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| KPLC and Genset | 4,560 | 4,999 | 4,428 | 0 |
| KPLC (no generator) | 1,299 | 1,517 | 839 | 276 |
| 24/7 diesel generator | 192 | 111 | 47 | 35 |
| Solarwind hybrid solution | 255 | 310 | 1,432 | 1,432 |
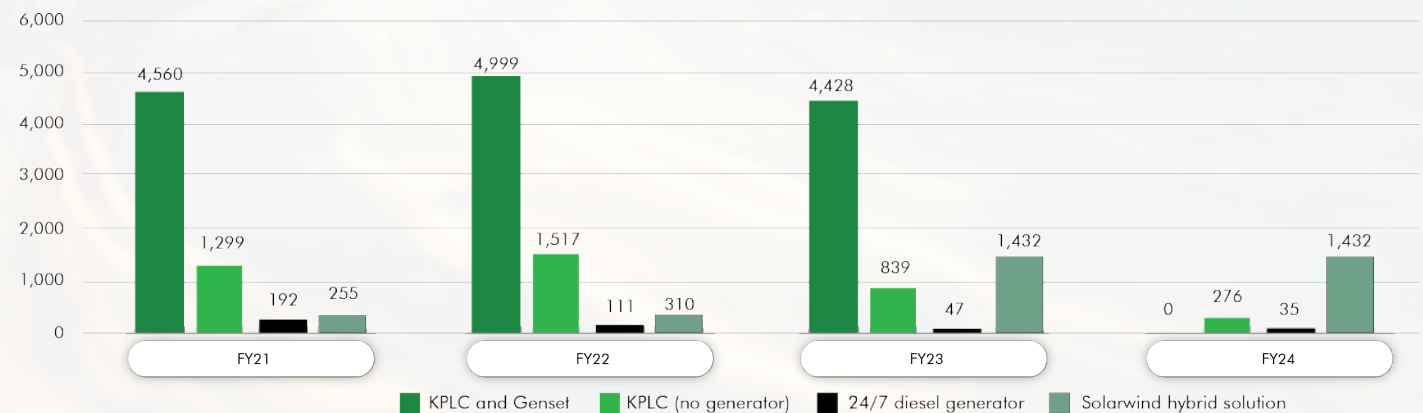
## LOOKING AHEAD

**To continue reducing our carbon footprint:**

- 3,000 Solar PV sites are planned for implementation in the next 1.5 years.
- 0 sites will rely on 24/7 diesel generators.

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# MONITORING **RESOURCE USAGE**

In line with our commitment to SDG 12, we continue to monitor and manage resource usage to promote responsible consumption. Since FY23, we have been digitising our facilities data on electricity and fuel consumption, allowing us to track and optimise our resource usage more effectively. This ongoing effort ensures we manage our environmental impact while improving operational efficiency through real-time data insights.

## ELECTRICITY, FUEL & WATER CONSUMPTION

### ELECTRICITY (MWh)

- 196,746
- 220,749
- 234,394
- 241,773

### FUEL (L)

- 11,652,174
- 10,034,899
- 8,832,921
- 9,545,571

### WATER (m³)

- 57,792
- 58,340
- 52,559
- 66,209

- 2021
- 2022
- 2023
- 2024^

^ PWC assured FY24

# TRANSFORMING **WASTE**

We generate solid waste (including e-waste) as part of our day-to-day operations. Solid waste comes from materials such as packaging, office supplies and maintenance debris, while e-waste results from the continuous upgrading and maintenance of our network infrastructure, including outdated equipment and devices. As technology evolves, we replace older hardware to maintain the highest standards of service and efficiency. Managing both solid waste and e-waste responsibly is essential to minimising our environmental impact and aligns with our commitment to sustainability.

We achieved a 98% recycling rate for municipal solid waste across 71 facilities and 100% recycling (290.438 tonnes) of network waste. We remain committed to increasing e-waste collection and recycling by 20% year-on-year, digitising e-waste and general waste management processes, and ensuring full compliance with all regulatory permits and licences. Additionally, we aim to establish impactful circularity partnerships.

We are fully compliant with environmental regulations concerning waste, noise, air quality, and water quality. In 2024, we conducted environmental impact assessments for 40 new base stations and environmental audits for 786 BTS sites, data centres, and buildings. To further enhance compliance, we are developing a system to track air quality licences.

As a committed responsible corporate citizen, during the year under review, we continued to monitor our use of resources, and implement measures with the aim of conserving energy, acting on climate change and decarbonisation, targeting zero waste, and promoting sustainable supply chains and community investments, as well as workplace safety.

## DIGITAL GREEN POINTS:
## ADVANCING THE CIRCULAR ECONOMY

### M-PESA GREENPOINT INITIATIVE

As part of our commitment to sustainable waste management, the M-PESA Greenpoint Initiative has been instrumental in promoting responsible waste disposal and recycling within our communities. Through this program, we successfully collected 43,451 kg of waste, all of which was responsibly processed. The initiative saw 1,233 redemptions (instances where participants exchanged collected waste for rewards), amounting to KES 651,764 in total. This effort not only supports our environmental goals but also empowers individuals by providing tangible rewards for their contributions to a cleaner environment.

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As we reflect on our waste management efforts, several key achievements stand out. We've made significant strides in e-waste collection and recycling, thanks to our successful initiatives and partnerships. By embedding circularity reporting in our network waste disposal and onboarding a permanent waste disposal partner, we've set a robust foundation for sustainable practices.

We aim to further limit our environmental impact by increasing e-waste recycling by 20% and are exploring the potential of AI to enhance our waste management strategies, driving efficiency and sustainability. These future initiatives will be critical as we continue our journey towards a net-zero environmental impact.

Safaricom has partnered with the WEEE Centre to promote responsible e-waste management. We have placed e-waste collection boxes at our retail centres and offices nationwide, where customers can deposit old electronics such as phones, chargers, batteries and laptops. The WEEE Centre collects and disassembles the equipment, recycling what can be reused to create products like plastic chairs and poles, helping to reduce negative environmental impact.

## INITIATIVES THAT WERE IMPLEMENTED:

- Mr Green Africa (MGA) plastic collection and recycling programme, a green point system to catalyse proper plastic disposal
- Develop a take-back programme for e-waste and network waste
- Onboard permanent service provider for network equipment waste disposal (Waste Electronic and Electrical Equipment)
- Waste management (e-waste collection initiative and internal end-to-end waste management programme)
  - Adoption of environmentally friendly technologies for disposal of damaged SIM cards and scratch cards. 2.1 tonnes of condemned SIM cards disposed of through non-burning technologies
  - Total solid waste collected;178,237 kg, total waste recycled 174,496 kg
  - 290.438 tonnes of network waste recycled/refurbished with a disposal value of KSh 25,660,252
  - 12,517 devices repaired

### SOLID WASTE

**Measuring our actions**

- **98%** recycling rate achieved
- **178,237 kg** total solid waste collected –**174,496 kg** recycled
- Expanded sustainable waste management to **61** additional facilities outside Nairobi, bringing the total to **73**

**Targets for 2025**

- Recycle or repurpose **100% of solid waste**
- Eliminate **100% of single-use plastics**
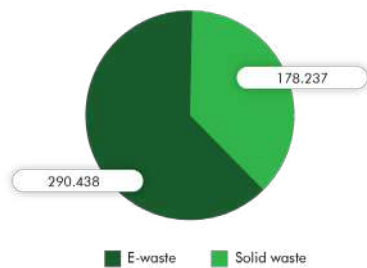
### E-WASTE

**Measuring our actions**

- Recycled **2,048 tonnes of e-waste**
- **290.438 tonnes of network waste** recycled or refurbished, generating KSh 25,660,252 in revenue
- **1.2 tonnes** of SIM cards recycled
- **Signed a collaboration framework** with the WEEE Centre for e-waste management
- **77,960 eSIM users**
- Collected and repaired **12,517 units of mobile devices**
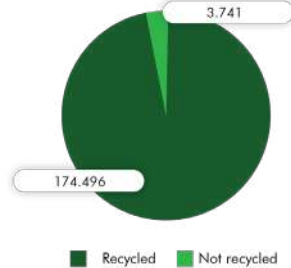- **50% reduction** in SIM card size

**Targets for 2025**

- Achieve **20% year-on-year** growth in e-waste collection and recycling
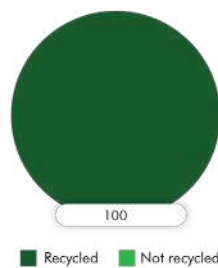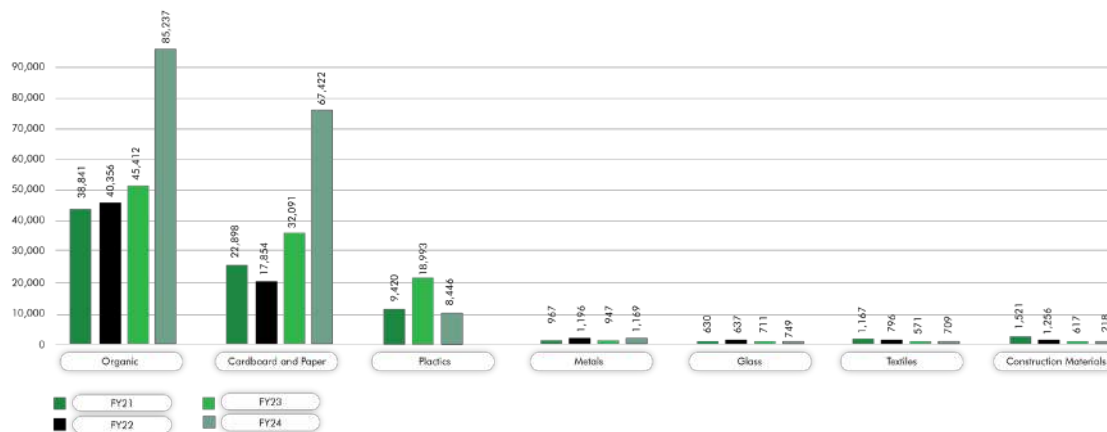- Achieve 100% reuse, resale or recycling of network waste

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**WASTE COLLECTED (tonnes)**



178.237

290.438

- E-waste
- Solid waste

**SOLID WASTE COLLECTED (tonnes)**



3.741

174.496

- Recycled
- Not recycled

**E-WASTE COLLECTED**



100

- Recycled
- Not recycled

## TYPES OF SOLID WASTE



| | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| Organic | 38,841 | 40,356 | 45,412 | 85,237 |
| Cardboard and Paper | 22,898 | 17,854 | 32,091 | 67,422 |
| Plastics | 9,420 | | 18,993 | 8,446 |
| Metals | 967 | 1,196 | 947 | 1,169 |
| Glass | 630 | 637 | 711 | 749 |
| Textiles | 1,167 | 796 | 571 | 709 |
| Construction Materials | 1,521 | 1,256 | 617 | 218 |

We are proud to report that we have collected 2,048.438 tonnes of e-waste to date, reflecting a remarkable year-on-year increase of over 100%. This significant growth underscores our commitment to responsible e-waste management and recycling. By expanding our collection efforts and enhancing our recycling processes, we are making substantial strides in reducing electronic waste and its environmental impact. This achievement highlights our ongoing dedication to sustainability and our proactive approach to addressing the challenges associated with e-waste disposal.

# MANAGING OUR SIGNIFICANT WASTE-RELATED IMPACTS

We are dedicated to managing our significant waste-related impacts in line with environmental regulations and our sustainability goals. Our approach includes the following actions and measures:

- **Compliance and Assessments**
  - We ensure full compliance with environmental regulations related to waste, noise, air quality and water quality.
  - We conduct environmental impact assessments for new base stations and carry out environmental audits for 786 BTSs and buildings.
- **Actions and Circularity Measures**
  - **Circularity Reporting:** We have embedded circularity reporting into our network waste disposal project and have onboarded a permanent disposal partner to enhance waste management.
  - **Permanent Service Provider:** A permanent service provider has been onboarded for network equipment waste disposal.
  - **Partnership with the WEEE Centre:** We signed a memorandum of understanding with the WEEE Centre to advance sustainable e-waste management in Kenya. This includes collection, recycling and safe disposal of e-waste. In recognition of International E-Waste Day, we jointly organised an e-waste conference in November 2023 with the WEEE Centre. It was attended by over 200 participants from the government, startups, corporates and non-governmental organisations.

These measures demonstrate our commitment to preventing waste generation, managing significant impacts from waste, and ensuring effective waste management throughout our operations and value chain.

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REVITALISING NATURE:
# OUR ROLE IN BIODIVERSITY RESTORATION

Our commitment to preserving and restoring biodiversity remains a core component of our sustainability strategy. In partnership with the Kenya Forest Service, we have renewed our pledge to grow 5 million trees in public forests by 2025 through the **Adopt a Forest** strategy. This collaboration framework is designed to achieve multiple objectives, including restoring biodiversity, offsetting carbon emissions, improving community livelihoods, and reversing forest degradation.

To further support our biodiversity initiatives, we are actively assessing the impact, risks, and our dependence on nature to inform business actions and policy areas. This approach ensures that our operations not only align with environmental priorities but also contribute positively to ecological conservation.

**Our dedication to these goals has led to several significant milestones:**

- Safaricom has been incorporated into the GSMA Biodiversity Taskforce, reflecting our leadership in promoting biodiversity in the telecom industry.
- Our M-Twigga project, a collaboration with Vodafone and WWF-Kenya, has been included in the GSMA ClimateTech research, highlighting its innovative approach to addressing human-wildlife conflict through technology.
- We conducted a successful pilot project at Mara Asiena, in partnership with WWF Kenya and Vodafone, which tested the effectiveness of an early warning and deterrent system designed to notify communities of the presence of specific wildlife species.

These efforts are part of our broader Planet Strategy, which focuses on four key pillars: climate action, circular economy, conservation and restoration of biodiversity and ecosystems, and environmental compliance. By managing our operations responsibly, decreasing our environmental impact, and promoting responsible behaviour among all our stakeholders, we are taking tangible steps to protect our planet for future generations.

## SECURING THE FUTURE OF KENYA'S ROAN ANTELOPES

In our commitment to preserving Kenya's unique biodiversity, we focused on securing the future of the last remaining roan antelopes. This initiative, centred at Ruma Park in Homabay County, saw significant progress over the past year.

- Current Status: We currently have 18 roan antelopes in Ruma Park, a critical population for the species' survival.
- Restoration Efforts: We initiated the restoration of parts of Kakamega Forest in collaboration with Rhino Ark, Kenya Wildlife Service (KWS) and Kenya Forest Service (KFS). This effort aims to enhance the habitat and support the broader ecological network necessary for the roan antelopes' survival.

Our continued efforts in Ruma Park and the restoration of Kakamega Forest are vital steps towards ensuring the longevity of these magnificent creatures and preserving Kenya's rich biodiversity.

# MEETING ENVIRONMENTAL STANDARDS

In our commitment to upholding rigorous environmental standards, we have made significant strides in advancing our environmental compliance and digital maturity. These efforts reflect our ongoing dedication to environmental stewardship and our proactive approach to integrating digital solutions for enhanced regulatory compliance and impact management.

Here's how we are driving progress:

### DIGITAL MATURITY ENHANCEMENT
We are working to elevate our digital maturity index from 3 to 4 by:

- Automating ESG and sustainability data collation and reporting
- Leveraging a central repository for comprehensive sustainability and environmental data
- Addressing carbon data inconsistencies
- Streamlining the Environmental Impact Assessment (EIA) process

### ENVIRONMENTAL AUDITING

- Conducted 712 initial environmental audits and 77 annual audits
- Obtained 40 EIA licenses, maintaining 100% compliance with Electromagnetic Frequency emission levels

### REGULATORY COMPLIANCE

Achieved 100% compliance with environmental regulations, including:
- 16 air quality licenses
- Adherence to regulations on plastics, air quality and noise levels

### DIGITISATION AND DATA MANAGEMENT

- Digitised EIA data and documentation for more efficient management and accessibility

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**REGULATORY
ENVIRONMENT**

# OUR **REGULATORY** ENVIRONMENT

The regulatory environment plays a pivotal role in Safaricom's ability to operate effectively, influencing both our strategy and decision-making. As a company embedded in Kenya's socio-economic landscape, we must continuously adapt to regulatory changes that shape our business model and our approach to delivering value.

In 2024, we intensified our efforts to engage with regulatory authorities, aligning our operations with Kenya's evolving regulatory landscape. Our focus remained on ensuring compliance with new directives while fostering positive, collaborative relationships with government bodies, all in support of the country's digital transformation. This proactive engagement is essential to maintaining compliance while contributing to Kenya's growth and innovation.

## ENSURING **CONTINUOUS TRANSPARENCY**

We remained committed to ensuring transparency in our regulatory engagements. This included adhering to regulatory requirements around **KYC verification**, led by the AML team. **We are on track to achieve 100% subscriber verification compliance, a critical regulatory goal.**

Furthermore, Safaricom worked closely with regulatory authorities on critical reviews, such as the Kenya Information and Communications Act regulations and amendments. We submitted comments on these amendments and await further direction from the Communications Authority (CA) of Kenya.

In 2024, we proudly achieved an impressive 90% score, surpassing the minimum threshold of 80%. This milestone underscores our unwavering commitment to delivering high-quality services across the country, while also ensuring we meet and exceed regulatory standards.

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## MAINTAINING **HIGH LEVELS OF COMPLIANCE**

We maintained our commitment to regulatory compliance in 2024, **with no fines, non-monetary sanctions or legal actions for non-compliance or anti-competitive behaviour.**

A major focus in 2024 was to maintain and surpass the standards set by CA in the **Quality of Service (QoS) framework**. This framework evaluates the overall performance of telecommunications services through various criteria, including call quality, data speed, and customer satisfaction. Safaricom achieved a commendable **90% QoS score**, well above the CA's minimum threshold of 80%. **We were the only Mobile Network Operator (MNO) that met and surpassed the target. This score was the result of a comprehensive assessment process, including:**

- End-to-end QoS testing through drive and walk tests
- Network performance evaluations using data generated from the network
- Customer experience surveys to gauge user satisfaction

While we exceeded the minimum performance requirements, the CA identified specific areas for improvement. Our QoS score fell below the minimum threshold in certain counties, such as Isiolo, Vihiga, Kisumu, West Pokot and Kajiado. These regions reported service quality shortfalls, based on customer feedback. We have responded by initiating targeted interventions to enhance service quality in these affected areas.

In addition to QoS, we demonstrated high compliance with license rollout targets, achieving **98.1% compliance**. This involved constructing over 550 of the targeted 561 sites over the license period. While unforeseen circumstances led to the destruction of 10 sites and safety concerns prevented the operation of 11 sites, we are actively addressing these issues to ensure full compliance.

We also achieved success in our negotiations around MTR. Despite pressure to reduce the MTR to KHs 0.06, we successfully negotiated a rate of KSh 0.41 from KSh 0.58 for a minimum period of two years, ensuring that while regulatory expectations were met, operational sustainability was maintained. This outcome highlights our dedication to engaging constructively with regulators on key issues affecting the industry.

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# SUPPORTING UNIVERSAL
## CONNECTIVITY

We remained actively engaged in the **Universal Service Fund (USF) Phase 2 Project**, which aims to provide mobile services in underserved areas across Kenya. As of March 2024, we activated **35 sites** under Phase 2 and **1 site** under Phase 3, improving access to telecommunications services for remote populations. Progress on the USF project is closely tied to the completion of infrastructure by other network facilities providers (NFP-Tier 2 operators). In addition to the ongoing work in Phase 2, we were awarded a separate contract in October 2023 for **USF Phase 2R and 3**, which includes supplying, installing and commissioning telecommunication infrastructure across **93 sub-locations**. Site surveys have already commenced, and we aim to activate mobile services swiftly upon completion of these sites.

## THE USF PROJECT IS WORKING TO ACHIEVE THE FOLLOWING:

Enhanced connectivity and bridging the digital divide

Positive socio-economic impact, business enablement and e-learning

Heightened community empowerment, facilitation of social, civic and government engagements, access to healthcare information

Strengthened government service delivery

Expanded future development potential, services and infrastructure going forward

Greater participation in the digital economy

## ADDRESSING **ENERGY** AND **SUSTAINABILITY CHALLENGES**

Another significant area of collaboration with the government revolved around energy regulation. In light of the Energy and Petroleum Regulatory Authority's (EPRA) decision to raise power tariffs, we engaged with the Ministry of Energy and other stakeholders to seek more sustainable energy solutions. These discussions are ongoing, with a focus on mitigating the impact of rising operational costs on decentralised ICT infrastructure.

Our commitment to promoting financial inclusion saw Safaricom engaging with regulatory bodies to expand access to mobile money services for refugees who are currently excluded from these services due to regulatory constraints. Our efforts in this area align with our broader goal of inclusion for all, as we continue to work towards regulatory solutions that facilitate access to essential services for marginalised communities.

## LOOKING AHEAD:
## OUR FY25 GOALS

**As we move into 2025, Safaricom will continue to focus on the following regulatory priorities:**

- Review and update the regulatory universe to work towards achieving 100% compliance
- Continue with the implementation of USF projects
- Continuous improvement of our network QoS
- Maintaining and retaining 100% of Safaricom's key operating licenses and retaining 100% regulatory compliance with various laws and regulations

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**5**

GOVERNANCE,
BUSINESS ETHICS
AND RISK

# GOVERNANCE, BUSINESS ETHICS AND RISK

## UPHOLDING GOVERNANCE RESPONSIBILITIES

We believe that strong corporate governance is key to generating long-term value and effectively managing risk. Our approach to governance goes beyond mere compliance with ethical and responsible business practices; we are committed to ensuring that our entire ecosystem operates with integrity.

## STRENGTHENING GOVERNANCE THROUGH AML/CFT/CPF PRACTICES

Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), and Combating Proliferation Financing (CPF)

are integral to our governance framework, ensuring compliance with both local regulations and international standards. These practices safeguard our operations from illicit financial activities, maintain ethical standards, and contribute to a stable economic environment that supports sustainable development.

Aligned with SDG 16, our AML/CFT/CPF program helps combat organised crime, reduce illicit financial flows, and enhance legal frameworks for asset recovery. In response to the increasing complexity of products and regulatory scrutiny, we continuously innovate to improve our internal control systems. By leveraging technology, we enhance the effectiveness of our AML/CFT/CPF processes, aligning with SDG 9.5 and ensuring operational efficiency.

## ENHANCING GOVERNANCE THROUGH DIGITAL TECHNOLOGIES

As part of our commitment to governance, business ethics, and risk management, we have integrated Artificial Intelligence (AI) and Robotic Process Automation (RPA) into our processes.

The integration of AI and RPA plays a central role in accelerating digital inclusion, allowing us to leverage advanced technologies that significantly improve the efficiency and accuracy of reviewing and monitoring customer transactions. This advancement has enhanced both transparency and compliance, ensuring that our governance processes are streamlined and more reliable. In doing so, we consistently uphold the highest standards of operational integrity and ethical conduct.

# RESPONSIBLE GOVERNANCE:
## AN OVERVIEW

We have made great strides in ensuring continued governance. By applying sound governance practices, including accountability, transparency, ethical management and fairness, the Board promotes strategic decision-making that balances short-, medium-, and long-term goals, benefiting both stakeholders and society.

**Did you know?**
- Directors are obligated to fully disclose to the Board any real or potential conflict of interest that come to their attention, whether direct or indirect.
- All business transactions with all parties, directors or their related parties are carried out at arm's length.

### The Safaricom Board

The Board is responsible for ensuring that sustainability is at the heart of our overall business strategy.

**Our principles**

- Strong governance
- Ethical culture
- Competitive performance
- Effective control
- Legitimacy
- Sustainable value
- Long-term equity performance

### Governance Framework

The cornerstones of our governance structure are the Governance Charter and our Board of Directors, which is accountable to all stakeholders.

**Monitor and adhere to governance procedures**

- Four meetings per year (minimum)
- Annual collective and individual performance assessments

### Board Composition in Numbers

- 12 Board members
- 10 Non-Executive Directors (NED)
- 1 Executive Director (CEO)
- 50% Female Board members
- 50% Male Board members

Safaricom adheres to all relevant laws, regulations and principles outlined in the Code of Corporate Governance for Issuers of Securities in Kenya (the Code) as well as the Kenyan Companies Act, 2015 (the Act). The Board takes full responsibility for corporate governance across the Group, ensuring that governance policies and mechanisms align with the company's structure, business and risks.

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## WHISTLE-BLOWING POLICY

Our whistle-blowing policy includes an ethics hotline managed by an independent, accredited institution, allowing anonymous reports of unethical or fraudulent behaviour without fear of retaliation. Whistle-blowing statistics are reported quarterly to the Ethics and Audit Committees, and staff and business partners are regularly encouraged to report any suspected misconduct. The policy provides a platform for employees, suppliers, dealers and agents to raise concerns, with clear procedures for addressing them. The Board ensures that ethical risks are managed within the risk management process. For more details, visit our website at www.safaricom.co.ke.

## BUILDING A POSITIVE RISK CULTURE

Risk management is a key component of our operational strategy, guided by a top-down approach with the Board taking full responsibility for overseeing risks. **Our Risk Management Framework, aligned with ISO 31000, enables us to identify, measure, manage and monitor strategic and operational risks across the business**. This framework ensures informed decision-making, driving consistent and accountable actions throughout the organisation.

Our Risk Appetite Statement reflects our commitment to managing risks while fostering innovation and sustainable growth. The Board's Risk and ESG Committee ensures that our ESG strategy, targets and performance are in line with global standards. Safaricom acknowledges that while some risks are unavoidable, managing these risks effectively is crucial to creating value and achieving our purpose, vision, and mission.

### ISO STANDARDS RECERTIFICATION

Safaricom remains committed to maintaining high standards of quality, security and operational efficiency. In line with this, we successfully underwent an ISO external audit by the British Standards Institute, achieving exceptional results across the eight ISO standards implemented within the organisation. These standards ensure improved quality, enhanced information security, efficient operations, and compliance with regulatory requirements. By continuously refining our processes, Safaricom strengthens customer trust, improves risk management, and delivers a superior customer experience.

## OUR RISK MANAGEMENT PROCESS

**ESTABLISHING THE CONTEXT**

Identify and define both external risk factors (stakeholders, socio-economic, geopolitical) and internal factors (stakeholders, governance, culture, capabilities) to ensure a comprehensive understanding of the risk environment

**RISK IDENTIFICATION**

Conduct bi-annual risk assessments with business units and stakeholders, alongside ad-hoc assessments to address changes in the environment

**MEASURE**

Assess risks against the risk appetite set by the Board

**MANAGE**

Implement controls to reduce risk likelihood, set scope and criteria, and test controls across the three lines of defence

**MONITOR AND REPORT**

The iterative process enhances oversight through ongoing reports to Exco and the Board

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## ETHICS TRAINING **FOR OUR TEAM**

Training played a key role in promoting our ethical culture. A total of 97% of our staff completed ethics training, supported by a blend of self-learning and MS Teams sessions. We also implemented ethics-related policy awareness and commitment via our online portal, allowing staff to engage with the material at their own pace.
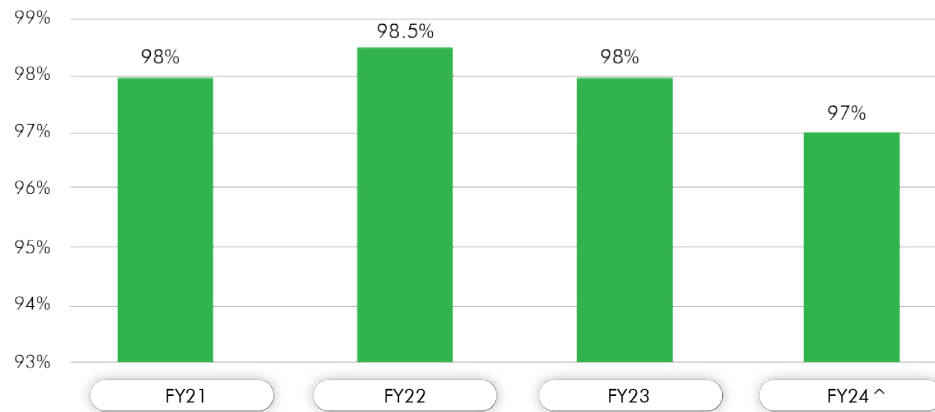


^ PWC assured FY24

## ETHICS TRAINING **FOR EXTERNAL PARTNERS**

We hosted two supplier forums and one Content Service Provider (CSP) forum, while maintaining ongoing engagement with our dealers and agents through regular bulletins and SMS broadcasts.
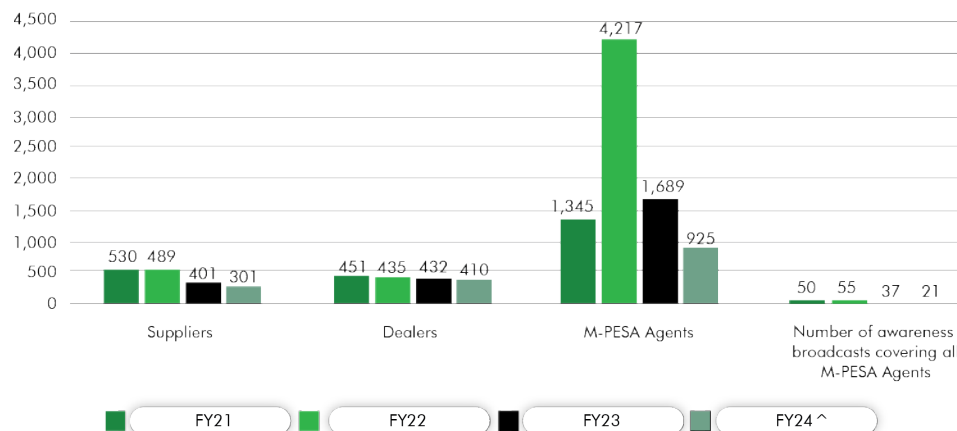


^ PWC assured FY24

## ANTI-CORRUPTION **CORRECTIVE MEASURES**

The increase in the number of dismissals and fraud cases is due to the inclusion of our franchise operations in the reporting framework for the first time.
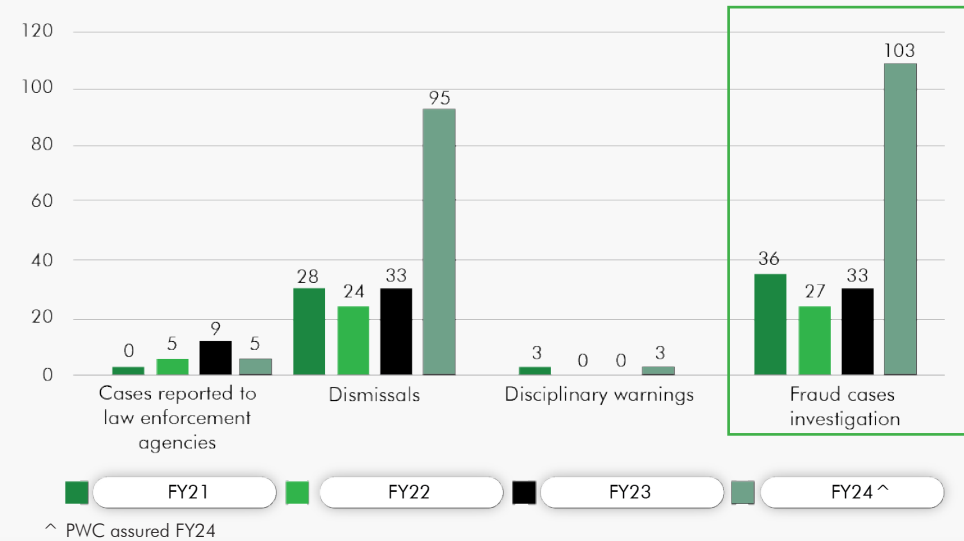


^ PWC assured FY24

## TYPES OF FRAUD CASES **INVESTIGATED**

We observed a significant increase in breaches of policy and unauthorised access due to a broader review scope, which now includes areas previously not captured, such as Lipa na M-PESA. Additionally, the figure reflects incidents involving both contracted and permanent staff, leading to higher overall number.
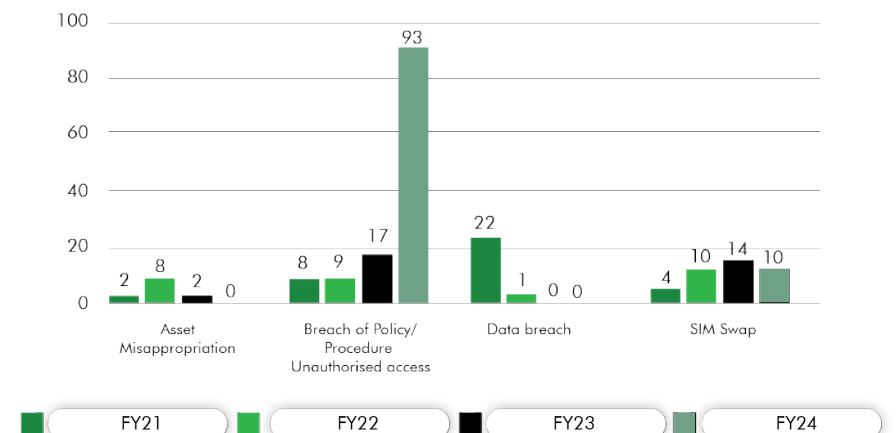
## UPHOLDING INTEGRITY:
### ETHICAL STANDARDS AND SUPPLIER COLLABORATION

Our commitment to ethical sourcing and supplier management is demonstrated through rigorous adherence to our Supplier Code of Conduct and continuous performance improvement efforts. This ensures that our suppliers uphold high standards in alignment with our values and regulatory requirements.

### SUPPLIER CODE OF CONDUCT COMPLIANCE

We require all suppliers to adhere to our Supplier Code of Conduct, which is in alignment with the Code of Ethics for Business in Kenya.

The percentage of suppliers who have signed up increased from 71% in 2022 to 81% in 2023, to 90% in 2024, **reflecting a 9% rise**.

This improvement is due to our proactive engagement with vendors, explaining the importance of compliance, and our heightened focus on this during induction sessions.

To achieve **our goal of 100% sign-up**, we will actively follow up with non-responsive suppliers and encourage them to engage with the local UN Global Compact Chapter to better understand the implications and significance of committing to the Code.

### REVIEW AND PERFORMANCE IMPROVEMENT

Aligned with our commitment to SDG 8 and SDG 10 we conducted desktop audits on selected suppliers to verify that their remuneration practices meet or exceed the minimum wage, and that appropriate personal protective equipment (PPE) is provided.

Notably, **86% of the audits revealed no major non-conformances**. When gaps are identified, we adopt a collaborative rather than punitive approach, offering support to suppliers whose performance falls below the 80% threshold.

We provide customised performance improvement plans (PIPs) and mentoring to help them achieve the required standards. Over the past year, 27 suppliers were placed on PIP, with **six successfully exiting the programme by year-end.**

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# SAFEGUARDING CUSTOMER PRIVACY AND DATA

Protecting customer privacy and data is a top priority. We implemented robust privacy and security measures across our operations to ensure that all new products and services adhere to the highest standards of protection. Comprehensive risk assessments were conducted on every new initiative, integrating privacy and security by design, delivering a worry-free experience for our customers.

Our Customer Data Protection Framework, guided by the Kenya Data Protection Act and ISO 27701 Privacy Information Management System, has been a cornerstone of our efforts. **An independent assessment of our privacy programme rated it 3.4 out of 5, and our goal for the next year is to raise this score to at least 4 out of 5.** Our privacy team, supported by over 70 trained data protection champions, has further driven continuous improvements in safeguarding personal information.

## Did you know?

Through radio, TV, digital platforms and on-ground activities, we aimed to equip our customers and the public with essential knowledge to protect themselves from fraud.

Our fraud awareness initiatives, such as the "Jiulize ni ukweli ama ni con" campaign (which was built upon the earlier "Jichanue and Take Control" campaign) support our efforts.

## KEY ACHIEVEMENTS INCLUDE:

**Training and Awareness:**

We trained 98.3% of employees on their data protection roles through e-learning and face-to-face sessions. Our multi-faceted training programme also extended to partners, suppliers and agents to ensure alignment on data privacy obligations.

**Supplier and Partner Compliance:**

Data protection responsibilities for our suppliers, agents and FSI partners (such as banks, saccos and integrators) were reinforced through contractual terms, bulletins and training sessions.

**Regulatory Engagement:**

We maintained consistent collaboration with the Office of the Data Protection Commissioner (ODPC), resolving four complaints during the year with no negative outcomes.

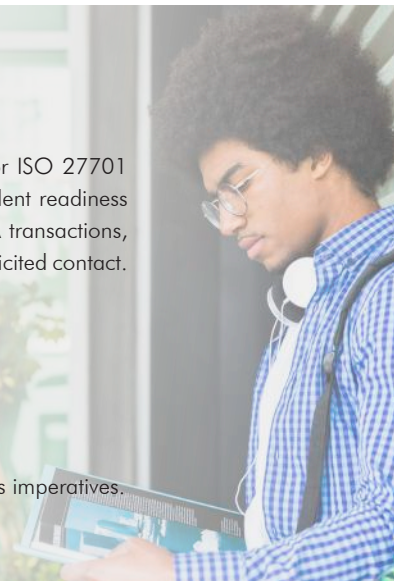## ONGOING CUSTOMER PRIVACY COURT CASES AND LEGAL CHALLENGES

Despite our proactive measures, there are six ongoing customer privacy court cases, two initiated by Safaricom relating to staff misconduct and data leaks, and four concerning issues such as photo collection during SIM registration and unauthorised use of video content.

## LOOKING AHEAD: OUR FY25 GOALS

We are committed to upholding the highest standards of privacy, data protection, and security. We are preparing for ISO 27701 certification for key functions such as customer support, billing, and M-PESA services, having completed an independent readiness assessment. In the coming year, we will continue to enhance our data minimisation initiatives, particularly in M-PESA transactions, aiming to reduce the sharing of full names and phone numbers in payment confirmations to protect customers from unsolicited contact.

**Our broader goals for 2025 include:**

- Guaranteeing the safety and security of our customer ecosystem, including M-PESA and personal data.
- Delivering a best-in-class Cyber Security Program.
- Protecting company staff and assets.
- Revamping risk assurance, governance, and compliance processes, with a focus on growth areas and key business imperatives.

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# OUR STAKEHOLDERS

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# OUR STAKEHOLDERS

Engaging with our stakeholders remains a key element within our sustainability journey. Their insights and concerns shape our strategies and drive our success in reaching our objectives. We are dedicated to maintaining open and transparent dialogue, ensuring that our stakeholders' perspectives, concerns and insights are incorporated into our strategies whilst remaining at the forefront of our decision-making.

## SAFARICOM'S STAKEHOLDERS ARE:

### EMPLOYEES



Our employees are crucial to our success. Their **engagement, determination and skills** drive our ability to fulfil our purpose of **transforming lives.**

### CUSTOMERS



Our customers are at the heart of everything we do at Safaricom. We invest in **tools and products** that offer them **variety** and **control**, ensuring they have access to relevant and innovative services.

### BUSINESS PARTNERS



Our business partners are vital to Safaricom's success, serving as a **key interface with our customers** and custodians of our brand and reputation. Our **suppliers, dealers** and **M-PESA agents**, are critical in helping us deliver the **best customer experience** and ensuring we achieve our strategic goals.

### COMMUNITIES



We are deeply committed to **transforming lives** through sustainable **development initiatives** that strengthen the **socio-economic context** in which we operate.

### GOVERNMENTS AND REGULATORS



Government and regulators provide essential **spectrum** and **operating licences**, enabling Safaricom to operate and create value. Strong relationships with these stakeholders ensure **compliance and support sustainable growth**.

### INVESTORS AND SHAREHOLDERS



Our investors and shareholders provide the **sustainable financial** capital needed for Safaricom's growth. Their insights and feedback help shape our **management and reporting practices**, ensuring we remain transparent, accountable and aligned with our long-term vision for sustainable success.

### MEDIA



The media plays a **critical role** in connecting Safaricom with external stakeholders, keeping them informed about **business developments, new products**, and the **impact of our operations**.

More information on key stakeholders is provided in the below section.

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# CHAMPIONING OUR TEAM:
## A FOCUS ON EMPLOYEES

It all starts with our purpose to transform lives. We aspire to be Africa's leading purpose-led technology company and for Safaricom to be the best place for our customers, colleagues, community and shareholders.

Our human capital plays a central role in the way we do business and in achieving the realisation of our strategic aim.
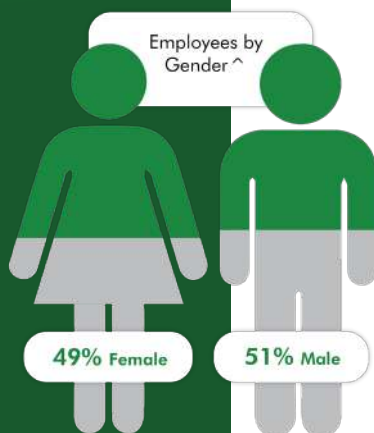
An inherent part remains our social and relationship capital in mediating our cultural imperative of customer obsession in the spirit of Safaricom. HR's role in enabling Safaricom's 2030 vision is to nurture a people-first, inclusive environment where everyone thrives. This is achieved by actualising the **future of work**, reimagining the **workforce**, and reinventing the **workspace**.

- **Future of Work:** Shift to skills-based operating models, streamline business layers for faster value delivery, and create adaptable structures that prioritise capabilities over traditional job roles.
- **Workspace:** Embrace hybrid working (physical, virtual, metaverse) and offer personalised employee experiences focused on safety, wellbeing and inclusion.
- **Workforce:** Leverage AI, promote diverse and skilled individuals, and focus on skills development and flexible career paths.
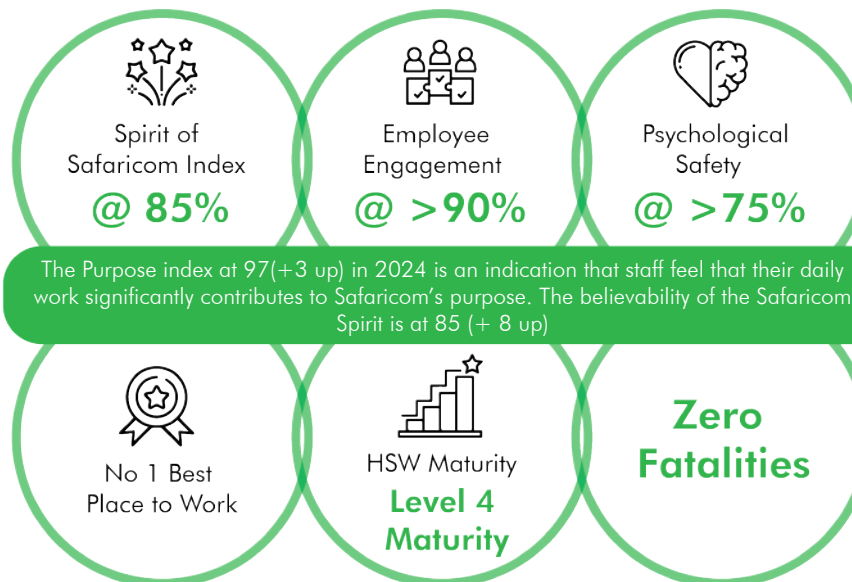
One of our core employment risks was getting PwD technology expertise and talent in line with current labour market demand trends. This resulted in a low transition rate of interns with disabilities into permanent employment.

**Did you know?**

We use various platforms to enable engagement with our employees, and individual teams are free to adopt what is feasible for them. These platforms include live broadcast, townhall sessions at divisional level, cluster level sessions, monthly divisional fun sessions with purpose defined as Fun @ work, and digital platform engagements.
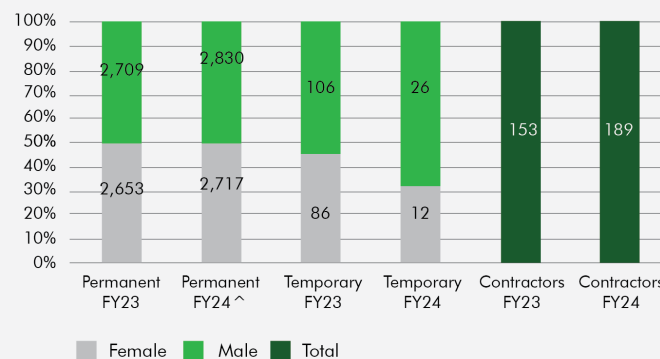
## EMPLOYEE EXPERIENCE **SUMMARY**

Spirit of Safaricom Index **@ 85%**

Employee Engagement **@ >90%**

Psychological Safety **@ >75%**

The Purpose index at 97(+3 up) in 2024 is an indication that staff feel that their daily work significantly contributes to Safaricom's purpose. The believability of the Safaricom Spirit is at 85 (+ 8 up)

No 1 Best Place to Work

HSW Maturity **Level 4 Maturity**

**Zero Fatalities**

## OUR PEOPLE IN NUMBERS

At Safaricom, our diverse and inclusive workforce is the cornerstone of our success. With a growing number of dedicated employees, we remain steadfast in our commitment to fostering an environment where everyone, regardless of background or ability, is valued and empowered. Our focus on diversity and inclusion not only reflects our core values but also drives innovation, enhances collaboration, and ensures that we continue to serve our customers innovatively and with excellence.

**EMPLOYEES BY GENDER AND TYPE**

| | Permanent FY23 | Permanent FY24 ^ | Temporary FY23 | Temporary FY24 | Contractors FY23 | Contractors FY24 |
|---|---|---|---|---|---|---|
| Male | 2,709 | 2,830 | 106 | 26 | | |
| Female | 2,653 | 2,717 | 86 | 12 | | |
| Total | | | | | 153 | 189 |

Female  Male  Total

^ PWC assured FY24

Employees by Gender ^

**49% Female**   **51% Male**

**EXECUTIVE LEADERSHIP ^ :**

66.7% Male
33.3% Female

**SENIOR MANAGEMENT ^ :**

57.6% Male
42.4% Female

^ PWC assured FY24

**DECREASE IN TEMPORARY FEMALE WORKERS**

We transitioned some temporary employees to permanent positions during the fiscal year, resulting in a decrease in the number of temporary employees.
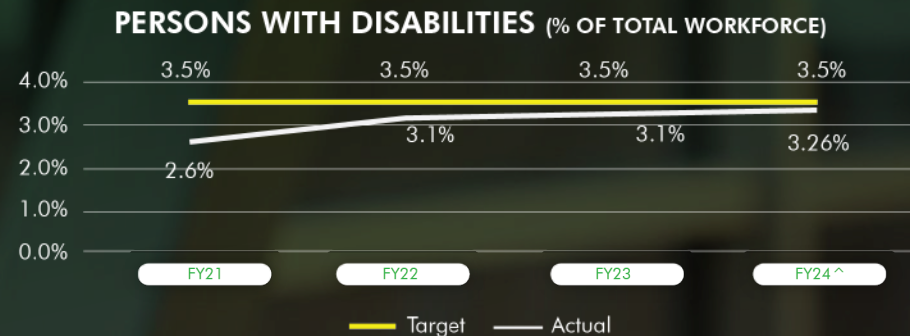
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# PERSONS WITH DISABILITIES
## (% OF TOTAL WORKFORCE)

Safaricom is committed to increasing the representation of PwDs in its workforce, **with a target of 3.5% by 2025**. As of 2024, 3.26%^ of the total workforce comprises individuals with disabilities, showing consistent progress from 2.6% in 2021.
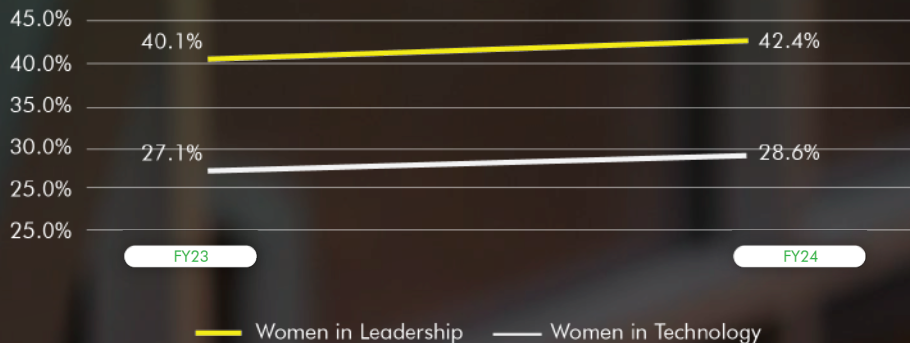
We remain focused on reaching our goal through inclusive hiring practices and support initiatives.

**PERSONS WITH DISABILITIES** (% OF TOTAL WORKFORCE)

| | FY21 | FY22 | FY23 | FY24^ |
|---|---|---|---|---|
| Target | 3.5% | 3.5% | 3.5% | 3.5% |
| Actual | 2.6% | 3.1% | 3.1% | 3.26% |

— Target  — Actual

^ PWC assured FY24

# FEMALE REPRESENTATION
# IN OUR OPERATIONS

We prioritise women in leadership, resulting in a 2.3% growth in the year under review and a 1.5% increase in women in technology in leadership roles, highlighting our commitment to gender diversity.

| | FY23 | FY24 |
|---|---|---|
| Women in Leadership | 40.1% | 42.4% |
| Women in Technology | 27.1% | 28.6% |

— Women in Leadership  — Women in Technology

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## OUR TEAM'S VOICES:
# INSIGHTS AND FEEDBACK FROM OUR ANNUAL SEMA SURVEY

### *Thrive. Wellbeing. Customer experience.*

*These are core competencies and elements at Safaricom we aim to drive and embed as part of our culture. To measure and evaluate progress, we have an annual SEMA staff survey.*

The annual SEMA 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. The annual survey intends to measure the progress of the actions taken following the previous annual survey to ensure we remain accountable while creating a baseline for any emerging issues.

### Did you know?

Customer obsession is a **fundamental aspect of our Spirit of Safaricom culture** and is integral in our approach to business. As one of our four core pillars, it drives us to meet customer needs in a digital, relevant and cost-effective manner. This commitment not only enhances our brand's reputation for delivering superior products and services but also supports our strategic focus on new growth areas.

**The survey measured themes related to employee experience, in addition to capturing views on:**



The Spirit of Safaricom · Customer Obsession · Digitalisation · Leadership · Progress on becoming Agile and fully digital
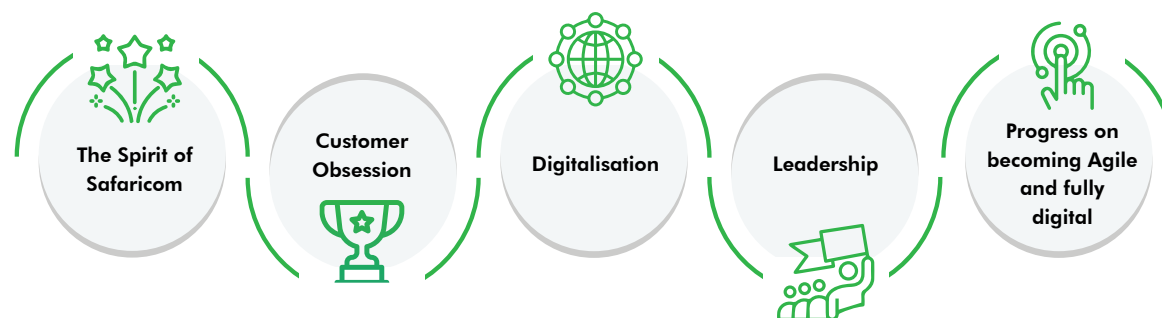
We conducted our annual SEMA survey in May 2024, with 5,518 employees participating and a 96% response rate, (2023: 93%). Overall, 15 out of 20 themes showed improvement over the Pulse survey with **all scores above 60%.** The results offer valuable insights into the progress we have made in mindset, behaviour and culture – imperative and necessary progress toward achieving our Mission 2030. The findings demonstrate that our brand is well positioned, with opportunities for increased focus in 2025.

| TOP AREAS OF STRENGTH | OPPORTUNITIES FOR IMPROVEMENT |
|---|---|
| **PURPOSE**: My daily work contributes significantly to Safaricom's purpose with highest score at 97% — ▲ FY23: 94% | **CUSTOMER FOCUS**: While we are continuously seeking information about customers at 91% ( there's an opportunity to improve the systems and processes that make things simple for them (currently at 73%). ▲ FY23: 84% |
| **OUR CULTURE BEHAVIOURS**: Staff feel they have the opportunity to innovate, **experiment** and learn fast at 86% — ▲ FY23: 75% | **THRIVE**: 77% experience positive emotions at work. This is down slightly, and we are committed to prioritising wellbeing, with a focus on mental and financial wellness. ▼ FY23: 85% |
| **LEADERSHIP**: Communicates a clear vision for the future at 86% and removes barriers to effectiveness at 71% — ▲ FY23: 80% / ▲ FY23: 60% | **EQUAL OPPORTUNITIES TO GROW AND ADVANCE**: Only 64% believe growth and advancement opportunities are equally accessible to everyone. Our commitment is to keep leveraging existing platforms and initiatives, such as #2+1MoreSkill, Digital Academy, mentorship, and coaching to support our staff in their growth and development. |
| **POSITIVE IMPACT OF AGILE**: 81% say that their teams have adopted Agile ways of working, and there are clear signs that it is paying off. 83% see that their colleagues regularly test new solutions to challenges and have a solution mindset (86%). ▲ FY23: 67% | **REWARD**: Satisfaction with Reward remained at 61%. We will continue to engage with employees and raise awareness of our total reward package, even as we explore innovative flexi-reward options going forward. ▶ FY23: 61% |

*Please note that the SEMA survey is conducted annually. The data provided is a snapshot of the 2024 results, compared to the 2023 results.*
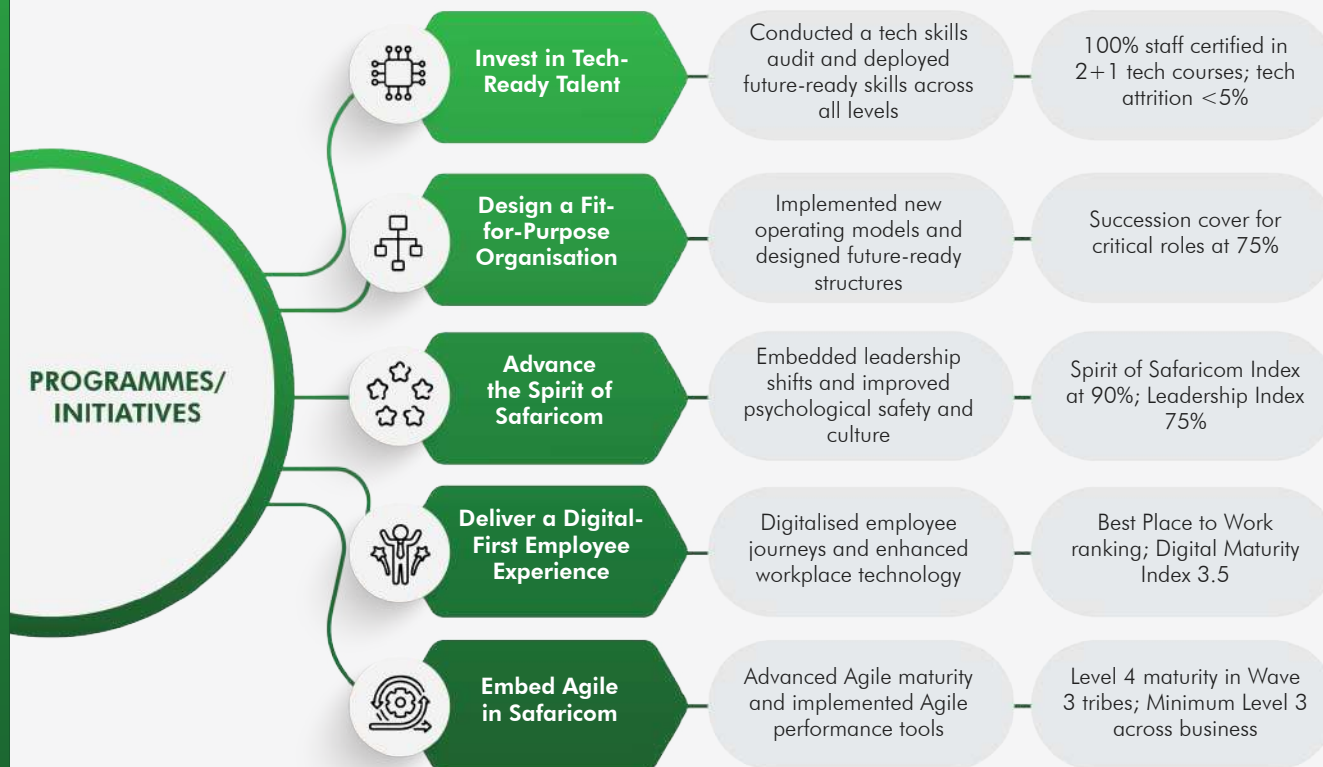
# UNLEASHING POTENTIAL:
## OUR TALENT STRATEGY

We focused on enhancing our talent strategy, organisational structure, and culture to ensure we remain competitive and future-ready. Our efforts included comprehensive audits, new operating models, and leadership initiatives, all designed to foster a high-performance, digitally-enabled workplace.

More information below on how we prioritised these efforts through programmes and initiatives.

**High-level summary of what we prioritised**

- **Tech Talent Development:** We undertook a tech skills audit, identified critical technology skills, and implemented frameworks for managing on-demand tech talent. Our goal was to certify 100% of staff in 2+1 tech courses and reduce tech talent attrition to below 5%.

- **Organisational Design:** We implemented new operating models and designed a fit-for-future organisational structure. This involved strategic manpower planning and monitoring effectiveness metrics.

- **Cultural Advancement:** We advanced the Spirit of Safaricom by embedding leadership shifts, fostering psychological safety, and strengthening performance management through 360° feedback.

- **Digital Employee Experience:** We aimed to simplify and digitalise employee journeys, roll out a competitive reward framework, and enhance our workplace with technology.

- **Agile Implementation:** We assessed and advanced our Agile maturity, implemented Agile training, and linked performance to mission through a new Agile performance tool.

## PROGRAMMES/ INITIATIVES

| Initiative | Detail | Outcome |
|---|---|---|
| **Invest in Tech-Ready Talent** | Conducted a tech skills audit and deployed future-ready skills across all levels | 100% staff certified in 2+1 tech courses; tech attrition <5% |
| **Design a Fit-for-Purpose Organisation** | Implemented new operating models and designed future-ready structures | Succession cover for critical roles at 75% |
| **Advance the Spirit of Safaricom** | Embedded leadership shifts and improved psychological safety and culture | Spirit of Safaricom Index at 90%; Leadership Index 75% |
| **Deliver a Digital-First Employee Experience** | Digitalised employee journeys and enhanced workplace technology | Best Place to Work ranking; Digital Maturity Index 3.5 |
| **Embed Agile in Safaricom** | Advanced Agile maturity and implemented Agile performance tools | Level 4 maturity in Wave 3 tribes; Minimum Level 3 across business |

This streamlined approach highlights our commitment to developing a future-ready, agile and supportive work environment that aligns with our long-term goals.

## BUILDING SKILLS FOR SUCCESS:
### OUR APPROACH TO TRAINING AND EDUCATION

Our talent strategy focuses on fostering diverse talent and future-ready skills to align with our ambition of embedding the Spirit of Safaricom. Key achievements during the year include:

**Diversity:**

**42.4%** of leadership roles are now held by females, and **3.2%** of our workforce comprises PwDs

**Succession Planning:**

**75%** of leadership roles have succession cover

**Critical Talent Retention:**

Less than **5%** turnover for critical talent in Fintech, Cybersecurity and Big Data positions

**Employee Value Proposition (EVP):**

To make Safaricom the **#1 Best Place to Work**

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# COMPREHENSIVE TRAINING AND COMPLIANCE

To support our goals, we implemented a multi-year capability strategy centred on multiskilling and reskilling, particularly through the **1 More Skill campaign,** which focused on 14 key digital skill areas. Our learning philosophy is rooted in the 70-20-10 approach, where 70% of learning happens on the job, 20% through social learning like coaching and mentoring, and 10% through formal, instructor-led training. This approach has led to considerable cost savings, **with our total training investment for 2024 amounting to KSh 112m.**

**Commitment: Establish a Performance Framework with Spirit of Safaricom as a key mission objective for all employees**

We continued to prioritise the training and upskilling of all staff through the Safaricom Business School (SBS), focusing on both functional and leadership skills.

## FUNCTIONAL COURSES

Functional courses are aligned with employees' roles and work functions

## LEADERSHIP TRAINING

Leadership training equips leaders with the necessary skills, mindset and tools to drive transformation strategies across all levels

Our multi-faceted training programme covers our Board, staff members, dealers, agents, suppliers and FSI partners such as banks, saccos and integrators, as well as content service providers and tailored training for specialised groups. **In 2024 we trained and tested 98.3% of our employees** via e-learning, supplemented by face-to-face tailored training across the business, on their data protection roles and responsibilities.

Our suppliers' roles and responsibilities are clearly laid out in their contracts and supplier code of conduct with reminders shared through supplier bulletins and the supplier annual forum. Similarly, for our dealers and agents, our FSI partners such as banks, saccos and integrators, and content service providers, annual training is conducted via online forums, partner bulletins, SMS reminders and contractual terms to further safeguard individuals' personal information.

## Safaricom Business School

### 2024
75% of our employees completed at least one future skills course in Safaricom Business School and instructor-led training in:
- Agile
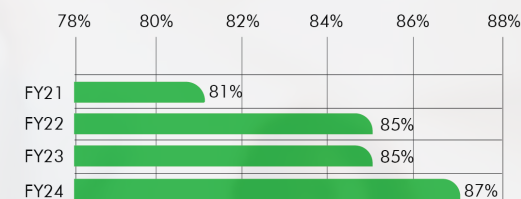- Cybersecurity
- Data science
- Analytics

### 2023
90% of our employees completed at least one future skills course in Safaricom Business School and instructor-led training in:
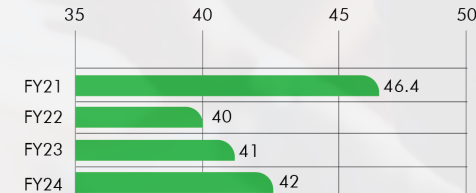- Agile
- Cybersecurity
- Data science
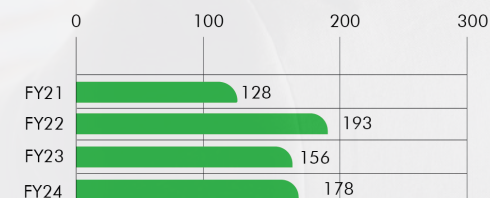- Analytics

## AVERAGE TRAINING INDEX*
*Percentage of staff that attended training during the year

| | Value |
|---|---|
| FY21 | 81% |
| FY22 | 85% |
| FY23 | 85% |
| FY24 | 87% |

## AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE

| | Value |
|---|---|
| FY21 | 46.4 |
| FY22 | 40 |
| FY23 | 41 |
| FY24 | 42 |

## INVESTMENT IN STAFF TRAINING
(KSh million)

| | Value |
|---|---|
| FY21 | 128 |
| FY22 | 193 |
| FY23 | 156 |
| FY24 | 178 |

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## AI INTEGRATION

We implemented an AI-driven Learning Experience Platform (LXP) to personalise content curation and learning recommendations. This resulted in a **30% increase in course completion rates** and a **25% improvement in employee skills development**. While the platform proved effective, we continue to balance AI recommendations with human-led learning strategies to optimise outcomes.

AI-powered candidate selection, integrated into our Applicant Tracking System, resulted in a 30% reduction in time-to-hire and a 20% improvement in quality-of-hire metrics. However, challenges included ensuring algorithmic fairness and addressing potential biases in AI-driven decision-making.

A generative AI chatbot was introduced in the Employee Super App for real-time engagement and query resolution. While it is still in the testing phase with a small group of employees, results are not yet available. The primary challenge is ensuring the accuracy of AI responses.

## EMPOWERING OUR LEADERS:
### SUPPORTING ONGOING DEVELOPMENT

To promote the delivery of our mission, we continued to upskill and reskill our leaders through the Transformational Leadership Programme. This programme is aimed at creating a common language of mission and spirit performance across the organisation through:

1. **Purpose:** Ensuring clarity on our priorities and actions to grow faster.
2. **Customer Obsession:** Being bold in attacking complexity, making it simple for our customers to choose us.
3. **Innovation:** Driving results, finding new ways to deliver an impact.
4. **Collaboration:** Developing talent and holding others to account.

### Our PAA DADA Initiative

We introduced a book club to encourage leaders to build and sustain a reading culture, and two books were completed.
We piloted '7 Lean in Circles' with Chiefs and Directors being Circle Leads/Sponsors.
These initiatives are gaining traction.

**PHASE 1**
**818 leaders participate**

**PHASE 2**
**Still in progress 377 participants still engaged**

We hosted quarterly mentorship sessions through the leadership forum, with the last three focusing on leading change and mental wellness. As Safaricom transitions into a technology company, leading change is crucial. To support our leaders' wellbeing, we facilitated mental wellness sessions, raising awareness of the support available through our EAP.

Additionally, we enhanced coaching and mentorship across the organisation, leading to a significant improvement in manager effectiveness, now at 88%. Employees reported receiving regular coaching and mentoring from their managers, contributing to better performance and overall success. To ensure continuous feedback and alignment with organisational goals, all employees undergo half-year and full-year performance reviews. This overarching approach to performance management and development has been instrumental in driving both employee growth and improved results.

## STAFF TURNOVER **AND EMPLOYEE VALUE PROPOSITION**

In 2024, Safaricom's staff turnover rate was **5.6%**, a decrease from **6.9%** in 2023, reflecting efforts to address employee retention challenges. Safaricom mitigated the risk of increasing turnover by revamping its **EVP**, ensuring it aligns with the needs and aspirations of its workforce.

**Safaricom's EVP is centred around four key strengths:**

1. **Purpose:** Employees are motivated by Safaricom's mission to create meaningful social impact and transform lives through innovation.
2. **Opportunities to Innovate:** The company fosters a culture of creativity and innovation, empowering employees to develop new solutions and ideas.
3. **Leadership Vision:** Safaricom's leadership clearly communicates a vision for the future, providing direction and confidence in the company's long-term strategy.
4. **Agile Working:** Flexibility and agility in the workplace enable employees to adapt to dynamic environments, promoting a healthy work-life balance.

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Our EVP aims to make Safaricom the #1 Best Place to Be, ensuring we remain a leader in attracting and retaining top talent. In FY22 we launched the Safaricom Alumni & Referral Programme to establish a community of past and present employees who can help drive our recruitment efforts. Staff are incentivised to identify potential employees.

We launched various initiatives to promote worker health. We have done this through an HR Services awareness programme #Caravan Series. #Caravan Series is designed for engagement and interaction between all Safaricom staff and HR. This programme has enabled the HR team to address staff queries and demystify the role of the HR Division in supporting the business in achieving its mission.

**Read more about our #Caravan Series on pages 75 of our 2024 Annual Report.**

This holistic approach has contributed to maintaining employee engagement and reducing turnover, even in a competitive talent market.

### STAFF TURNOVER

| | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| | 3.3% | 5.1% | 6.9% | 5.6% |
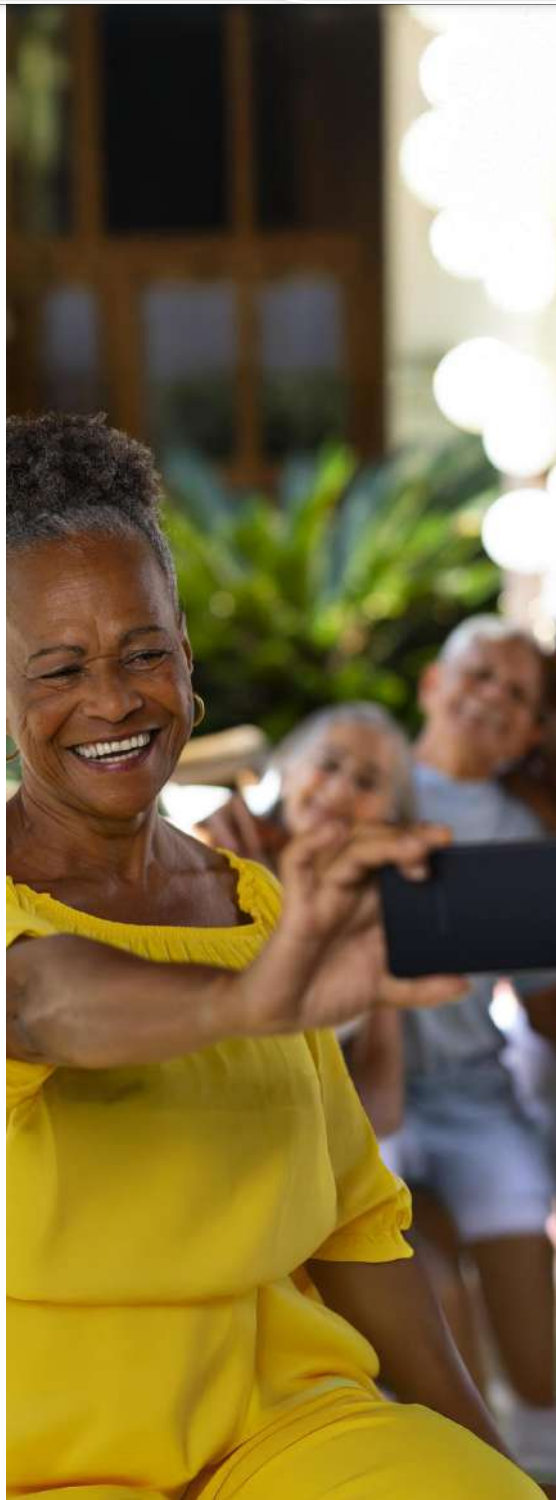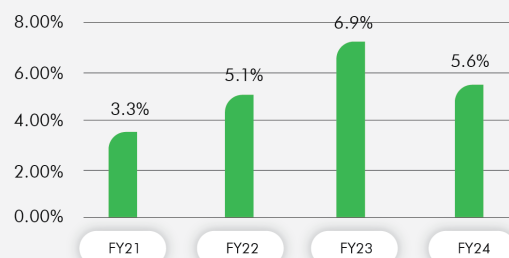
## CAREER TRANSITION SUPPORT

We provide comprehensive support for our employees' career transitions, whether retirement or termination. Our approach includes:

### RETIREMENT BENEFIT OBLIGATIONS

We offer a defined contribution plan for our employees, including contributions to the National Social Security Fund. This plan ensures that employees are supported in their retirement without any further financial obligations to the Group.

### TERMINATION BENEFITS

We offer termination benefits when employment ends before the standard retirement date or when voluntary redundancy is accepted. These benefits are recognised promptly and measured accurately, ensuring fair and timely support for the affected employees.

By maintaining these programmes, we ensure our employees have the necessary resources to manage their career transitions effectively, safeguarding their continued employability and financial stability.

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## LOOKING AHEAD:

As part of our forward-looking employee strategy, we are committed to investing in tech-ready talent, designing a fit-for-purpose organisation, advancing the Spirit of Safaricom, and delivering a digital-first employee experience. These efforts aim to strengthen our workforce and ensure we are well-equipped for the future.

### 1. Invest in Tech-Ready Talent

- 100% of employees certified in "2+1" tech courses.

- Tech talent attrition reduced to less than 5%, down from 5.6%.

- Succession cover for critical roles at 75%.

### 2. Design a Fit-for-Purpose Organisation

- Implement new operating models across key departments, including Commercial Operations, Care Centres, and Business Development.

- Develop a future-fit, agile group structure with shared services.

- Measure and monitor organisational effectiveness and governance using best-in-class metrics.

- Roll out strategic manpower planning linked to quarterly business reviews (QBR).

### 3. Advance the Spirit of Safaricom

- Achieve a Spirit of Safaricom Index of 90%.

- Improve the Employee Engagement Index from 83% to 85%.

- Increase the Leadership Index from 66% to 75%.

### 4. Deliver a Digital-First Employee Experience

- Simplify, automate, and digitalise key employee journeys (e.g., onboarding, internal transfers, and exits) using AI.

- Roll out a competitive and simplified Total Reward Framework that is fit for purpose.

# COMMITMENT TO
# HEALTH AND SAFETY

## PROMOTING SAFETY AND WELLBEING

Our unwavering commitment to a zero-harm culture highlights our dedication to the safety and wellbeing of our employees and stakeholders. Although 2024 presented challenges with an increase in reportable incidents and Lost Time Injuries (LTIs), we remain resolute in our efforts to address these issues and continuously enhance our safety practices.
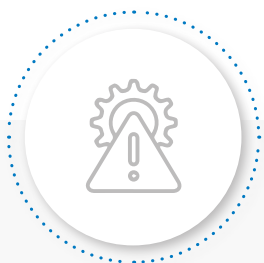
### Safety Performance

In 2024, we experienced a 2.6% decrease in reportable incidents and an increase from 1 to 3 in LTIs compared to the previous year.

Despite these setbacks, **we are committed to strengthening our safety measures** to prevent future incidents and improve overall performance.
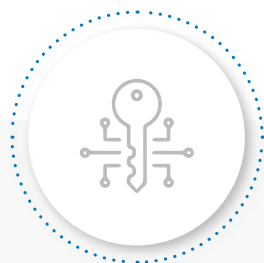
### Key Safety Initiatives

- **Safety Communications:** Our efforts to reinforce safety culture include daily road safety updates in staff bulletins, monthly safety webinars and prominent safety noticeboards. The 'kaa chonjo' ("stay alert") campaign has effectively fostered a safety-conscious mindset throughout the organisation.
- **Incident Reporting and Prevention:** We encourage the reporting of near misses, unsafe acts and hazardous conditions, allowing us to conduct thorough root-cause analyses and implement effective preventative measures. Regular incident reviews and sharing of lessons learned have been pivotal in enhancing our safety practices.
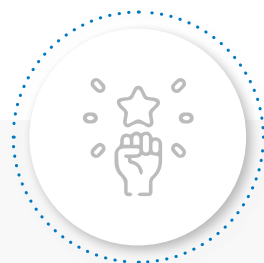
### Employee Wellbeing and Motivation

Complemented by statutory occupational health and safety assessments we have:

- **Wellbeing Programmes:** We have revitalised health and safety committees and organised wellness initiatives, including marathons, Wellness Month, Cancer Awareness Month, and fitness challenges like Zumba and the 'Still in It' fitness challenge, with 1,480 staff members participating.
- **Psychological Support:** To enhance psychological wellbeing, we introduced a toll-free counselling line and expanded our team of clinical psychologists from two to six, ensuring comprehensive support for our employees.
- **Recognition:** The introduction of the Health, Safety and Wellbeing (HSW) category in the CEO Awards acknowledges outstanding contributions to safety and wellbeing within the company.

**Our commitment to fostering a safe and healthy work environment focuses on three key areas:**
- Mental Health
- Financial Wellness
- Psychological Safety

These focus areas are integral to our mission of creating a well-rounded, healthy and safe workplace for all

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# MONITORING
# HEALTH AND SAFETY PERFORMANCE

To effectively track our progress in maintaining a safe work environment, we continuously monitor and evaluate our health and safety performance. With the increase in reportable incidents, we have intensified our efforts to enforce strict adherence to our top five risk controls. This includes ensuring 100% compliance with our permit-to-work system and the Journey Management Plan (JMP), implemented through the Uzima App. Despite these measures, there is still a need for a stronger commitment to safety at all levels to embed it as a core aspect of our operations.

The regression in performance highlights the need for better ownership and integration of safety practices throughout our operations. By focusing on these areas, we aim to enhance our safety outcomes.
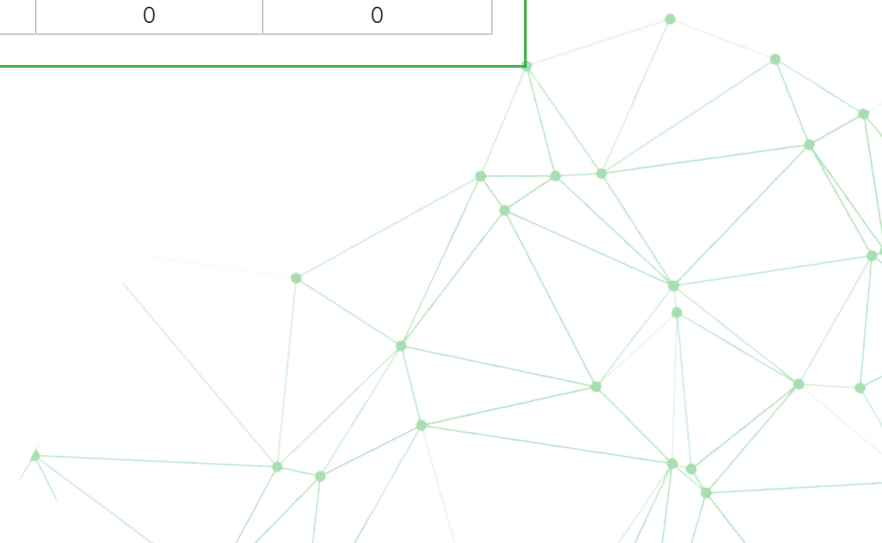
**The following table outlines Occupational Health and Safety (OHS) related incidents for a comprehensive overview of our performance over the years.**

| Total OHS-related incidents | FY21 | FY22 | FY23 | FY24 ^ |
|---|---|---|---|---|
| Fatalities | 3 | 2 | 0 | 0 |
| Lost Time Injuries | 9 | 2 | 1 | 3 |
| Incidents | 136 | 147 | 118 | 115 |
| Medical Treatment Cases | 19 | 116 | 58 | 22 |
| Man-hours | 11.5 million | 11.5 million | 11.5 million | 11.2 million |
| FIFR | 0 | 0 | 0 | 0 |
| LTIFR | 0 | 0 | 0 | 0.18 |

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

| FY 24 OHS-related incidents breakdown | Employees | Contractors | Third Parties |
|---|---|---|---|
| Fatalities | 0 | 0 | 0 |
| Lost Time Injuries | 0 | 3 | 0 |
| Incidents | 82 | 27 | 6 |
| Medical Treatment Cases | 8 | 9 | 5 |
| Man-hours | 11.2 million | N/A | N/A |
| FIFR | 0 | 0 | 0 |
| LTIFR | 0.18 | 0 | 0 |

^ PWC assured FY24

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BUILDING A SAFER WORKPLACE:
# OUR HEALTH AND SAFETY MANAGEMENT SYSTEM

In our ongoing commitment to creating a safer workplace, we have developed and implemented advanced systems to enhance our health and safety management. Central to these efforts is the Uzima App, a state-of-the-art digital solution designed to streamline safety processes and ensure the wellbeing of all individuals associated with Safaricom. This innovative tool plays a crucial role in hazard reporting, permit management and journey oversight, reinforcing our commitment that every individual returns home safely every day.

## UZIMA

**UZIMA APP**

The Uzima App is our cutting-edge digital solution for health, safety and wellbeing, designed to streamline hazard spotting and reporting, manage health and safety permits, and oversee journey management, among other functions. At its core, the Uzima system ensures that everyone working for or on behalf of Safaricom returns home safely to their loved ones at the end of each day. This steadfast commitment to the safety and wellbeing of our entire ecosystem is the driving force behind the Uzima system.

The development of Uzima was a collaborative effort between our Health and Safety team within Resources and the OSS Team in Technology & Cybersecurity. Their combined expertise and dedication to agility have brought this vital initiative to life, earning it the 2023 Safaricom CEO Award for Innovation and Collaboration. As of March 2024, the Uzima App boasts 1,600 users and has facilitated 1,100 safety observations.

**Additional information on Uzima**

Over the past year, we earned recognition for our commitment to safety, health and wellbeing, receiving three external awards, including a prestigious honour from President William Ruto for our contributions to emergency response and training of first responders. We were also recognised as the top organisation in the Service Sector for safety by the Ministry of Labour, and our emergency responders were acknowledged by the Kenya Red Cross Society.

Internally, we received two CEO awards –for the development and launch of the Uzima App, and for our safety lead in commercial and regional operations, who played a crucial role in setting up the device assembly factory (EADAK).

We successfully passed the ISO 45001 surveillance audit conducted by BSI (UAE), confirming our OHS management system meets international standards. Additionally, we achieved our Safety Health and Wellbeing (SHW) country plan objectives, maintained strong safety leadership, and implemented effective risk management strategies, resulting in a reduction in the severity and occurrence of incidents across our operations.

Our SHW processes were further enhanced with the Uzima App, which streamlines reporting and ensures safe work practices. We refreshed our employee wellbeing offerings, reaching over 20,000 participants through various initiatives, including financial wellbeing sessions and mental health forums. These efforts have strengthened our safety culture and supported our workforce's overall health and wellbeing.

# ENABLING SAFARICOM TO REACH ITS VISION FOR SAFETY AND WELLBEING

We prioritise creating a safe work environment to allow our employees to focus on their roles without safety concerns, thereby enhancing productivity and innovation. We enhance health and wellbeing through comprehensive programmes, recognising that engaged and motivated employees contribute significantly to our success. Furthermore, we cultivate a positive safety and wellbeing culture, ensuring that employees feel valued and are committed to our organisational goals.

| Health and Safety and Wellbeing Issues | Actions Taken |
|---|---|
| **Mental Health:** Some employees experienced stress from work and personal demands, which led to mental health issues such as anxiety and depression. | • **Mental Health Forum:** We established a forum for open discussions.<br>• **Awareness Webinars:** We conducted regular webinars to raise awareness and provide stress management tips.<br>• **Peer Counsellors:** We trained peer counsellors to offer immediate support.<br>• **Employee Assistance Programme (EAP):** We provided confidential counselling services to employees. |
| **Financial Wellness:** Concerns arose regarding managing finances, paying bills, saving for the future, and handling unexpected expenses. | • **Financial Wellness Webinars:** We offered webinars to educate employees on financial management and improve their financial stability. |
| **Psychological Safety:** Ensuring contractors felt safe and supported. | • **Partner Ecosystem Training:** We provided comprehensive safety classes to empower contractors to report concerns without fear. |
| **Cost of safety:** The financial burden of safety measures on suppliers was recognised i.e. investing in safety equipment, training, and compliance with regulations is expensive and challenging for suppliers. | • **Zero Rating of Uzima:** We zero-rated the Uzima app to provide free access to its safety features, helping contractors manage compliance costs and support a strong safety culture. |

**Using AI**

In 2024/25, we are exploring the use of AI (Computer Vision) in Hazard Spotting and Reporting. This will enable proactive and automatic reporting of hazards as soon as they occur and enable potential hazards to be mitigated before they cause harm.
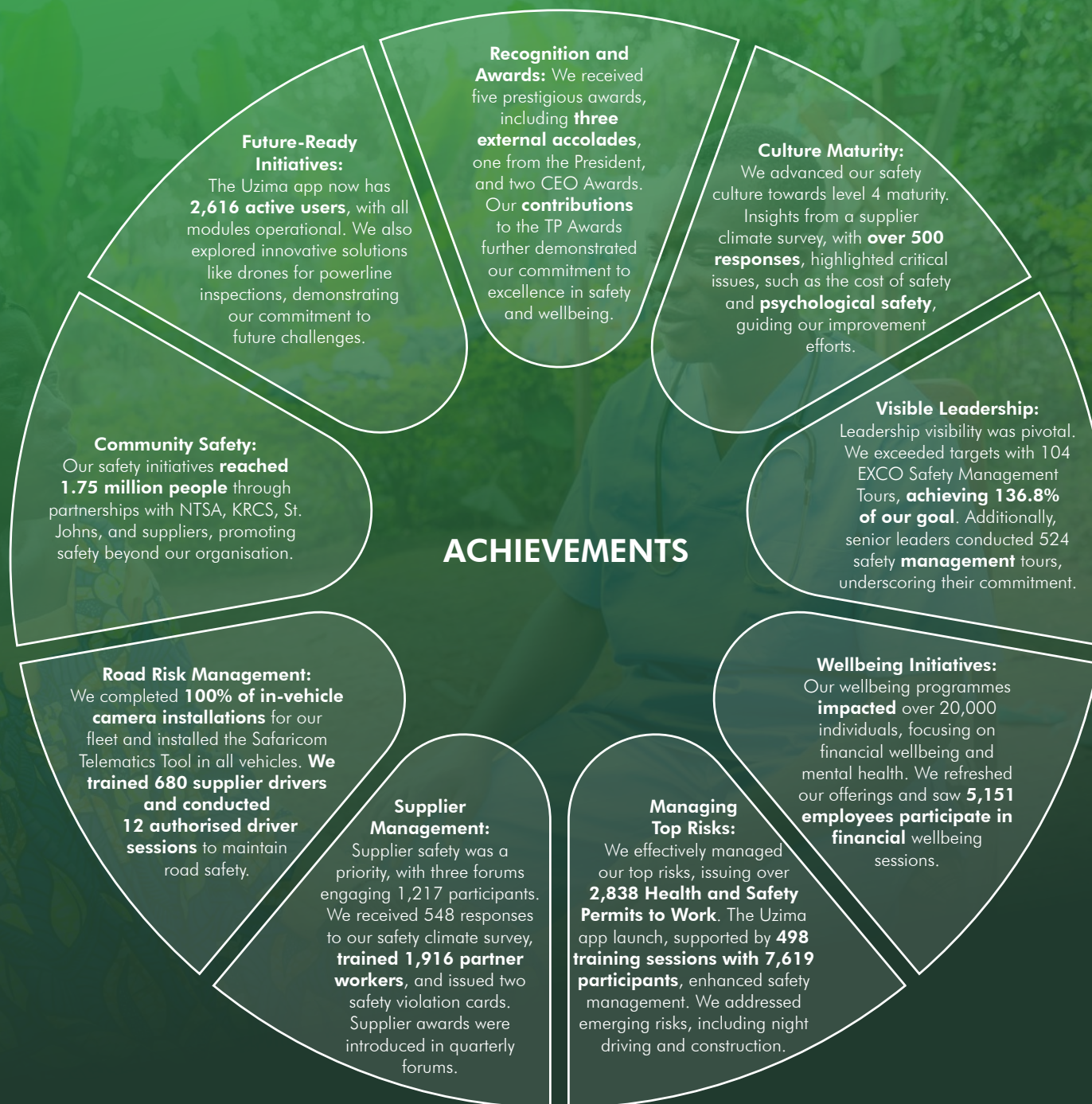
# PRIORITIES AND ACHIEVEMENTS IN ENHANCING **SAFETY AND WELLBEING**

As we move into the next financial year, our focus remains on advancing safety through strategic priorities and celebrating our achievements in 2024.

Priorities to enhance safety and wellbeing across the organisation:

1. Embedding a zero-harm culture
2. Managing road risks
3. Addressing employee health and wellbeing
4. Controlling top dynamic risks
5. Improving supplier management
6. Promoting community safety

## ACHIEVEMENTS

**Recognition and Awards:** We received five prestigious awards, including **three external accolades**, one from the President, and two CEO Awards. Our **contributions** to the TP Awards further demonstrated our commitment to excellence in safety and wellbeing.

**Future-Ready Initiatives:** The Uzima app now has **2,616 active users**, with all modules operational. We also explored innovative solutions like drones for powerline inspections, demonstrating our commitment to future challenges.

**Culture Maturity:** We advanced our safety culture towards level 4 maturity. Insights from a supplier climate survey, with **over 500 responses**, highlighted critical issues, such as the cost of safety and **psychological safety**, guiding our improvement efforts.

**Visible Leadership:** Leadership visibility was pivotal. We exceeded targets with 104 EXCO Safety Management Tours, **achieving 136.8% of our goal**. Additionally, senior leaders conducted 524 safety **management** tours, underscoring their commitment.

**Community Safety:** Our safety initiatives **reached 1.75 million people** through partnerships with NTSA, KRCS, St. Johns, and suppliers, promoting safety beyond our organisation.

**Road Risk Management:** We completed **100% of in-vehicle camera installations** for our fleet and installed the Safaricom Telematics Tool in all vehicles. **We trained 680 supplier drivers and conducted 12 authorised driver sessions** to maintain road safety.

**Supplier Management:** Supplier safety was a priority, with three forums engaging 1,217 participants. We received 548 responses to our safety climate survey, **trained 1,916 partner workers**, and issued two safety violation cards. Supplier awards were introduced in quarterly forums.

**Managing Top Risks:** We effectively managed our top risks, issuing over **2,838 Health and Safety Permits to Work**. The Uzima app launch, supported by **498 training sessions with 7,619 participants**, enhanced safety management. We addressed emerging risks, including night driving and construction.

**Wellbeing Initiatives:** Our wellbeing programmes **impacted** over 20,000 individuals, focusing on financial wellbeing and mental health. We refreshed our offerings and saw **5,151 employees participate in financial** wellbeing sessions.

LOOKING AHEAD:
# FY25 HEALTH AND SAFETY GOALS

As we transition from the financial year FY24 to FY25, our commitment to health and safety remains steadfast. In the coming year, we will build on our progress by further integrating robust governance practices, enhancing business ethics, and managing risks effectively. Our dedication to fostering a safe and healthy working environment not only supports our organisational success but also contributes to broader societal goals of safety, ethical conduct and collaborative progress.

## TRANSITION FROM FY24 TO FY25

| FY24 | FY25 |
|---|---|
| **100% HOME SAFE** | **NO ONE GETS HURT!** |
| Reinvigorate visible safety leadership and culture | Drive a strong work authority culture leveraging visible safety leadership |
| Building back better on the top 5 risks: Managing dynamic and operational risks | Implement effective monitoring of high-risk work execution and driving to achieve zero-harm |
| Supplier engagement: Creating safe spaces for transparency, engagement and collaboration | Step up near-miss reporting through recognition and oversight |
| Community safety: Informing, educating and empowering | Foster a safe environment for the communities around us |
| Enhancing the wellbeing value offering and reach (financial wellbeing and mental health focus) | Advance health and wellbeing value offerings and reach focusing on mental health and financial wellbeing |

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CUSTOMERS CENTRIC:
# GROWTH AND INNOVATION

## CONSUMER CUSTOMERS

We sharpened our focus on **delivering simple, differentiated solutions** that meet our consumer customers' specific needs through our **Agile methodology**. This approach has accelerated our product rollouts, enabling us to consistently deliver enhanced value across all customer segments, **contributing 52.8% to our service revenue.**

Key to our mission was implementing the **machine learning-driven UNICA platform**, which has revolutionised customer engagement by delivering personalised offers in real time. By analysing customer behaviour, we provide targeted solutions that ensure faster, more efficient interactions, enhancing customer satisfaction and deepening relationships through integrated services that offer real value – a mission we continue to drive and implement.

**Digitising the customer operations**

Our commitment to digitising customer operations has been instrumental in positioning our Consumer Business Unit as a leading partner in **delivering holistic value offerings and seamless customer experiences**. We have made significant strides in this area, as evidenced by the growth in smartphones connected to the network, which increased from 20.3 million in 2023 to 22.93 million in 2024. Additionally, the number of 4G-enabled smartphones grew to 17.31 million, compared to 13.22 million the previous year.

### SMARTPHONES ACHIEVEMENT (MILLION)



Smartphones connected to the network: FY21 16.7, FY22 18.5, FY23 20.3, FY24 22.93

4G enabled smartphones: FY21 8.5, FY22 11.1, FY23 13.22, FY24 17.31

Legend: FY21, FY22, FY23, FY24 ^
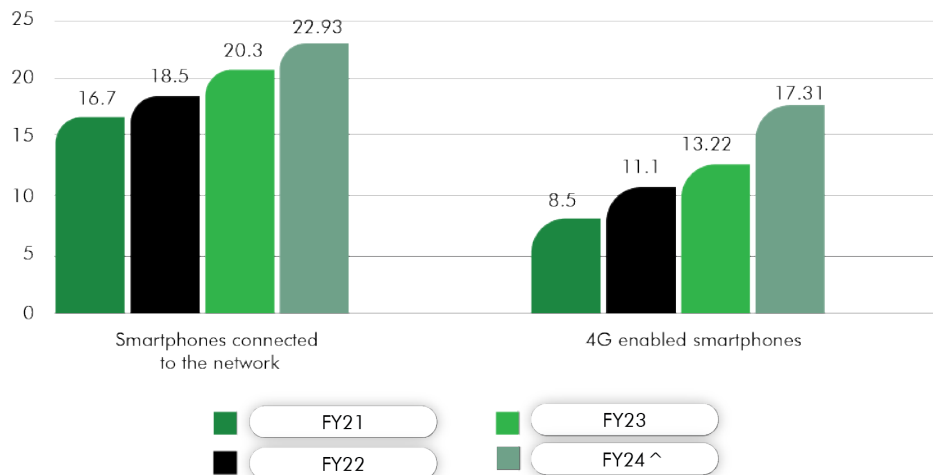
^ PWC assured FY24

## TOTAL MARKET SHARE (%)

| 64.5% | 65.3% | 65.7% | 65.6% |
| --- | --- | --- | --- |
| FY21 | FY22 | FY23 | FY24 |

Despite the small decrease in total market share, from 65.7% in 2023 to 65.6% in 2024, we remain committed to drive innovation and customer-focused solutions that will continue to solidify our leadership in the market.

By embracing digital transformation and leveraging cutting-edge technologies, we have been able to enhance customer experiences and reinforce our position as a trusted partner to our customers across Kenya. In this reporting year, we:

- Launched a mobile advertising platform where customers can watch ads for free bundles or minutes, generating KSh 8 million in revenue during FY24.
- Introduced *S-Hook*, a youth empowerment platform focused on technology, career, and cultural development, attracting 4.5 million customers since launch.
- Rolled out *Make Your Bundle* initiative, offering personalised bundle options to over 1 million customers, enhancing customer satisfaction.
- Implemented *Ofa Moto*, a regionalised promotion initiative, driving an 8% year-on-year growth in active voice customers, reaching 28.3 million.
- Enhanced dealer incentives by automating commission payments, resulting in faster payment turnaround times and improved dealer satisfaction.

## LOOKING AHEAD:
## CONSUMER CUSTOMERS IN FY25

Our focus in the next year will be on accelerating growth opportunities by driving segment-led initiatives that enhance customer-first technology capabilities. We plan to launch platforms tailored to specific customer segments, aiming to increase adoption of integrated propositions, which currently account for 42% of revenue, while significantly boosting customer engagement.
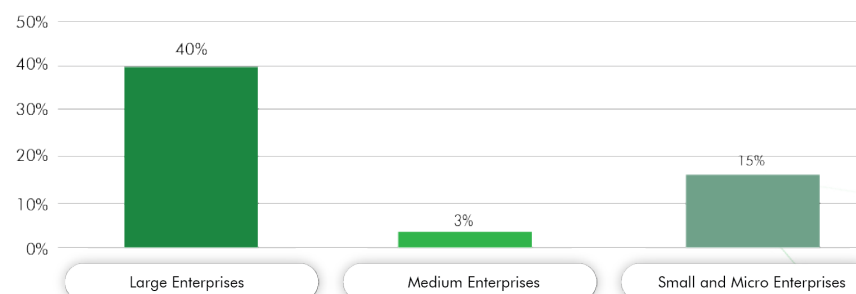
**Key priorities for the coming year include:**
- Expanding 4G+ penetration from 17 million to 24 million customers, increasing coverage from 37% to 52%.
- Delivering superior, personalised customer experiences through simplified, intuitive, digital-first journeys, with a goal of maintaining the top Net Promoter Score (NPS) in the market.
- Building future-ready digital service platforms to enhance our offerings.
- Scaling our Home Broadband service, with a target of connecting 460,000 homes.

## ENTERPRISE CUSTOMERS

Our Enterprise division focuses on providing tailored solutions that empower businesses to thrive in an increasingly digital world. In the last year, we have experienced robust growth across all enterprise segments, with a notable 26% overall revenue growth.

We also adopted market segment definitions based on the MSME Authority's 2020 to 2024 publication, released in 2023. This segmentation framework will enable us to better understand and address the unique needs of each business category, ensuring tailored strategies and solutions that drive growth and success across all segments.
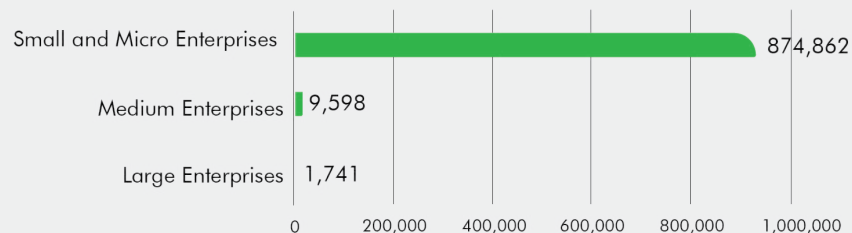
Our enterprise groupings differ from FY23 due to the new market segment definitions based on the MSME Authority's 2020-2024 publication. In FY25, we will establish a dedicated Banking, Financial Services, and Insurance (BFSI) vertical, allowing us to focus more effectively on this sector. Our customer base will encompass all clients identified according to the established segmentation criteria, irrespective of their payment mode.

## % REVENUE GROWTH PER ENTERPRISE

| | |
| --- | --- |
| Large Enterprises | 40% |
| Medium Enterprises | 3% |
| Small and Micro Enterprises | 15% |

## CUSTOMER NUMBERS PER ENTERPRISE

| Enterprise | Customers |
|---|---|
| Small and Micro Enterprises | 874,862 |
| Medium Enterprises | 9,598 |
| Large Enterprises | 1,741 |

*(Bar chart scale: 0 – 1,000,000)*

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### DRIVING SME GROWTH AND ENHANCING HEALTHCARE CONNECTIVITY

One of the most successful initiatives we have undertaken this year is the "Grow My Business" project. This initiative focuses on mapping out the lifecycle of a business and providing tailored digital solutions to support the growth of small and medium enterprises (SMEs). By offering these essential tools, we help businesses thrive in an ever-evolving marketplace.

Additionally, our ICT Managed WiFi Services project in Murang'a County has been a major success. We installed and maintained WiFi connectivity, LAN, and access points across **103 health facilities**. This infrastructure has significantly improved the efficiency of health data collection and management, enhanced surveillance capabilities, and contributed to better healthcare service delivery through the digitisation of processes.

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## BUILDING PLATFORM FOR SMEs

We successfully built and launched a self-service platform for SMEs, enabling them to manage their services through an end-to-end DIY model. Currently, live features include a Customer Self-Service Dashboard, where users can view and manage their active services and business accounts. The platform also offers customer feedback, live chat support, and easy access to sales and support contacts.

We are finalising additional features, such as fixed data termination, suspend/resume options, and service upgrades or downgrades, which are set for deployment by FY25. This platform provides SMEs with greater autonomy, simplifying their service management while ensuring seamless support and ticket tracking.

## SCALING OUR IoT SOLUTIONS FOR SMEs

We made significant strides in scaling our IoT solutions, particularly in power, water, telematics, and asset management, reaching 53% of our mission target with an 8% year-on-year revenue increase. Our telematics solutions saw sustained growth in both revenue and customer adoption, and we expanded Safaricom IoT connections to 700,000 devices, supported by our in-house IoT SIM Management platform. This platform also enabled regional roaming tariffs across six countries through partnerships with MTN and Vodacom.

Challenges arose within our smart water initiative, mainly due to extended delivery timelines and issues surrounding the cost and quality of meters. Despite these hurdles, we achieved a 9% growth in average revenue per user (ARPU), while the total number of connected devices remained steady at 1.54 million. We are committed to overcoming these challenges and further advancing IoT solutions for SMEs.

## GROWING OUR ICT PROPOSITIONS

We focused on growing our ICT propositions around cybersecurity, video management, digital transformation, and cloud services, achieving 38% of our mission target and 30% year-on-year growth in revenues.

Key achievements include the repricing and relaunch of Safaricom Cloud, which drove affordability and awareness, earning us the prestigious VMware Verified Badge. This has enhanced our visibility with large enterprises. The uptake of productivity tools also increased, supported by training and awareness efforts among our sales and technology teams. Through recalibrating our partnership and commercial models, we successfully reduced our loss ratio on deals. Additionally, we held customer roundtables with Microsoft and launched the Safaricom Cloud with VMware, further solidifying our market position. Our Cybersecurity Summit marked a significant step towards owning this space and improving our positioning, leading to the scale and adoption of our Secure Internet service, which now has 3,000 customers.

However, some areas require improvement. Billing mishaps due to manual processes created delays and inefficiencies. We also need to build more robust go-to-market (GTM) plans and enhance collaboration with key stakeholders. Despite these challenges, we saw impressive growth in several key areas. The number of customers using productivity tools grew from 119 to 162, marking a 40% year-on-year increase, while revenues in this segment grew from KSh 81 million to KSh 110 million, a 37% rise. Safaricom Cloud revenues surged by 74%, growing from KSh 118 million to KSh 206 million. Cybersecurity and risk assessment training revenues also doubled, growing from KSh 19 million to KSh 41 million, while network, endpoint, and web security revenues grew by 44%, from KSh 88 million to KSh 127 million.

## CONTRIBUTING TO OUR 2030 SAFARICOM VISION

To realise our vision of becoming Africa's leading purpose-led technology company by 2030, we are committed to becoming the partner of choice for the digital needs of small, medium, and large enterprises by driving the adoption of core enterprise solutions. Key areas of focus for the next five years include:

1. Tailored solutions by segmenting customers based on insights and offering integrated propositions that meet the specific needs of each segment.
2. Create simple, seamless customer journeys supported by AI-enabled self-service touchpoints to enhance customer interactions.
3. Leverage automation and digital tools to streamline operations and improve efficiency.
4. Strengthen collaboration with internal teams and external partners to offer comprehensive digital solutions that meet enterprise needs.
5. Utilise an omni-channel strategy to deliver integrated propositions that align with the specific requirements of each business segment.

# OUR CUSTOMER OBSESSION **IN REVIEW**

Customer obsession is integral to our philosophy and is a core component of our social and relationship capital. It shapes the way we do business, driving our commitment to meeting customer needs in a **digital, relevant and affordable manner**. This approach strengthens our brand identity, positioning Safaricom as a provider of **superior products and services**, while also supporting our strategic focus on new growth areas.

Over the past year, we focused on examining our **processes, operations and structure** to ensure they prioritise the customer experience. We established governance structures to underpin this approach, ensuring ownership and accountability at every level.

## LOOKING AHEAD:
## OUR FY25 GOALS

We will continue to promote our customer-first culture. To this end, we have made bold commitments:

- Simplifying bundles with no hidden costs.
- Making everything user-friendly and accessible.
- Empowering frontline staff with better tools.
- Continuously improving customer experiences.
- Immersing employees in customer challenges.
- Rewarding loyal customers with best-value offers.
- Ensuring operational excellence.
- Prioritising digital tools for customer empowerment.
- Simplifying customer identification.
- Upholding our customer promise for network, value, and service.

**Customer obsession** is at the heart of our business. We work to embed this mindset in all our employees, helping us deliver on our brand promise of **Simple, Transparent, Honest**. This is supported by a clear framework that guides our customer-first philosophy:

**NPS**
#1 Benchmark, NPS (40pts baseline)

**BRAND LOVE**
+3pts, Consumer 63%

**DETRACTORS**
<6%

**CUSTOMER OBSESSION SCORE**
87%

**M-PESA DOWNTIME**
<4 hours

**FRAUD PREVENTED**
91%

**SYSTEM UPTIME/ AVAILABILITY**
99.9%

## MAINTAINING HIGH LEVELS OF CUSTOMER SATISFACTION

Our primary focus in the Customer Obsession journey is to delight our customers. To track customer satisfaction, we rely on the NPS and Brand Consideration (BC) metrics. Our goal is to lead in NPS within our peer group. NPS reflects the likelihood of a customer recommending Safaricom to others based on their overall experience, while BC gauges the probability of a customer choosing a brand based on their perception of it. Both metrics are derived primarily from customer surveys.

The NPS for our consumer segment remained steady at 64, showing consistency in customer satisfaction compared to the previous year. Despite slight fluctuations over the years, the score indicates a stable level of customer loyalty and likelihood to recommend Safaricom.

| KPI | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| NPS (consumer) | 65 | 64 | 63 | 64 ^ |
| NPS (enterprise) | 31 | 35 | 36 | 36 |
| Brand consideration | 81 | 80 | 80 | 92 ^ |

^ PWC assured FY24

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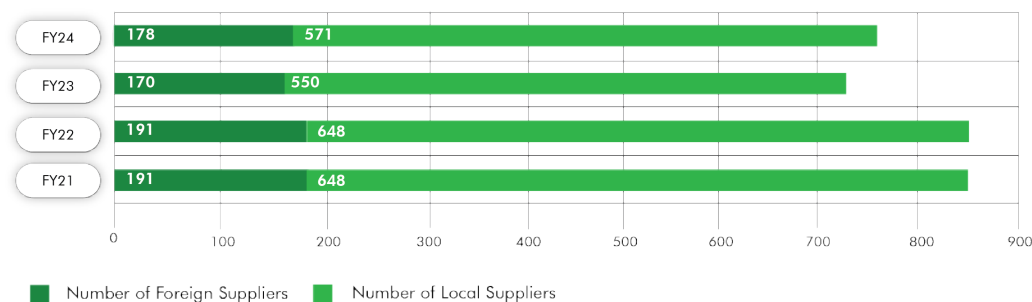PARTNERING FOR IMPACT

# SUPPLIERS AND BUSINESS PARTNERS

We will continue to scale partnerships in areas such as banking, health, agriculture, education, financial technology, digital payment solutions, e-commerce and other emerging sectors that align with our digital-first approach. We can create a more equitable and connected Africa by bringing together governments, the private sector and civil society.

## OUR SUPPLIERS

Our suppliers are a core part of our business. Below is an overview of our success in FY24:

- **Local Supplier Preference:** We continued to favour local suppliers where feasible, resulting in a 6.9% increase in spend with local suppliers.
- **WIBs Procurement Target:** We targeted having WIBs account for 10% of our procurement spend. In 2024, we partnered with 46 new WIBs, decreasing our procurement spend with such businesses from 5.8% to 5.7%.
- **Supplier Performance Evaluations:** Performance evaluations of suppliers were conducted quarterly or bi-annually. We saw an increase of 214 evaluations and a 3.1% improvement in average performance scores.
- **Performance Improvement Plans and Mentoring:** We assisted 27 suppliers with performance below 80% by implementing customised PIP and providing mentoring. Six suppliers successfully exited PIP, and we continue to support those still on PIP to ensure sustained improvements.
- **Code of Ethics Compliance:** We mandated that all suppliers sign the Code of Ethics for Business in Kenya. As a result, 90% of our suppliers have done so.
- **Supplier Recognition Framework:** Our annual Supplier Day saw 10 suppliers honoured with awards, recognising their outstanding contributions and performance.
- **Supplier Satisfaction Survey (Supplier NPS):** Last year's survey assessed supplier perceptions and satisfaction levels, identifying key areas for improvement that we are actively addressing.
- **Dedicated Supplier Helpdesk:** We maintain a helpdesk for supplier queries related to the supply chain, with a response service level agreement of 48 hours.
- **Human Rights and Labour Compliance Checks:** Continuous compliance checks on human rights and labour standards were conducted. We visited 12 suppliers under the contingency workforce scope and reported minor non-compliances, which are being addressed with follow-up sessions.
- **Supplier Induction Programme:** We held three induction sessions to ensure they understand and meet our standards, successfully onboarding 23 new suppliers.
- **Supplier Diversity Focus:** We maintained a strong focus on supplier diversity, particularly for women, youth and PwD. Mentorship sessions began to prepare new Special Interest Groups (SIG) for procurement opportunities, and we established an SIG board and policy to support these groups.

**NUMBER OF SUPPLIERS**



| | Number of Foreign Suppliers | Number of Local Suppliers |
|---|---|---|
| FY24 | 178 | 571 |
| FY23 | 170 | 550 |
| FY22 | 191 | 648 |
| FY21 | 191 | 648 |

**FY24 SUPPLIERS**



Local: 571 · Foreign: 178
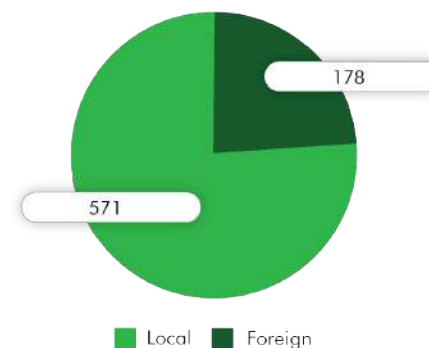
## EVALUATING SUPPLIER PERFORMANCE, EFFECTIVENESS AND IMPACT

Our strong supplier relationships are built on transparent, open engagement. This is exemplified by the piloting and implementation of our supplier self-assessment survey, which covers critical areas such as documentation, health and safety policies, occupational health and safety administration, vehicle roadworthiness and tracking, as well as compliance with the Data Protection Act. The Act prohibits the transfer of personal data to third parties unless prior consent is obtained from the data subject.

By the end of 2024, we conducted 2,074 evaluations. The supplier self-assessment allows suppliers to rate themselves, complementing the evaluations conducted by contract owners. We also hold feedback sessions to address any issues raised, ensuring continuous improvement based on supplier input.

To ensure our new suppliers are well-versed in our expectations regarding contracts, policies and procedures, we conducted three supplier induction programmes. In 2024, we inducted 23 new suppliers through this initiative.

We have maintained clear communication with suppliers regarding performance standards, resulting in improved collaboration. We provide regular performance reports and feedback through dedicated supplier meetings.

The number of suppliers on PIP increased from 12 to 27. Despite this rise, the overall number of top-performing suppliers also grew, leading to a lift in the average performance score.

| Supplier Performance Indicators | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| Supplier performance evaluations, score | 86% | 88.9% | 85.8% | 88.9% |
| Performance Evaluations, number of evaluations done. | 1,493 | 1,594 | 1,860 | 2,074 |

## ELEVATING PARTNER SAFETY: STRENGTHENING HEALTH AND SAFETY STANDARDS

Over the past year, our primary focus has been on improving the safety performance and culture among our suppliers. We have invested considerable effort into engaging with them and sharing the costs of competence management. The challenge has been ensuring that every worker, including those at the last mile, fully understands and adheres to our safety practices.

To address this, we implemented partner engagement initiatives, including training sessions, workshops, recognition forums and on-site visits. These efforts aim to deepen understanding of safety principles and their practical application. Despite our progress, achieving consistent comprehension and commitment across all levels remains challenging. This project is ongoing, and we are committed to continuously refining our approach and enhancing communication with our partners. We recognise that developing a robust safety culture is a continuous journey and remain dedicated to working closely with our partners to realise this objective.

### Programmes

- **Mental Health Awareness:** Collaborated with MINET to hold a Mental Health Forum bringing together stakeholders from the public and private sector to demystify and destigmatise issues of mental health in Kenya.

- **Sustain and Enhance Current Programmes:** We intend to create a personalised experience through webinars, EAPs, wellbeing programmes and medical benefits.
- **Supplier Safety and Risk Management:** We are dedicated to enhancing supplier safety programmes, advancing automation, and managing road and worker risks. Our key initiatives include the installation of in-vehicle cameras and the deployment of the JMP to improve oversight and control.
- **Road Safety Measures:** Initiatives such as defensive driver training, vehicle cameras and weekly driver scorecards have significantly improved road safety.
- **Supplier Engagement:** Our quarterly supplier safety forums, attended by 1,700 suppliers, reinforce our commitment to prioritising safety throughout our supply chain.

## SUPPORTING OUR SUPPLIERS

**Actions that we've implemented over the last year to support our suppliers:**

**Safaricom Supplier Day:**

Successfully held in July 2023, with 417 partners attending, including representatives from five banks with signed MoU. The event received an NPS score of 85% and was supported by 120 internal staff.

**Supplier Inclusion Growth (SIG) Initiative:**

We launched a public call for expressions of interest to onboard new SIG. 1,300 responses were received, and 614 suppliers met the necessary documentation and category requirements.

**UNGC Code of Ethics Enforcement:**

Continuous tracking has increased supplier sign-up from 81% to 90%.
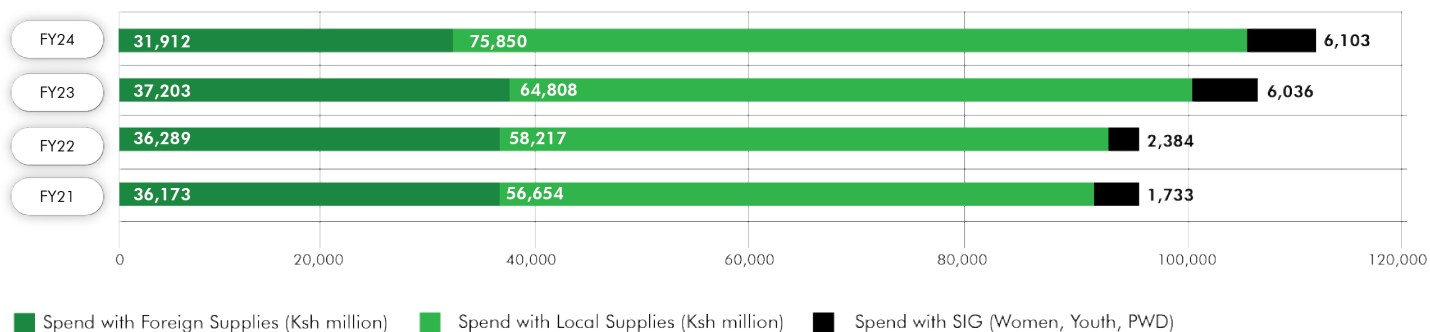
**Labour and Human Rights Compliance Audits:**

Physical audits were conducted at 12 supplier premises, with 83% non-compliances reported and addressed.

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In the past year, we have seen a notable increase in spending with local suppliers. Local SMEs have demonstrated their capability and competitiveness, earning awards and recognition alongside international suppliers. This increase reflects our commitment to building local capabilities and aligning with our strategic goals.
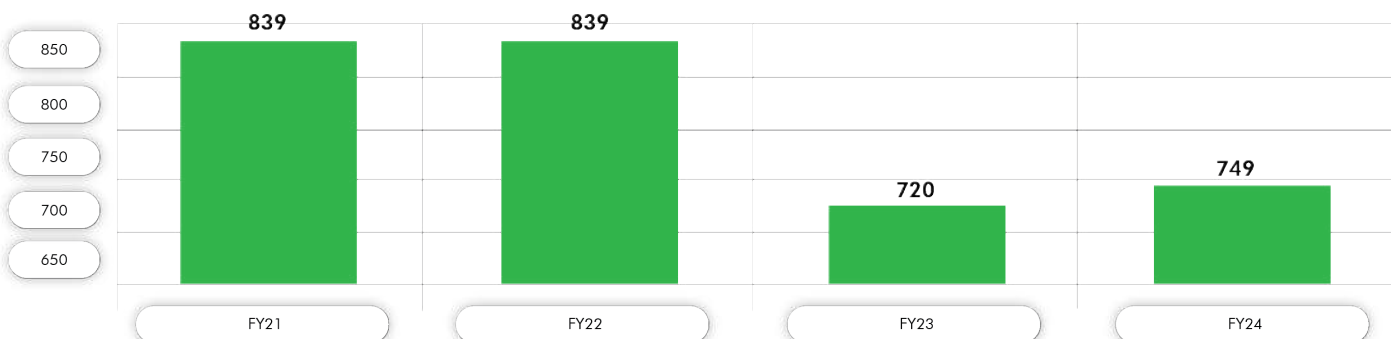
The number of suppliers receiving purchase orders (POs) has risen, with overall spending rising in line with our evolving business needs. Although spending with foreign suppliers has decreased, this shift aligns with our tender outcomes that favour local partners. A significant **76.2% of our suppliers are locally owned Kenyan** organisations, representing KSh 75,850m (70.4%) of our procurement spend in the reviewed year, showcasing our dedication to supporting local businesses and contributing to the country's economic prosperity.

Additionally, spending with SIG has seen a slight increase as we continue to direct business opportunities towards these groups where feasible.

## SPEND INFORMATION

| FY | Foreign | Local | SIG |
|---|---|---|---|
| FY24 | 31,912 | 75,850 | 6,103 |
| FY23 | 37,203 | 64,808 | 6,036 |
| FY22 | 36,289 | 58,217 | 2,384 |
| FY21 | 36,173 | 56,654 | 1,733 |

Spend with Foreign Supplies (Ksh million) ■ Spend with Local Supplies (Ksh million) ■ Spend with SIG (Women, Youth, PWD)

## TOTAL NUMBER OF SUPPLIERS WHO RECEIVED PURCHASE ORDERS DURING THE PERIOD

| FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|
| 839 | 839 | 720 | 749 |

## Safaricom Supplier Day: Strengthening Partnerships for Future Growth

The 2023 Safaricom Supplier Day, held on 11 August at Carnivore Grounds, marked our first in-person supplier event since COVID-19. With the theme Transforming Businesses Through Partnerships, it provided a platform for 417 partners, including representatives from five banks with whom we have signed MoU, to engage with our leadership, supply chain team, and financial institution partners. Additionally, 120 internal staff were present. The day featured an experiential setup where suppliers interacted with our teams on onboarding, contracting and performance processes, alongside insights into technology, data protection and financial products. Following the forum, we observed increased interest in supply chain finance, as reflected in the monthly reports from our banking partners. The event culminated in the 2023 Safaricom Partner Awards, where 10 top-performing suppliers were recognised. Our CEO shared our strategy and engaged in meaningful dialogue with suppliers to enhance future collaboration.

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# ENGAGING WITH SPECIAL INTEREST GROUPS

We remain committed to supporting SDG 10 through our Special Interest Group (SIG) programme, which aims to boost procurement opportunities for women, youth and PwDs. This year, we refreshed our categories and issued a public call for expressions of interest to expand our SIG supplier base. We received over 1,300 responses and are currently advancing this group's onboarding and capacity-building. Additionally, we invited company owners to participate in a mentorship programme, with 54 signing up. This programme, supported by experienced women in business who have previously benefited from similar programmes, is set to conclude in one year and represents a commitment to giving back.

Our goal is to allocate 30% of our annual spend to the SIG by March 2025 (the 2023 target was 10%). The SIG includes WIBs, youth and PwDs. To drive this goal, we have:

- **Established an SIG Board:** Comprising Executive Committee members, the board focuses on setting a shared vision, promoting ethics, advocating for new business, and tracking SIG performance.
- **Reviewed Policy Framework:** We are updating policies to create more opportunities through reservations.
- **SIG Quarterly Meetings:** Regular meetings are held to engage with SIG members.
- **Mentorship Programmes:** We have launched a mentorship forum for beginners and continue with the WIB mentorship programme. The new forum has started with 50 mentees and will run for a year.
- **SIG Policy:** Our policy aims to achieve 30% spend with SIG by March 2025, and we are encouraging first-tier suppliers to subcontract to SIG and track their spend where possible.

## PROGRESS ON WOMEN-OWNED BUSINESSES

Our goal remains to have WIB account for 10% of our procurement spend. Although we did not reach this target, we achieved a 8.1% spend with WIBs, driven primarily by contracts in the technology networks category.

|  | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|
| Number of WIBs | 227 | 236 | 237 | 285 |
| Number of women suppliers as a percentage of supplier base | 9.7% | 8.6% | 8.5% | 8.1% |
| Number of unique WIBs who have participated in tenders | 14.1% | 16.1% | 8.1% | 22.5% |
| Procurement spend (KSh billion) | 1.7 | 2.38 | 5.93 | 5.67 |
| Procurement spend for WIB vs gross procurement value | 2.3% | 3.9% | 5.8% | 5.7% |

## YOUTH

We are focusing on increasing the number of prequalified suppliers in these categories and preparing them for procurement opportunities. We anticipate seeing significant progress in the upcoming financial year.

| | |
|---|---|
| Number of Youth-owned businesses | 40 |
| Number of Youth suppliers as a percentage of supplier base | 1.1% |
| Number of unique Youth who have participated in tenders | 27.5% |

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# NPS SCORE AND ADDRESSING SUPPLIER CHALLENGES

We use an NPS, administered by an independent third party, to gauge supplier confidence and satisfaction with Safaricom. Although our overall NPS saw a slight decline, supplier satisfaction improved from 91 to 92 points. However, suppliers have expressed concerns about the complexity of our systems, perceived payment delays, and slow communication. Specific issues identified include extended resolution times for sourcing and payments, along with a rigorous negotiation process in a challenging economic environment.

Suppliers have emphasised the need for simplified processes and faster turnaround times. They would like to see improvements in our payables team, timely payments aligned with purchase orders, and more prompt communication regarding changes. Additionally, there is a desire for better onboarding on how to use our sourcing platform. These areas experienced the most significant year-on-year declines and will be our main focus moving forward.

In response to the challenges mentioned above, we have revamped our supplier helpdesk, ensuring suppliers are informed of its existence and that they can expect resolution within 48 hours. We are also automating key processes, including the supplier helpdesk, leveraging AI and robotic process automation to eliminate repetitive tasks.

In August 2023, we hosted an in-person supplier forum, providing a platform to share our strategy and processes. This event facilitated open interaction between suppliers, our leadership team and the Supply Chain team. We remain committed to maintaining open channels of communication, supported by virtual and in-person targeted forums that allow us to listen to and act on supplier feedback, both positive and negative.

**Lessons learned and most challenging project: Public EOI for Women, Youth and PwDs**
Running a public Expression of Interest (EOI) to refresh our supplier categories for women, youth and PwDs proved challenging. We received over 1,300 applications and faced several issues:

- **Document Completeness:** Ensuring applicants provide all required documents
- **Procurement Fit:** Matching applicants with Safaricom's procurement categories
- **Digital Literacy:** Overcoming applicants' lack of digital skills to onboard them onto our sourcing platform
- **Experience Gap:** Addressing the limited experience of some applicants in their prequalified categories and with corporate buyers

## AI-DRIVEN INNOVATIONS: ENHANCING SUPPLIER RELATIONSHIPS

We have made significant strides in leveraging AI to enhance our supplier operations. The introduction of the **PO Cancellation Concurrent Tool** has automated the cancellation of overdue purchase orders, improving our working capital. Our online EOI deployment is now operational, facilitating 26 sourcing activities.

The implementation of **Robotic Process Automation (RPA)** has notably increased productivity and accuracy. **The Bulk PO Receipting RPA** has saved the business 480 man-hours since September, handling

> The NPS is a metric used to measure the level of confidence and satisfaction that suppliers have with our company.

over 5,000 purchase orders. Additionally, the RPA for contract document migration has saved 180 man-hours and reduced costs by USD 6,500.

We redeployed the ODA after its initial setback in June 2023, significantly easing the pressure on STEP and Safaricom PLC. Since its relaunch, the chatbot has managed 292 conversations with an 86% resolution rate.

Our efforts in renegotiating the System of Quality Management (SQM) shareholding structure with Oracle have improved supply chain risk compliance and achieved cost avoidance worth KSh 5m. Furthermore, the Cloud Integration from SQM to Service Lifecycle Management (SLM) on-premise has contributed to cost avoidance valued at KSh 63m.

We have also automated the prequalification RFI process, eliminating manual tasks, and are advancing towards a fully paperless supply chain management system. The automation of picklists is currently live, pending cybersecurity approval. Lastly, the RPA for password resets has streamlined this process, addressing an average of five requests per day and directly impacting supplier satisfaction.
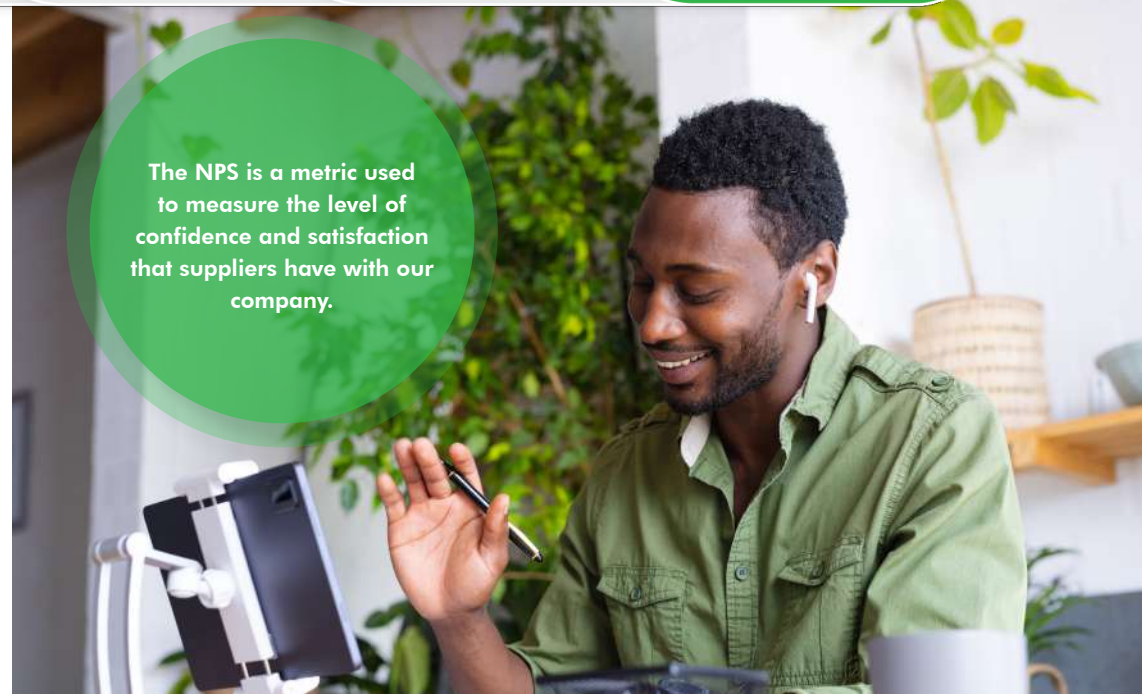
# CONTRIBUTION TO SAFARICOM'S STRATEGY PILLARS

### STRENGTHEN THE CORE
We have streamlined our processes and enhanced our tools, centralising all EOI in our sourcing portal. This centralisation has boosted confidence in our sourcing process. Additionally, we provided training for our suppliers on this process through the supplier forum at the experiential desk.

### TO BE A FINANCIAL SERVICE PROVIDER
We continue to meet sourcing requirements for financial services, including the procurement of a financial platform used by the government for disbursing loans to its citizens.

### ACCELERATE NEW GROWTH AREAS
We have established a dedicated partnership team within supply chain to support new business initiatives. This includes our partnership with East Africa Device Assembly Kenya (EADAK), among others.

### ACHIEVE COST LEADERSHIP
In response to the challenging economic environment, we have engaged with suppliers and reviewed our operating model to achieve cost leadership. Our negotiations extend beyond pricing to include a thorough examination of specifications and operating models to maximise value.

### BANKS
We expanded our financial inclusion efforts by signing MoU with two additional banks, bringing the total to eight. By the end of the financial year, the uptake had reached KSh 85.7 billion, marking an increase of KSh 79 billion from the previous year. These MoU are designed to facilitate financial access for all our suppliers, including SIG comprising women, youth, and Persons with Disabilities (PwDs). The banks provide favourable loans based on purchase orders, enabling SIG to grow and thrive. Overall, our supplier financing, which is not limited to SIG, grew by KSh 5.7m during the year.

Communication channels include an i-supplier portal where tender feedback is available in real time. Feedback indicates that suppliers find the i-sourcing platform difficult to use. We are planning enhancements and training of suppliers. We also operate a daily supplier help desk to facilitate speedy resolution of issues. Given that not all suppliers about this, we will focus on raising awareness. Under MoU, we continued to collaborate with financial institutions including Absa Bank Kenya (Absa), Citibank Kenya, Equity Bank and Kenya Commercial Bank.

# BUSINESS PARTNERS: AGENTS

Agents primarily facilitate M-PESA transactions and other financial services such as money transfers, bill payments and airtime sales on behalf of Safaricom.

We aim to support our agents to become profitable entities by offering a range of demand-driven products. Acting as brand ambassadors, they extend our reach to diverse customer segments and advance our organisational goals. We equip them with real-time data and analytics to enhance their decision-making and operational efficiency.

**NUMBER OF M-PESA AGENTS**



Bar chart of Number of M-PESA Agents:
- FY21: 247,869
- FY22: 262,000
- FY23: 270,360
- FY24: 262,016
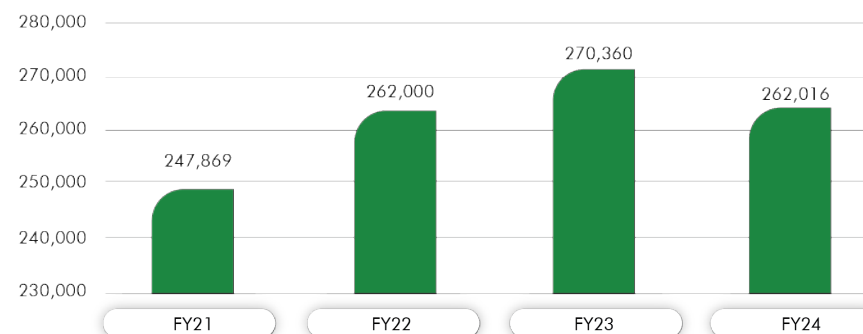
In FY24, we experienced a decline in active agent numbers due to the introduction of geo-locking for tills. This measure restricts tills to authorised locations only, halting operations if moved outside these areas. While this has led to a reduction in active agents, it has effectively curtailed fraud and enhanced compliance.

## SUPPORTING OUR AGENTS

We continued to support our agents through various initiatives and improvements. We hosted four principal forums, engaging 891 partners, and provided quarterly agent assistant training to enhance their skills. Our Weekend Capital/Bloom financing programme supported 1,100 agents with a revolving fund of KSh 800M. We have also expanded our support network with the introduction of our agent support team, call centre (L300) and territory business leads, and plan to integrate relationship managers in the upcoming fiscal year. Additionally, we facilitated 14,316 relocations of tills within operational regions to improve flexibility. We successfully migrated our float financing to the internal term loan platform, which has reduced downtimes and provided better support for our partners.

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# BUSINESS PARTNERS: DEALERS

Dealers distribute Safaricom's products and services, including mobile phones, SIM cards and airtime.

Our dealers are essential to our distribution network, acting as the primary connection between Safaricom and customers across Kenya. They ensure that our products and services are accessible, particularly in remote and underserved areas. By partnering with SMEs as dealers, we foster entrepreneurship, support local economic growth, and contribute to job creation in communities.

To enhance the capacity of our dealer network and drive business growth, we provide ongoing support and training. However, we acknowledge the potential risks of non-compliance with labour standards, particularly regarding working conditions and wages. To address this, we conduct regular audits and offer training to ensure alignment with our Supplier Code of Conduct, maintaining high standards across our operations.

**Our dealer network:**

### NUMBER OF ACTIVE DEALERS

| FY21 | FY22 | FY23 | FY24* |
|------|------|------|-------|
| 435 | 435 | 432 | 413 |
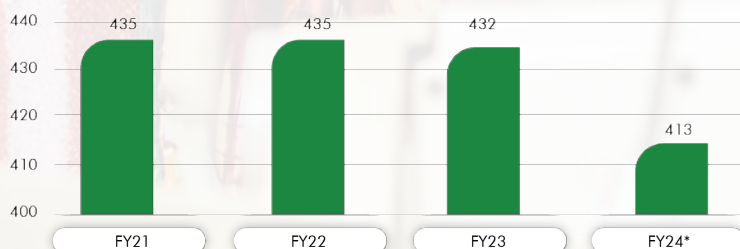
*We terminated our partnerships with 19 dealers due to non-performance.

## SUPPORTING OUR DEALERS

We continued our efforts to support dealers in meeting regulatory requirements and improving their operational efficiency. Building on last year's initiatives, we enhanced our KYC awareness campaign, enabling all dealers to digitally submit KYC details through the subscriber registration app. We also provided support in dealer activation van branding, joint market activation, and the M-JEKI initiative .

We introduced specialised devices (MobiGo) with 50,000 units availed to dealers for efficient registration processes. Efforts to digitise and streamline dealer processes continued, with most processes now automated, and the remaining ones set for completion this financial year. The Lipa Mdogo Mdogo (LMM) payments were also automated, with the introduction of new devices such as Neon Smarta and Ultra.

New initiatives launched this year include the new route to customer distribution and incentive model, effective from 1 April 2024, and the migration of SIM swap functionality to the Jiandikishe app. We automated email ticketing, streamlined dealer processes further, and rolled out the electronic document management system, although the latter faced delays due to shifting priorities in airtime distribution. Additionally, the LMM payment reporting process was automated to enhance accuracy and efficiency.

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## TRANSFORMING LIVES
# IN OUR COMMUNITIES

**Our mission is to transform lives through sustainable development initiatives that strengthen the socio-economic context in which we operate.**

We are committed to empowering youth through our **business sponsorships**, notably the Safaricom Chapa Dimba initiative. This programme not only fosters talent in grassroots football but also encourages teamwork, leadership, and community engagement, contributing to the holistic development of young people.

**Our Women in Technology (WIT)** initiative aims to bridge the gender gap in STEM fields by empowering women and girls to become innovators and leaders. Through mentorship and training programmes, we are dedicated to enhancing educational and professional opportunities for women, fostering a more inclusive tech landscape.

Our partnership with the **Safaricom and M-Pesa Foundations** underlines our commitment to driving socio-economic and educational upliftment. Focused on vital areas such as maternal, neonatal, and child health (SDG 3), we also prioritise educational and economic empowerment outcomes across society (SDGs 4, 8, and 10).

Together, these initiatives reflect our dedication to creating lasting change in our communities.

### Promoting Digital Careers and Tech Innovation

Our HR team played a key role in promoting digital careers through **career fairs** and **cultural days** at universities, as well as the **Chapa Dimba** initiative. In line with our technology pillar, we collaborated with institutions like **Moringa School** to offer masterclasses on monetising online content. This reinforced our commitment to tech innovation, which was further highlighted by the **Decode Engineering Summit** in Q3.

# BUSINESS SPONSORSHIPS

One of the most impactful ways we engage with our communities is through business sponsorships that create opportunities for youth and drive social change. A flagship initiative in this space is **Safaricom Chapa Dimba**, a grassroots football tournament designed to identify and nurture young talent across Kenya. By sponsoring this programme, we not only promote sports as a means of physical and mental development but also emphasise the importance of teamwork, discipline, and leadership among youth.

### SAFARICOM CHAPA DIMBA HIGHLIGHTS

**SEASON 4 HIGHLIGHTS**

| | | | |
|---|---|---|---|
| **60,354** players participated in the tournament | **150** Players were awarded FREE TVET Scholarships from the Safaricom Foundation | **4,270** Vendors empowered through digital financial literacy clinic | **32** All-Star players were selected from across the country – 2 boys and girls per region |
| **40%** Increase in girls' teams participating | **30,958** Impacted from the Safaricom Foundation Community Medical Camps | | |
| **100** Local businesses benefitted from the tournament | **16** Players scouted to join KPL Teams and National U-17 Girls Team | | |
| **3.3B** In PR coverage achieved | **3** Partnerships with Coca-Cola, Britam, Google | | |

### Season 5 Vision and Technology Integration

Season 5 aims to enhance the tournament through advanced talent scouting, data-driven technology, and international partnerships. It will utilise player-tracking solutions like Catapult and AI-powered VEO cameras to collect detailed performance data, creating digital player profiles that facilitate connections between young athletes and global scouts or football academies.

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# SAFARICOM **WOMEN IN TECHNOLOGY (WIT)**

In line with our commitment to fostering gender equality and promoting sustainable growth, the Women in Technology (WIT) initiative has become a driving force for change. By aligning with the SDG 4, 9 and 10, WIT aims to create an inclusive environment that empowers women and young people to become the next generation of innovators, leaders, and entrepreneurs.

WIT was founded by a group of passionate women within Safaricom who recognised the need to close the gender gap in STEM (Science, Technology, Engineering, and Mathematics) fields. The initiative has strategically developed programmes that reach girls and women at every stage of their educational and professional journeys. From early education to career development, WIT's mission is to nurture a community that supports and sustains women in technology through mentorship, exposure to evolving technologies, and creating pathways for future opportunities.

The representation of women within Safaricom's Technology Division reached **25.4%** ^ . At the management level (F+), WIT saw a growth from 27.1% to 28.6%, marking a **1.5%** increase in women in leadership roles. These advancements highlight our ongoing dedication to empowering women to rise to leadership positions within the technology sector.

^ PWC assured FY24

## WOMEN IN TECH INITIATIVE (internally to Safaricom)

**Aim:**
Promote gender diversity by empowering women in tech roles through mentorship and training.

**Impact in FY24:**
Proud to have achieved 25% female representation in our tech division.

## KIDS IN TECH

**Aim:**
Introduce technology to kids aged 7-13 years through interactive kits that promote digital literacy skills training.

**Impact in FY24:**
Trained 70 children from Safaricom staff families in MIT Scratch programming and expanded digital education to underserved communities via Huawei's Digitruck.



## 47/47 HIGH SCHOOL PROGRAMME

**Aim:**
To raise awareness of STEM education and career paths among high school girls.

**Impact in FY24:**
Reached 7,100 students through school visits, career fairs, and industrial visits, achieving 32 out of 47 annual goals.



## TECHNOVATION CHALLENGE

**Aim:**
To encourage high school girls to create technology-driven solutions to real-world problems.

**Impact in FY24:**
Engaged 599 participants, creating 70 innovative solutions, with special support for underserved and marginalised girls, and advanced six semifinalists.



We believe in fostering growth for all employees, therefore, alongside our WIT initiatives, our **Thriving Gents** initiative empowers our male employees with personal and professional development opportunities. With **79 active members**, we aim to grow to 300 in the next financial year, ensuring both men and women have the support to thrive in their careers.

## CAMPUS OUTREACH PROGRAMME

**Aim:**
Ensure 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.

**Impact in FY24:**
Trained 90 students in cybersecurity and web development, organised an all-women hackathon, and provided workshops for emerging tech careers.



## ONE TECH EARLY CAREERS PROGRAMME INTERNSHIP

**Aim:**
To equip aspiring technologists with technical and soft skills for career readiness.

**Impact in FY24:**
Hosted 46 interns, with 10 securing permanent positions at Safaricom, bridging the gap between academic learning and industry needs.

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# THE SAFARICOM AND
# M-PESA FOUNDATIONS

In FY23, we launched the Safaricom Foundation's 2023-2026 strategy, Partnering to Enhance Equity. This strategy, developed through a comprehensive review and extensive stakeholder consultations, focuses on health, economic empowerment, and education. It also integrates disaster response, access to water, and employee engagement as key areas of impact. To effectively serve our communities, we've established **two foundations that serve as the vehicle to make an impact:**

**Safaricom Foundation**

The Safaricom Foundation was established in 2003 as part of our commitment to corporate social responsibility. We strive to operate responsibly and sustainably while giving back to our communities. Since then, we have collaborated with various partners to fund sustainable projects that directly transform the lives of Kenyans from all walks of life.

**M-PESA Foundation**

The M-PESA Foundation, governed by an independent Board of Trustees and managed alongside the Safaricom Foundation, is dedicated to promoting upliftment and equality of opportunity. By serving as a conduit, initiator, and implementor, the Foundation plays a crucial role in improving lives across communities through targeted programmes and initiatives.

- HEALTH
- EDUCATION
- ECONOMIC EMPOWERMENT
- EMPLOYEE ENGAGEMENT
- HUMANITARIAN

Learn more about the project and our community contributions. These efforts demonstrate our dedication to promoting equity, and enhancing communities through strategic partnerships and focused interventions in various industries.

**M-Mama Programme:**
Launched a tech-enabled emergency transport system to save lives of pregnant mothers and newborns

The M-Mama Programme, a technology-driven initiative, was launched to enhance emergency transport for pregnant mothers and newborns across Kenya. Co-funded with USD 10.7 million from M-PESA Foundation, Vodafone Foundation, and USAID, it is poised to save lives. The programme's co-creation is underway, with an MoU with the Ministry of Health pending.

**Afya Uzazi Salama Programme:**
Addresses critical maternal and newborn health challenges in Narok East Sub-county.

The Afya Uzazi Salama programme, implemented by AMREF Health Africa, addresses critical health challenges in Narok County. It aims to reduce morbidity and mortality related to maternal, newborn and non-communicable diseases. The programme targets to reach:

- 10,618 pregnant women
- 19,550 children under five
- 20,513 adolescents and youth
- 158,330 people screened for NCDs

**Medical Camps:**
Conducted 11 camps, benefitting 30,258 people in underserved communities

We launched medical camps to address healthcare disparities in underserved communities across Kenya. In collaboration with Zuri Health, we conducted 11 free medical camps, delivering essential services to 30,258 people. This initiative aimed to improve accessibility to affordable healthcare and support communities in need.

**Daktari Smart (Telemedicine):**
Provided high-quality healthcare to 8,560 children in remote counties

Through the Daktari Smart programme, we improved access to quality healthcare for children in Homabay, Samburu, Lamu, Narok, and Baringo counties by leveraging telemedicine. We treated 8,560 patients up to 21 years old in areas without resident paediatricians, making significant strides in reaching hard-to-access communities.

## Uzazi Salama Programme:
Improved maternal and newborn health, benefiting 85,367 people in Homabay County

By harnessing technology, county ownership, partnerships, and a focus on sustainability, the Uzazi Salama programme is transformative. It aims to significantly reduce deaths among mothers, newborns, stillbirths, children and adolescents. The goal is to eliminate preventable maternal, newborn and child mortality, and stillbirths, aligning with national reproductive, maternal, newborn, child and adolescent health priorities, SDGs, and global health commitments.

The Uzazi Salama programme benefitted 85,367 individuals and will continue to benefit more than 524,449 people over the next three years. In partnership with Savanna Informatics, Safaricom's Technology for Development unit, and Amref Health Africa, this initiative will continue to build resilient health systems, aligning with national and global health priorities.

## Fistula Programme:
Restored dignity for women and girls affected by female genital fistula with 429 surgeries

**One of our biggest successes in 2024: Prevention and management of obstetric fistula**

Our programme made significant strides in improving the wellbeing of women suffering from obstetric fistula. We supported seven fistula camps across Migori, Kilifi, Bungoma, Tharaka Nithi, Garissa, and Homa Bay Counties.

- Screenings: A total of 2,163 women were screened.
- Operations: 429 women underwent surgery for fistula and other gynaecological conditions, including perineal tears, cystocele, and rectocele.

We also focused on enhancing the capacity of health workers to better prevent and manage obstetric fistula.

## Rose Women's Foundation:
Supported 1,000 women in Nairobi's informal settlements with capacity building and financial access

We supported the Rose Women's Foundation to advance women's empowerment through education, health and economic initiatives. By investing in programmes that promote gender equality, we aimed to uplift and equip women and girls with the tools they need for personal and professional growth, creating lasting positive change in communities.

## Kilimanjaro Blind Trust Africa:
Empowered 200 visually impaired youth with digital assistive technologies for better employability

To enhance the employability skills of visually impaired youth, we partnered with Kilimanjaro Blind Trust. Through this collaboration, we provided:

- Quality inclusive education
- Training in innovative digital assistive technologies

This initiative successfully empowered 200 youth with visual impairments, significantly improving their access to education and future career opportunities.

## Wezesha Elimu Programme:
Enhanced education access for children with disabilities, performing 188 surgeries and distributing 158 mobility devices

The Wezesha Elimu programme made a significant impact on the lives of children with disabilities, enhancing their access to education and enabling them to achieve their full potential. The programme accomplished:

- 188 paediatric orthopaedic and other surgeries performed
- 158 mobility devices distributed
- 152 orthopaedic rehabilitations performed

Through these efforts, we supported children to lead more dignified lives and improved their educational opportunities. *This programme will no longer continue, as the grant ended.*

## Wezesha TVET Programme:
Provided direct scholarships to 1,300 students

Launched on 12 October 2023, the Wezesha TVET programme aims to enhance access to quality, equitable and inclusive skills training for Kenyan youth. Implemented by Catholic Relief Services (CRS) in Nairobi, Isiolo and Marsabit counties, the programme provided direct scholarships to 1,300 students, fostering their educational and career development.

## Citizens of the Future Programme:
Invested KSh 460m to enhance learning infrastructure

Under the Citizens of the Future Programme, the M-PESA Foundation committed over KSh 460m to enhance educational infrastructure. This investment aimed to improve learning environments and resources for students. By focusing on critical infrastructure improvements, we strived to support educational development and create better opportunities for future generations.

## M-PESA Foundation Academy:
Educated 551 students from poor backgrounds, with 568 enrolled in tertiary institutions globally

The M-PESA Foundation Academy remained dedicated to providing high-quality education to bright students from disadvantaged backgrounds across all 47 counties. During the reporting period:

- The student population was 561 from secondary schools
- 568 tertiary learners were actively enrolled in tertiary institutions across four cohorts in:
  - Australia (4)
  - Grenada (2)
  - Kenya (430)
  - Switzerland (9)
  - UK (80)
  - USA (43)

Our continued commitment aimed to nurture model leaders, doers and thinkers who will drive positive change in their communities and beyond.

## Empowering Education through Technology

We launched a pilot project in collaboration with the Public Sector Team, Longhorn Publishers, and the Ministry of Education, providing learners with tablets integrated with educational content and access bundles. This initiative aims to enhance learning experiences by delivering digital education tools directly to students.

**Scaling Digital Skills Programme:** Over 4,500 teacher trainers and 11,000 teacher trainees now have better access to digital learning tools.

**Coding Skills:** Basic coding training was provided to visually impaired (VI) learners at Machakos Technical Institute for the Blind.

**Access to Digital Assistive Technologies:** More than 150 VI learners and 11 graduates gained access to digital assistive devices like Orbit readers and Orion TI84 calculators.

## Wezesha Agri Programme:
Trained 1,121 women and youth in advanced agricultural practices and technologies

The Wezesha Agri Programme, run by Africa Instore Solutions from May 2022 to November 2023, invested KShs 23.9 million to empower women and youth in Kajiado County. Highlights include:

- Establishment of a demo farm in Oloitoktok
- Recruitment of 1,884 farmers
- Training and graduation of 1,121 women and youth
- Support from 21 partners across 17 major value chains

Phase 3 of the programme has been approved following a successful evaluation, marking a significant step forward in sustainable farming and economic empowerment.

## Bonga Points
Accumulated over 25 million Bonga Points, benefiting more than 4,000 lives

In 2024, we expanded the use of Bonga Points, our loyalty programme, to support the humanitarian and development sectors. By enabling customers to donate their Bonga Points, we created a new channel for fundraising to support meaningful causes. Through pilot initiatives such as BongaForLife (UNHCR), Inuka Angaza (World Vision) and the World Food Programme, we successfully demonstrated how Bonga Points can make a tangible difference.

Together, these efforts have accumulated over 25 million Bonga Points, benefiting more than 4,000 lives across different humanitarian causes. This innovative use of loyalty points reflects our commitment to leveraging digital solutions for social impact, empowering our customers to contribute to life-changing initiatives.

## Ndoto Zetu Phase 5:
Funded 303 proposals, reaching 2 million lives in health, education, and economic empowerment

Phase 5 of Ndoto Zetu continues to uplift communities across Kenya by supporting education, health, economic empowerment and environmental projects. We partner with local organisations to fund communitydriven initiatives, fostering sustainable development and wellbeing. This phase further strengthens our commitment to making a tangible difference in people's lives.

## SAFARICOM AND M-PESA FOUNDATION SPEND

Safaricom and the M-PESA Foundation are dedicated to creating meaningful social impact through targeted investments that drive positive change in Kenyan communities. The table below highlights the combined financial spend and the number of lives positively impacted by both foundations, demonstrating their ongoing commitment to uplifting communities and fostering sustainable development.

| | FY21 | | FY22 | | FY23 | | FY24 | |
|---|---|---|---|---|---|---|---|---|
| | Spend | Lives | Spend | Lives | Spend | Lives | Spend | Lives |
| Health | 22% | 602,018 | 9% | 1,163,281 | 10% | 1,250,581 | 20% | 3,289,770 |
| Education | 65% | 1,669,058 | 85% | 146,872 | 67% | 266,574 | 69% | 217,168 |
| Economic Empowerment | 3% | 109,000 | 6% | 14,571 | 4% | 241,220 | 6% | 54,957 |
| Disaster Response | 9% | 199,353 | - | 125,238 | 15% | 311,000 | 2% | 28,140 |
| Environment | 1% | 47,226 | 1% | 10,000 | 1% | 380,619 | 3% | 6,107 |

**PROJECT LESSONS LEARNED**
The most challenging project this year was the construction and furnishing of classrooms funded by the Pamoja stream. We faced significant budgetary constraints due to the rising cost of building materials. The initial allocation of KSh 1.1m was insufficient, leading to deficits across all projects. We worked diligently to secure additional funds and communicated the delays to stakeholders, who were patient and understanding throughout this process.

ENGAGING REGULATORS:

# FOSTERING COMPLIANCE AND SUSTAINABLE COLLABORATION

**COMPLY → ENGAGE → DISCUSS → ATTEND**
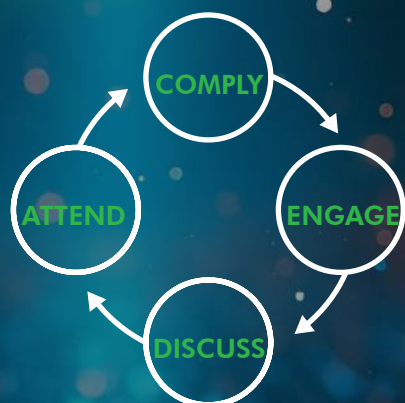
**Our interaction with regulators is based on four pillars:**

**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 REGULATORS AND THEIR MANDATES

### COMMUNICATIONS AUTHORITY OF KENYA (CA)

**Mandate:** The CA regulates Kenya's ICT sector, overseeing broadcasting, telecommunications, electronic commerce, and postal and courier services.

Safaricom engages with the CA on various issues such as MTR pricing, QoS standards, and spectrum management to ensure compliance and service delivery.

### COMPETITION AUTHORITY OF KENYA (CAK)

**Mandate:** The CAK enforces the Competition Act to promote competition in Kenya's economy. It regulates market structure and conduct, including mergers and competitive practices.

Safaricom collaborates with the CAK to ensure fair competition and avoid anti-competitive behaviour.

### CENTRAL BANK OF KENYA (CBK)

**Mandate:** The CBK regulates Kenya's financial services sector, ensuring stability and overseeing mobile money operations like M-PESA.

Safaricom works with the CBK to align with policies on mobile money transactions, security and pricing.

### KENYA REVENUE AUTHORITY (KRA)

**Mandate:** The KRA oversees tax collection and administration.

Safaricom works closely with the KRA to comply with taxation regulations and engage in discussions about tax policies affecting telecommunications and financial services.

### NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY (NEMA)

**Mandate:** The NEMA ensures sustainable management of Kenya's environment and natural resources.

Safaricom adheres to environmental regulations and supports sustainability initiatives to reduce the environmental impact of its operations.

### BETTING CONTROL AND LICENSING BOARD (BCLB)

**Mandate:** The BCLB regulates gaming, lotteries and prize competitions.

Safaricom complies with regulations around promotional services and betting operations through platforms like M-PESA.

### ENERGY AND PETROLEUM REGULATORY AUTHORITY (EPRA)

**Mandate:** The EPRA regulates Kenya's energy sector.

Safaricom is actively engaging with EPRA on sustainable energy solutions, especially regarding the rising energy costs impacting its infrastructure.

### OFFICE OF THE DATA COMMISSIONER

**Mandate:** This regulator oversees data privacy and protection in Kenya.

Safaricom complies with the Data Protection Act and collaborates with the Office to ensure customer data security.

These regulators play an integral role in shaping the operational environment for Safaricom. Our engagement with them ensures that we remain compliant, foster innovation and uphold consumer trust.
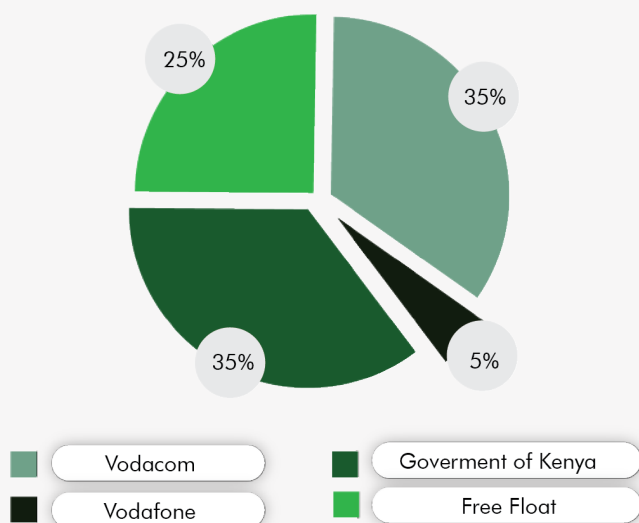
# DRIVING LONG-TERM VALUE FOR **INVESTORS AND SHAREHOLDERS**
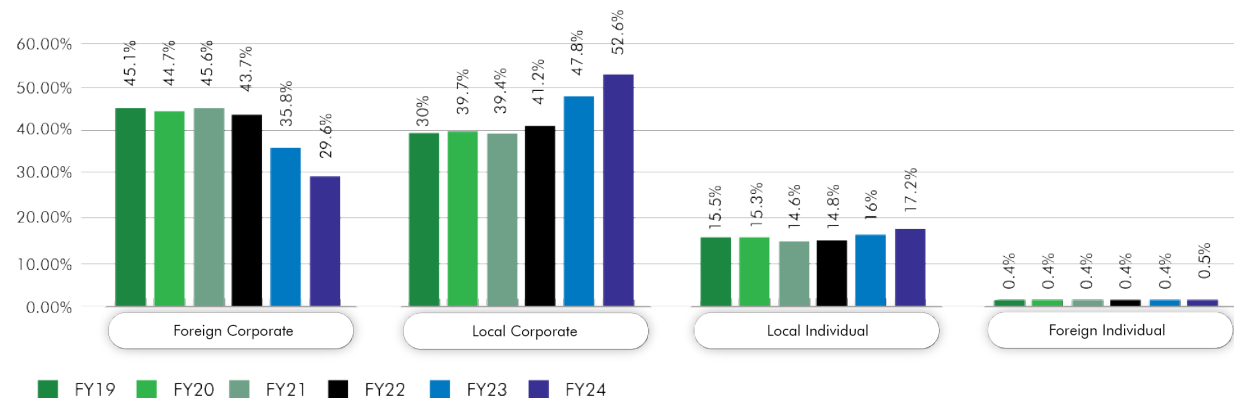
## UNDERSTANDING OUR SHAREHOLDER BASE

The breakdown of shareholders over the last six years has remained consistent. As indicated in the graphs below, the foreign corporates' shareholding of the free float stakeholders declined from 35.8% to 29.6% as at the end of FY24 driven by foreign investor sell-off in the emerging and frontier markets as they shifted their capital to developed markets for better returns.

However, this was balanced by our continuous efforts to diversify our investor base by increasing engagements via physical and virtual roadshows. Domestic investors supported the stock amidst the foreign investor sell-off with the local corporate share of the free-float shareholders increasing from 47.8% to 52.6%. We also increased our local funds engagement, and it is expected to continue in this financial year.

## % BREAKDOWN OF SHAREHOLDERS



Legend:
- Vodacom (25%)
- Vodafone
- Goverment of Kenya (35%)
- Free Float (35%)
- 5%

**PROPORTION OF 'FREE FLOAT' SHAREHOLDERS BY CATEGORY**



Foreign Corporate: FY19 45.1%, FY20 44.7%, FY21 45.6%, FY22 43.7%, FY23 35.8%, FY24 29.6%
Local Corporate: FY19 30%, FY20 39.7%, FY21 39.4%, FY22 41.2%, FY23 47.8%, FY24 52.6%
Local Individual: FY19 15.5%, FY20 15.3%, FY21 14.6%, FY22 14.8%, FY23 16%, FY24 17.2%
Foreign Individual: FY19 0.4%, FY20 0.4%, FY21 0.4%, FY22 0.4%, FY23 0.4%, FY24 0.5%

Legend: FY19, FY20, FY21, FY22, FY23, FY24

## INTERACTING CLOSELY WITH OUR STAKEHOLDERS

In FY24, Safaricom saw a marked increase in engagement with our investors, driven by a series of strategic and regulatory developments. Our interactions with shareholders have intensified, moving beyond standard investor roadshows to include a range of tailored engagements. The rise in one-on-one meetings with the executive management team has been particularly notable, reflecting heightened investor interest driven by factors such as the MTR rate cuts, macroeconomic conditions, and significant investments like our expansion into Ethiopia and the launch of M-PESA in Ethiopia.

Our diverse shareholder base, comprising both retail and offshore investors, has brought various concerns to light. Retail investors have predominantly expressed interest in issues such as unclaimed dividends, increased dividend payouts and changes in dividend payment methods. To address these concerns, we have engaged closely with our company registrars to manage these matters effectively.

Offshore investors have raised queries about our regional expansion into Ethiopia, the progress of M-PESA's launch in Ethiopia, and the impact of regional conflicts on our business strategy. Domestically, there has been a significant focus on regulatory changes, increased competition and macroeconomic challenges, including the effects of MTR rate cuts and increased excise duties on mobile money. We have responded by providing detailed updates through quarterly Ethiopia calls and enhanced disclosures in our financial materials, as well as hosting investor events.

**Highlights of the 2024 Investor Day in Ethiopia**

The 2024 Investor Day in Ethiopia was a significant success, providing investors with a comprehensive overview of our operations and demonstrating our commitment to transparency. For more details, watch the video of event highlights: https://www.youtube.com/watch?v=j5HTb9Sw25A

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**LOOKING AHEAD:**
## OUR FY25 GOALS

We will continue building and maintaining a strong relationship with our shareholders by enhancing our engagement. In addition, we will continue to generate solid returns for our shareholders as we work towards assuming the mantle of being Africa's leading technology company by 2030. Some of our focus areas in FY25 include:

- Give more visibility to investors on the Ethiopia expansion through our quarterly call and enhance our disclosures in financial reports and earnings materials
- Enhance clarity of understanding of our strategy, business and expansion to Ethiopia to investors by hosting the third Investor Day
- Increase our investor targeting efforts to grow our shareholder base to impact tech, ESG-focused investors and investors domiciled in the domestic market
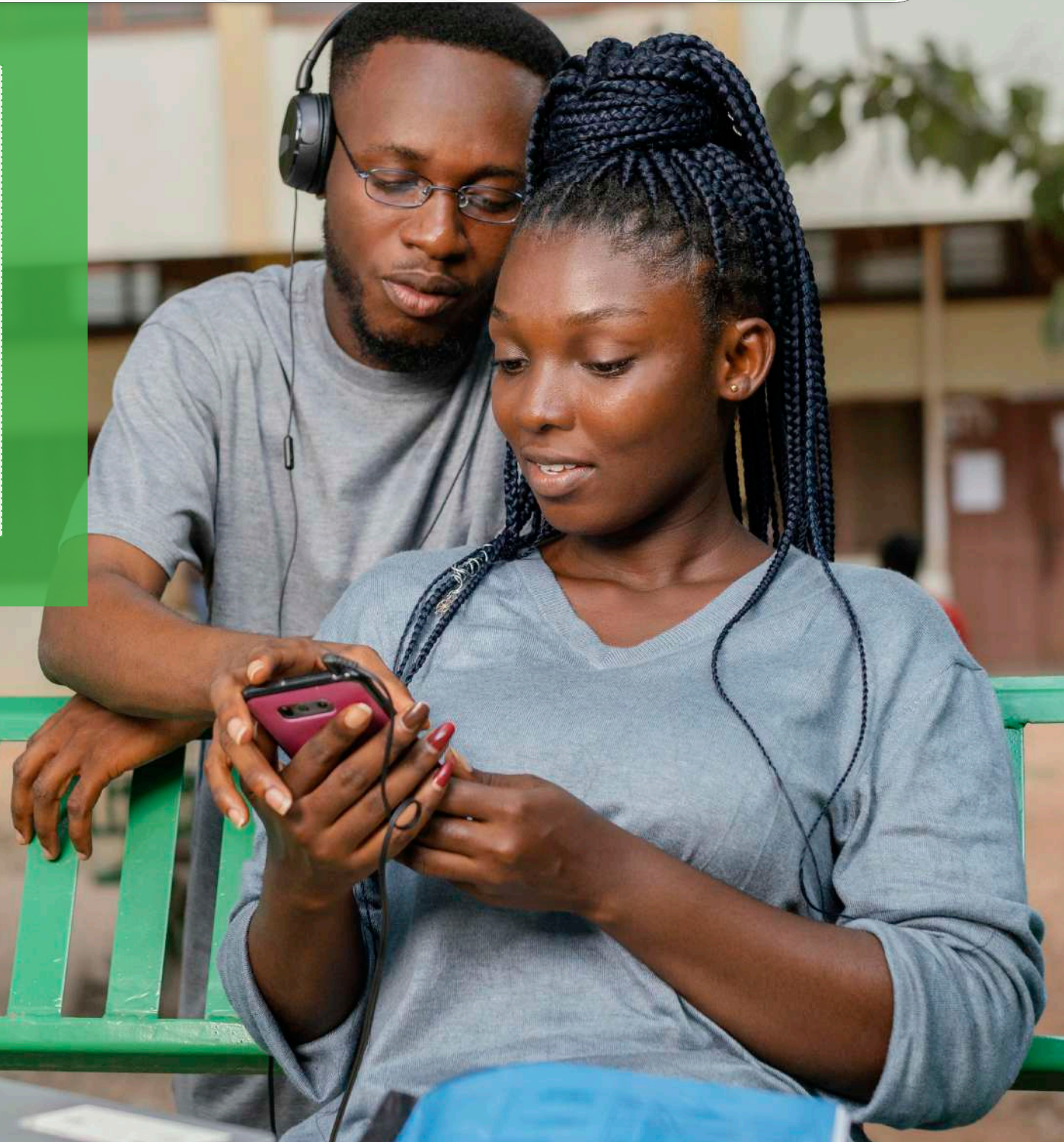
# ANNEXURES

# SUMMARY OF SAFARICOM CARBON FOOTPRINT
## SUM OF GHG EMISSIONS ($tCO_2e$)

| Sum of GHG emissions (tonnes CO | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| | | | | | | | | |
| Diesel consumed in generators | | | | | | | | |
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| Refrigerant gases/Fugitive Emissions | | | | | | | | |
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| Category 2: Capital Goods(Spare Parts) | | | | | | | | |
| Category 4: Upstream Transportation & Distribution | | | | | | | | |
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| Category 4: Upstream Transportation & Distribution | | | | | | | | |
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# GRI STANDARDS INDEX

This Global Reporting Initiative (GRI) Standards index serves as a guide to specific sections in the report where some GRI disclosures are addressed. This report has been prepared referencing the GRI Standards. As we continue to refine our sustainability practices, our objective is to produce a report that fully aligns with the GRI Standards, showcasing our commitment to transparency and sustainable business practices.

| GRI Disclosure | Disclosure Title/Description | Page in Report |
|---|---|---|
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| GRI 2: General Disclosures | 2-2 Entities included in the organization's sustainability reporting | 5 |
| GRI 2: General Disclosures | 2-3 Reporting period, frequency and contact point | 5 |
| GRI 2: General Disclosures | 2-4 Restatements of information | 55 |
| GRI 2: General Disclosures | 2-5 External assurance | 112 |
| GRI 2: General Disclosures | 2-6 Activities, value chain and other business relationships | 46 - 54 |
| GRI 2: General Disclosures | 2-7 Employees | 75, 76 |
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| GRI 2: General Disclosures | 2-12 Role of the highest governance body in overseeing the management of impacts | 68 |
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| GRI 3: Material Topics | 3-2: List of material topics | 17 |
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| GRI 201: Economic Performance | 201-1 Direct economic value generated and distributed | 19 - 23 |
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| GRI 302: Energy | 302-5 Reductions in energy requirements of products and services | 25, 58, 59 |
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| GRI 305: Emissions | 305-3 Other indirect (Scope 3) GHG emissions | 55 – 57, 101 |
| GRI 306: Waste | 306-1 Waste generation and significant waste-related impacts | 60, 61 |
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| GRI 306: Waste | 306-4 Waste diverted from disposal | 61, 62 |
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| GRI 401: Employment | 401-1 New employee hires and employee turnover | 81 |
| GRI 401: Employment | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 81 |
| GRI 403: Occupational Health and Safety | 403-1 Occupational health and safety management system | 31, 85, 87 |
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| GRI 403: Occupational Health and Safety | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 83, 87 |
| GRI 403: Occupational Health and Safety | 403-9 Work-related injuries | 84 |
| GRI 404: Training and Education | 404-1 Average hours of training per year per employee | 79 |
| GRI 404: Training and Education | 404-2 Programs for upgrading employee skills and transition assistance programs | 78, 81 |
| GRI 404: Training and Education | 404-3 Percentage of employees receiving regular performance and career development reviews | 78, 80 |
| GRI 414: Supplier Social Assessment | 414-1 New suppliers that were screened using social criteria | 71, 93 |
| GRI 418: Customer Privacy | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 70, 72 |