

About our report

Our reporting scope and boundary

This Annual Report is the primary report of Safaricom PLC (the "Company") and its subsidiaries (together, the "Group") to its stakeholders, and is a concise, material and honest assessment, reviewed and authorised by our Board of Directors (the Board) of how we create long-term value and how we deliver on our purpose of Transforming Lives. The report provides an overview in terms of the six capitals of our strategy and business model, risks and opportunities, operational and governance performance and activities for the financial year 1 April 2021 to 31 March 2022. Our intention in this report is to describe both our financial and non-financial activities and performance during the year.

In compiling the report, we have reflected the integrated thinking that we apply to our business activities, and we have endeavoured to demonstrate our commitment to the principles of integrated reporting as aligned with our ability to create value in the short, short-, medium- and long-term, which we define as less than 12 months, one to five years, and beyond five years, respectively.

Materiality

We consider material matters to be those issues that could substantively affect our ability to create value over time, and as part of our commitment to understand and provide information on those material matters, we carry out a structured process involving senior decision-makers within the Group to identify and prioritise them.

This process included a considered review of our business model and strategy, our operating environment, and the interests of our key stakeholders as expressed by them during our normal business engagements with them.

Through research and analysis, and our engagement with stakeholders, we strive to identify and gain insight into the environmental, social and governance issues that present significant risks, and/or provide opportunities to our business and our ability to create and deliver value for our stakeholders.

In providing the basis for a broader understanding of the risks and opportunities inherent in our business, our process of determining the material matters that pertain to our activities is central in both guiding our decision-making and underpinning our strategy.

CAPITALS



Financial capital

The pool of funds and assets that we maintain



Human capital

Our employees, and all the competencies, abilities experience and expertise that they bring to the Group



Intellectual capital

The policies, procedures, intellectual property (IP), knowledge that exists and is cultivated in our organisation, including our vision, mission, purpose, reputation, and the value of our brand



Social and relationship capital

The partnerships and relationships that we build and maintain with all our stakeholders, including our employees, providers and suppliers, and our communities



Manufactured capital

Our buildings, properties, fibre-optic and cable networks, towers and other infrastructure, and vehicles that support our operations



Natural capital

The beneficial projects that help to sustain the environment in which we operate

OUR STRATEGIC PILLARS



Strengthen the core



Financial services provider



Accelerate new growth areas



Achieve cost leadership

Our approach to the preparation of our integrated report

Integrated thinking is intrinsic to how we manage our business, our strategy development and reporting practices. Our strategy, with its four strategic pillars, has been developed to ensure that we manage the key resources and relationships that enable us to create value over time. Considered assessment of the four strategic pillars informs our strategy and the materiality process used to determine the content and structure of this report, whose drafts, concepts and structure have been systematically reviewed and supported by the ultimate assurance of Independent Assurance providers.

Our reporting frameworks

This report is prepared in accordance with the International Financial Reporting Standards (IFRS) Framework and the International Integrated Reporting Framework. Our reporting process is guided by the principles and requirements of IFRS, the Nairobi Securities Exchange (NSE) Listings Requirements and the Kenyan Companies Act, 2015.

Forward-looking statements

This report contains certain forward-looking statements in respect of our strategy, performance and operations, and refers to certain global, regional and domestic political, social and or macro-economic conditions. By nature, these forward-looking statements involve risk and uncertainty as they relate to future events and circumstances which are difficult to predict, and therefore beyond our control. The conditions described could thus cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Assurance

Both our Board Audit, Risk and Compliance Committee and our Nominations and Remuneration Committee provide internal assurance to the Board on an annual basis on the execution of our strategic priorities. The Group's financial, operating, compliance and risk management controls are assessed by its internal audit function, which is overseen by the Board Audit, Risk and Compliance Committee. Our annual financial statements are assured by our external auditors, Ernst & Young.

Directors' statement of responsibility

The Board has a statutory duty to provide oversight in promoting the business success of the Group for the benefit of its stakeholders. In fulfilling this duty, the Board has due regard for the long-term implications and consequences of their decisions, as well as the legitimate interests of all the Group's stakeholders and the impact of our operations on the community and the environment. The Board acknowledges its overall responsibility for good corporate governance across the Group and ensures that its governance policies and mechanisms are appropriate to its structure, business and risks.

As a fundamental principle of its commitment to full and transparent compliance with all laws, regulations and standards applicable to it, the Board ensures adherence to the standards and practices of good corporate governance, and to the principles, practices and recommendations set out under the Code of Corporate Governance for Issuers of Securities in Kenya (the Code) as well as the Act.

The Board has established internal procedures and monitoring systems to promote compliance with applicable laws, regulations and standards, and is supported by qualified legal and compliance professionals.

The Board has applied its collective mind to the contents of this report and believes that it fairly represents the Group's material matters and that it offers a balanced view of our strategy, business model, financial and non-financial activities and value-creation. On the recommendation of the Board Audit, Risk and Compliance and Nominations and Remuneration Committees, the Board approved the Safaricom PLC Consolidated Audited Financial Statements on 11 May 2022.

Signed on behalf of the Board



Michael Joseph
Chairman



Peter Ndegwa
Chief Executive Officer