

MESSAGE FROM THE CHAIRMAN







Message from the Chairman



Since our inception two decades ago, Safaricom has been successful due to our resolute commitment to leading with purpose. That purpose – Transforming Lives – has always informed our decision-making, enabling us to create an inclusive business with relevant products and services that benefit and help improve society.

● Michael Joseph, Chairman of the Board

Message from the Chairman

Overview

The Board is encouraged by the resilience that the business has shown during the year and the recovery trajectory in the economy marked by GDP growth surpassing pre-pandemic levels.

In an increasingly digital economy, we are committed to supporting the Government of Kenya and Kenyan citizens in navigating this recovery phase. To maintain resilience in our business, we must continue to innovate and speedily execute sustainable solutions to meet the digital needs of our customers.

With the Group two years into our five-year strategy guided by the purpose of transforming lives, the Board continues to support management in its business plans, recording strong achievements in this financial year. We are pleased with the exceptional performance of the business, which has seen strong revenue growth, consistent shareholder value and the support over one million jobs across the country. The outcome of this has been upliftment for communities, and, for us as an organisation, greater accountability to our shareholders, our investors and our society.

A strategy of upliftment

We are now two years into our new five-year strategy, and its success attests to our fundamental principle of placing our customers at the heart of everything we do. This principle is a key component of our determination, as evidenced by the activities of our two foundations, to continue making a meaningful contribution towards a sustainable planet and future.

We are proud that in pursuing this goal, the M-PESA Foundation, amongst its other initiatives, has, in partnership with Kwale County and the Kenya Red Cross, installed a solar-powered water pump at Nyalani Dam that will see over 22,000 county residents having access to clean, safe water for home consumption. Moreover, the pump will deliver irrigation to over 105 acres of county farmland, thereby directly boosting food production.

Similarly, as part of our continued commitment to creating shared value, the Foundation has partnered with Gertrude's Children's Hospital to launch Daktari Smart, a telemedicine programme that will link and provide specialised medical treatment to over 32,000 children in remote counties over three years.

In addition, we are now participating in the Pamoja Tuungane campaign, an initiative which, having begun in FY2023, rallies Kenyans to donate Bonga points or cash to support children and families affected by the prolonged drought. We have committed foodstuffs to the value of Kshs 100 million, to be distributed over 23 of the hardest-hit counties. For more on our foundations and their activities, see page 130.

Monitoring our operating environment

The year under review was one with far-reaching changes and extraordinary circumstances, even within the economic recovery that we have begun to see. The Board continued to actively assess business risks arising from geopolitics, macro-economic developments and industry concerns, as well as reputational risks.

We have seen, during the year, challenges represented by new directives by the regulators, revision of mobile termination rates (MTRs), as well as an increase in GSM excise duty, and implementation of changes in customer acquisition channels as well as subscriber registration. We continued to provide full support to management as it engaged with the regulators to ensure alignment with registration, taxation and legislation.

With campaigns for the August elections underway, we will be carefully monitoring the political risks with a potential to impact the business on both the operations and infrastructure fronts.

These headwinds notwithstanding, there has been discernible GDP growth of 7.5% in 2021 surpassing pre-COVID-19 levels. We see this as opportunity to be unlocked, particularly for MSMEs. For more on our operating environment, see page 20.

Board performance

It is gratifying to be able to note that the Board and its committees have performed outstandingly well, not only in fulfilling their duties, but in proactively supporting management, delegating with responsibility and transparency, and applying its collective mind and skills to meet the challenges, and maximise the opportunities that have made themselves apparent during the year.

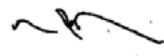
In addition, during the year under review, we continued to work hard to understand the concerns of our stakeholders, to absorb them and apply them so that our strategy continually matches not only our vision, mission and purpose, but the needs and expectations of all those individuals and bodies that are impacted by what we do.

Acknowledgements

I would like to thank my colleagues on the Board for their diligence and commitment during the year, in providing effective assessments and guidance for management to act upon. Their skill, wisdom and experience have added a great deal of value to the Group and contributed in no small amount to its achievements in FY2022.

I am also extremely grateful to our CEO Peter Ndegwa and his management team for their outstanding leadership and capable steering of the business to deliver value through the sterling performance that we have recorded.

Finally, to all our stakeholders, and in particular government and regulatory bodies with whom we continuously consult, I would like to say that we greatly appreciate their support and willingness to engage with us as we move forward together to make the future an even better one for all.



Michael Joseph
Chairman

Ujumbe kutoka kwa Mwenyekiti



Tangu kuanzishwa miongo miwili iliyopita, Safaricom imefanikiwa kutokana na kujitolea kwetu kuongoza kwa lengo kuu. Lengo hilo – Kubadilisha Maisha – limekuwa daima likiongoza maamuzi yetu, na kutuwezesha kuunda biashara inayowashirikisha wote kupitia bidhaa na huduma zinazofaidi na kusaidia kuiboresha jamii.

● Michael Joseph, Mwenyekiti

Ujumbe kutoka kwa Mwenyekiti

Kwa ufupi

Bodi imefurahishwa na ukamavu ambao biashara yetu imedhihirisha katika mwaka uliomalizika na mwelekeo wa kuimarika tena kwa uchumi ambapo kiwango cha ukuaji wa pato la taifa yaani GDP kimezidi kiwango cha kabla ya janga la corona.

Katika uchumi ambao unazidi kuwa wa kidijitali, tumejitolea kuisaidia Serikali ya Kenya na raia wa Kenya katika kupitia kipindi hiki cha kujikwama. Ili kudumisha ukamavu wa biashara yetu, ni lazima tuendeleo kuvumbua na kutekeleza kwa kasi huduma endelevu za kukidhi mahitaji ya kidijitali ya wateja wetu.

Kundi letu sasa lipo katika mwaka wa pili wa utekezaji wa mkakati wa miaka mitano unaoongozwa na lengo la kubadilisha Maisha. Bodi inaendelea kuunga mkono wasimamizi katika mipango yao ya biashara, ambapo kulipatikana mafanikio makubwa mwaka huu wa kifedha. Tumefurahishwa na matokeo mazuri ya kifedha ya biashara yetu, ambayo imeshuhudia ukuaji thabiti wa mapato, kuongezeka kwa thamani kwa wenyehisa na tunaendeleza nafasi za kazi zaidi ya milioni moja kote nchini. Matokeo yake yamekuwa ni kuinuliwa kwa jamii, na, kwetu kama shirika, uwajibikaji zaidi kwa wenyehisa wetu, wawekezaji wetu, na kwa jamii yetu.

Mkakati wa kuinuka

Tumemaliza miaka miwili sasa ya utekezaji wa mkakati wetu wa miaka mitano, na mafanikio yake ni dhihirisho tosha ya azma yetu kuu ya kuwaweka wateja mbele katika jambo lolote tulitendalo. Msingi huu ni kiungo muhimu katika kujitolea kwetu, kama inavyodhihirishwa na shughuli za Nyakfu zetu mbili, katika kuendelea kutoa mchango wa maana kuhakikisha ulimwengu endelevu na siku za usoni endelevu.

Tunajivunia kwamba katika kutimiza lengo hili, wakfu wa M-PESA Foundation, miongoni mwa miradi yake mingine, kwa ushirikiano na Kaunti ya Kwale na Shirika la Msalaba Mwekundu Kenya, wameweka pampu ya maji inayotumia kawi ya jua katika Bwawa la Nyalani. Mradi huu utawezesha zaidi ya wakazi 22,000 wa kaunti hiyo kupata maji safi kwa ajili ya matumizi yao ya nyumbani. Kadhalika, pampu hiyo itawezesha unyunyuzi maji katika ardhi ya ekari 105 katika kaunti hiyo, na hivyo kuimarisha uzalishaji wa chakula kwa njia ya moja kwa moja.

Vilevile, kama sehemu ya kujitolea kwetu kuunda thamani ya pamoja, Wakfu huo umeshirikiana na Hospitali ya Watoto ya Gertrude kuzindua Daktari Smart, ambayo ni huduma ya afya ya njia ya simu ambayo itatoa matibabu maalum kwa watoto zaidi ya 32,000 katika kaunti za mbali katika kipindi cha miaka mitatu.

Kadhalika, sasa tunashiriki katika kampeni ya Pamoja Tuungane, mkakati ambao, baada ya kuanzishwa katika mwaka wa kifedha wa 2022, unawahamasisha Wakenya kutoa msaada wa alama zao za Bonga au pesa taslimu kusaidia watoto na familia zilizoathiriwa na ukame. Tumeahidi kutoa vyakula vya thamani ya Kshs 100 milioni vitakavyosambazwa katika kaunti 23 zilizoathirika zaidi. Kwa maelezo zaidi kuhusu Nyakfu zetu na shughuli zake, tazama ukurasa 130.

Kufuatilia mazingira yetu ya uendeshaji shughuli

Mwaka tunaounganzia ulijaa mabadiliko makubwa na hali ya kipekee, hata ukizingatia kuimarika tena kwa uchumi ambako tumeanza kushuhudia. Bodi liliendelea kutathmini hatari za kibiashara zilizotokana na siasa za kanda, matukio ya kiuchumi na wasiwasi kwenye sekta yenyewe, pamoja na hatari zilizoathiri sifa zetu kama kampuni.

Tumeshuhudia, katika mwaka huo, changamoto mpya zilizotokana na maagizo mapya ya mamlaka, kufanyiwa mabadiliko kwa ada za upigaji simu kwenye mitandao mingine (MTRs), pamoja na ongezeko katika kodi ya GSM. Pia, utekezaji wa mabadiliko katika njia za kuwapata wateja ikiwa ni pamoja usajili wa wateja. Tuliendelea kuwaunga mkono wasimamizi walipoendelea kujadiliana na mamlaka kuhakikisha tunafuata mahitaji ya usajili, ushuru na sheria zilizopo.

Huku kampeni za uchaguzi mkuu wa Agosti zikiendelea, tutaendelea kufuatilia kwa karibu hatari za kisiasa zilizo na uwezo wa kuathiri biashara yetu katika upande wa shughuli zetu na pia miundo mbinu yetu.

Licha ya changamoto hizi, kumekuwepo na ukuaji mzuri wa GDP wa 7.5% katika mwaka 2021 kiwango ambacho kimezidi kiwango cha kabla ya COVID-19. Tunatazama hii kama fursa ambayo inaweza kutumiwa vyema, hasa na biashara ndogo na za wastani yaani MSMEs. Kwa maelezo zaidi kuhusu mazingira ya kibiashara, tazama ukurasa 20.

Matokeo ya Bodi

Inafurahisha kuweza kueleza kuwa Bodi na kamati zake zote wamefanya vyema sana, sio tu katika kutekeleza majukumu yao, bali pia katika kuunga mkono na kusaidia wasimamizi, kupokezana majukumu kwa uwajibikaji na uwazi, na kwa kutumia ujuzi na utaalamu wao kwa pamoja kukabiliana na changamoto zilizokuwepo. Kadhalika, kutumia vyema fursa zilizojidhihirisha katika mwaka huo.

Pia, wakati wa mwaka huo tunaounganzia, tuliendelea kufanya kazi kwa bidii kuelewa vyema maswali na maoni yaliyotolewa na wadau wetu, na kuyapokea na kuyashughulikia ili kuhakikisha mkakati wetu sio tu kwamba unaendana na ruwaza, ndoto na lengo letu, lakini pia mahitaji ya watu binafsi na mashirika yote yanayoathiriwa na shughuli zetu.

Shukrani

Ningependa kuwashuruku wenzangu kwenye Bodi kwa jitihada zao na kujitolea kwao mwaka huo katika kutoa utathmini wa maana na ushauri muhimu wa kufuatwa na wasimamizi. Ujuzi wao, busara na uzoefu vimeongeza thamani sana kwenye Kundi na vilichangia si haba katika ufanizi wake FY2022.

Ninamshukuru sana pia Afisa Mkuu Mtendaji wetu Peter Ndegwa na kundi lake la wasimamizi kwa uongozi wao wa kipekee na kwa walivyoelekeza biashara yetu kuunda thamani kupitia matokeo mazuri na ya kuridhisha tuliyoyaandikisha.

Mwisho, kwa wadau wetu, na hasa serikali na mamlaka zinazosimamia sekta yetu ambazo huwa tunajadiliana na kushauriana mara kwa mara, tungependa kusema kuwa tunashukuru sana kwa usaidizi wao na kwa kujitolea kwao kushauriana nasi tunaposonga mbele na kujenga siku za usoni bora hata zaidi kwetu sote.



Michael Joseph
Mwenyekiti