

Material matter

Why it is important

Our response

Alignment with the SDGs

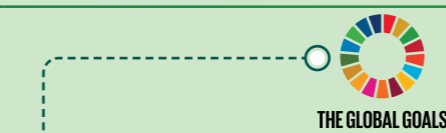
Future focus areas

01
Our platforms

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

In keeping with our Customer Obsession focus, which means putting our customers first in everything we do, we monitor the critical components of our network – quality, availability and coverage – to ensure we give our customers the best overall experience.

Our platforms reflect the value provided to the customer as Safaricom is more than just a network. Our network enables our platforms such as M-PESA and DigiFarm which we are constantly refining and enhancing to add new functionalities and capabilities with the overall aim of transforming our customers' experience and adding economic value. We successfully rolled out the agile culture to ensure we incorporate the perspective of the customer in responding to their rapidly evolving need in line with our customer obsession approach as we transition from a telco to a technology company.



- GOAL 3:** The future focus remains to leverage on mobile technologies to transform lives by improving access to quality and affordable healthcare services through products such as M-TIBA.
The Safaricom Foundation & M-PESA Foundations will continue with programmes in maternal and child health.
- GOAL 4:** The future focus is continue expanding access to education through innovative solutions, our network and through partnerships such as Shupavu 291, connectivity for schools and our various programmes under the Elimu pillar of our Safaricom and M-PESA Foundations.
- GOAL 8:** Decent work and economic growth: The quality of the service we provide enables decent work and economic growth.
- GOAL 9:** Industry, innovation and infrastructure: Increased accessibility and data connectivity by making affordable smartphones available to everyone in the market.
- GOAL 10:** Reduced inequalities: We work to promote financial inclusion across all sectors and we promote digital inclusion and gender inclusion. The focus on Goal 10 is to reduce inequalities by enabling equal access to opportunities to everyone, especially to vulnerable groups, using Safaricom leadership, network, solutions and technology.

- Expand the number of 5G sites to more than 200 in FY2023
- Over the medium- to long-term we aim to connect one million homes with FTTH
- Continue public Wi-Fi provision
- Drive financial health, complementing the financial inclusion milestones we have achieved so far
- Drive adoption of digital mobile financial solutions to consumers and merchants
- Further develop digitalisation of the transport sector through a cashless parking solution with contactless vehicle verification in the long-term

02
Environmental stewardship

The way in which we live and work in the environment underpins our strategic focus on customers, colleagues, community and company.

As one of the major players in Kenya's economy, we have a particular responsibility not only to manage and minimise our impact on the environment, but to demonstrate best practice in the ways in which we achieve as well as in reporting our environmental performance openly and transparently.

We are committed to becoming a net zero emitting company by 2050, managing our operations responsibly and working with our stakeholders to achieve the same.

We pay careful attention to energy usage, and the carbon footprint both of our Group and our wider industry. We also endeavour to provide solutions to help other sectors reduce their emissions through digitisation.

We track greenhouse gas (GHG) emissions, energy efficiency, consumption and cost, waste and e-waste and emission reduction, constantly monitoring our progress.

We also make use of environmental impact assessments and audits, together with international third-party standards such as ISO 14001 environmental and ISO 50001 energy management systems in order to establish both negative and positive impacts and implement mitigation measures where required.

We collaborate with regulators to significantly increase access to information and communications technology (SDG9) while ensuring sustainable consumption and production patterns both within our own organisation and amongst our stakeholders (SDG12). By helping to build effective, accountable and inclusive institutions at all levels (SDG16), through partnerships within the wider business community (SDG17), we are enabling sustained, inclusive economic growth (SDG8). This, in turn, is driving progress, creating decent jobs for all and improving living standards.

- GOAL 7:** Affordable and clean energy: Our focus on Goal 7 is to transition to use of clean energy at our sites and leverage on technology to provide clean energy solutions, including payment solutions for local and renewable energy solutions. Our commitment is to be a Net-Zero emitting company by 2050.
- GOAL 12:** Responsible consumption and production: We increased the number of our regional retail shops with segregated waste management bins from 7 to 18.
- GOAL 17:** Partnerships for the Goals: We partner with licensed mini-grid providers in remote regions or grid-power-deficient areas where we will be the anchor tenant.

- We aim to be single-use-plastic free and will continue to work to eliminate single-use plastics in our retail shops across the country
- Scale up end-to-end integrated waste management beyond the Nairobi region and continue to aspire to attain a recycling rate of 98% for all our collected waste
- Conduct a nationwide sensitisation programme/workshop on EMF and 5G
- Achieve one million trees planted under our carbon offset re-forestation project

03
Innovation and partnerships

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.

For us, innovation is not just about product innovation, but extends also to innovation related to financing, partnerships and engagement – in other words, solutions throughout the value chain that transform lives in many different ways.

Constant innovation is an important aspect of ensuring our continued success and resilience.

Among other teams, our Business Development Division is responsible for innovation and partnerships. While each of these teams has specialised areas of expertise, they all share a common understanding of the fact that the digital economy will be built by people who are not just connecting individuals and businesses to technology, but to solutions, seen from the perspective of people living with a challenge.

The teams liaise closely with the Customer Obsession stream to achieve business insights into areas that matter most to customers and to guide the business in new areas of opportunity.

These insights, together with ongoing training, are complemented by predictive models to drive smarter business decisions and actions.

- GOAL 8:** Decent work and economic growth: We unlock access to market for MSMEs.
- GOAL 17:** Partnerships for the goals: We were awarded part of the tender for the Universal Service Fund.
We are in a partnership in the licence which will assist in stimulating economic growth in Ethiopia.

- Launch commercial operations in Ethiopia within 2022
- Drive adoption of the M-PESA Super App for consumers and business apps launched in FY2022 as a marketplace to enhance the two-sided ecosystem
- Implementation of MSME marketplace
- Work to build a digital healthcare service for Kenya
- Develop capacity in user interface and experience

04
Governance business ethics and risk

Good corporate governance practices are essential to the delivery of long-term, sustainable stakeholder and shareholder value. The ability to generate long-term value is based on good corporate governance which helps to regulate risk.

Implementing strong governance structures including a governance code, an ethical culture and a robust risk management framework are foremost in our minds as a responsible corporate citizen.

Our focused adherence to governance and ethics underpins our risk management framework.

We work beyond our own business to stand together with society and drive behavioural change through effective collective action initiatives.

We include our business partners in ethics training, and play an active role in collaborative advocacy action that promotes ethics and integrity through quarterly fraud forums for financial institutions. These forums were attended by 489 suppliers in FY2022.

Our priorities in terms of governance, business ethics and risk in the year were as follows:

- Further embedding a positive risk culture across our organisation
- Customer obsession
- Data privacy and protection
- Cyber security
- Managing risks and uncertainties facing the business

- GOAL 9:** Industry, innovation and infrastructure: We promote increased accessibility and data connectivity by making affordable smartphones available to everyone in the market.
- GOAL 12:** Responsible consumption and production
- GOAL 16:** Peace, justice and strong institutions

- Work at national level to mitigate the risks of cyber-attacks.
- Continue to put our customers first by prioritising fraud management and data privacy to ensure our customers are protected.

05
Regulatory environment

The Regulatory Environment plays a significant role in Safaricom's ability to operate effectively. It is in the nature of the regulatory environment that we reflect and respond to change in the socio-economic environment.

These two environments together in turn have the capacity to impact our strategy, its expression in our business model, and consequently our decision-making.

We continuously and regularly identify and assess changes and monitor expectations to ensure that our decision-making is compliant, responsible, transparent and value-creating.

We worked with the Communications Authority (CA) of Kenya who extended usage of COVID spectrum and secured 5G to us in order to reduce stress on the network caused by the spike in demand for data during the lockdown period.

This enabled us to continue serving our customers during a time when the country was transitioning to virtual services.

- We sustained focus on compliance and this translated to minimal non-conformance resulting in zero penalties or non-monetary sanctions.

- GOAL 17:** Partnerships for the goals:
We collaborate with regulators (SDG16 and SDG17) to significantly increase access to information and communications technology (SDG9) while ensuring sustainable consumption and production patterns both within our own organisation and amongst our stakeholders (SDG12).

- Engagement with regulators on the numerous draft regulations, guidelines, and bills.
- 100% single use plastic free organization- the plan is to go green in all our retail shops by doing away with single use tumblers and introducing sustainable solutions such as paper cups
- 90% of solid waste recycled across all Safaricom facilities (offices, shops and data centres) this is in line with the national Sustainable waste regulation 2021.
- 1 million trees to be grown in line with carbon offset program towards Net Zero by 2050.
- Acquire air quality licenses to operation generators in all our data centres and offices in order to comply with the Air Quality regulations 2014.
- Grow e-waste collection and recycling by 20%