

Our Strategic Approach (continued)

Our material matters (continued)

How we rank and manage our material matters

1 Our platforms

Why it is 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.

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 that we provide our customers with the best overall experience.

This material matter incorporates the perspective of our customer and reflects our transition from a telco to a technology company.

Our response:

Our focus on the customer remains unwavering as we seek to reconnect with our customers and deliver more value to them.

Network: It is critical that our network experience is both of reliable and quality. In the year under review, Safaricom's Network NPS maintained 1st position as compared to the competition scoring 78 points. Safaricom led in Network NPS across the year, leading in both the Voice and Data metrics of NPS. This was achieved through continuous Network Optimization at the Core and Radio network, capacity expansion and rollout of new coverage sites in areas that previously lacked coverage. 155 new sites were built to resolve coverage and capacity issues, while 1,380 4G cells were also upgraded to increase their capacity.

Safaricom has 800 5G sites currently on air. These initiatives ensured that the customers had a good network experience with Safaricom maintaining to be the best network in Kenya. Current broadband population coverage (4G) stands at 96.3%. Indoor network coverage has also been a challenge whereby we had 190 new sites deployed to mitigate the challenge. Areas where indoor coverage improvement was prioritised are Nairobi CBD, Eastleigh, Kasarani, Embakasi and Kayole. More initiatives are being made to ensure good indoor coverage which has been a challenge as we see mushrooming high-rise buildings in the major cities, especially in Nairobi.

SDG alignment:



The quality of the service we provide enables decent work and economic growth.



Facilitating increased accessibility and data connectivity by making affordable smartphones available to everyone in the market.



We work to promote financial inclusion across all sectors while promoting digital and gender inclusion. The focus is to reduce inequalities by enabling equal access to opportunities for everyone, especially to vulnerable groups, using Safaricom leadership, network, solutions and technology.



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

Future focus areas:

- Expand the number of 5G sites to more than 1,700 in FY2025
- Continue with public Wi-Fi provision
- Drive financial health, complementing the financial inclusion milestones so far achieved
- Drive the adoption of digital mobile financial solutions to consumers and merchants
- Further develop, in the long term, digitalisation of the transport sector through a cashless parking solution with contactless vehicle verification

2 Environmental stewardship

Why it is important:

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.

Aligned with our netzero-commitment, we manage our operations responsibly and work with our stakeholders to achieve this.

Our response:

Safaricom is committed to managing our operations responsibly, decreasing our environment impact and promoting responsible behaviour among all our stakeholders. Our planet strategy has four key pillars: climate action, circular economy, conservation and restoration of biodiversity & ecosystems and environmental compliance.

In the year under review, the key highlights for this material topic included:

- Environmental compliance: achieved 100% compliance.
- Promoting circularity: 98% recycling rate of our solid waste in 71 facilities; 195 tonnes of network waste disposed through auctioning.
- Environmental Management Systems (EMS): Recertification of the ISO 14001 with 14 minor nonconformities as an opportunity to improve. A corrective action plan has already been developed for these.
- 1.5M trees grown cumulatively as part of the carbon offset programme and 56,700 donated towards community decarbonisation.
- Achieved a score of A- in the annual Carbon Disclosure Project (CDP), an improvement from the B score in FY23.
- Biodiversity: in partnership with Vodafone and WWF, leveraging on technology, piloted a human wildlife conflict solution called m-Twiga- an early warning and deterrent system that notifies communities of the presence of specific wildlife species.
- Sustainable Finance: announced the closure of a multi-billion Sustainability Linked Loan (SLL) to strengthen its Environmental, Social and Governance (ESG) agenda. The KShs 15 billion deal, which is up scalable to KShs 20 billion by accordion, is the largest ESG linked loan facility ever undertaken in East Africa, and the first of its kind for Safaricom as well as the first Kenya Shilling denominated SLL in the market.

SDG alignment:



Our focus is to transition to the use of clean energy at our sites and leverage technology to provide clean energy solutions, including payment solutions for local and renewable energy. Our commitment is to be a net-zero-emitting company by 2050.



We built our own energy dashboards which have enabled remote monitoring thereby improving network stability and energy efficiency.



We partner with licensed mini-grid providers in remote regions or grid-power-deficient areas where we are the anchor tenant.

Future focus areas:

- Biodiversity: Conduct biodiversity impact assessment for our direct and upstream activities to help determine the magnitude of impacts of our operations on biodiversity; Explore shared value partnerships for nature and technology convergence
- Decarbonisation: Review and update our science-based targets in line with the latest science of keeping global warming within 1.5 degrees Celsius above the pre-industrial period; Adopt and disclose our climate risks through IFRS 2; Accelerate growing of 3.5 million trees towards offsetting our hard to abate emissions and supporting our communities to decarbonise and finalise the Planet Strategy, Green House Gas Recalculation policy; engage our Suppliers to set climate targets and reduce their carbon emissions; expand scope 3 emissions reporting
- Circularity: Grow e-waste collection and recycling by 20%, end to end digitisation of e-waste, general waste activities and regulatory permits/licenses; develop and grow impactful circularity partnerships.
- Environmental Compliance: 100% compliance to environmental statutes on waste, noise, air quality and water quality; carry out Environmental impact assessment for new base stations and Environmental audits for 786 BTSs and buildings; develop air quality licenses tracking system.

Our Strategic Approach (continued)

Our material matters (continued)

How we rank and manage our material matters (continued)

3 Innovation and partnerships

Why it is 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.

For us, innovation is not just about product innovation, but extends also to innovation related to financing, partnerships and engagement – 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.

Our response:

The focus continued to be identifying, developing, piloting, and scaling sustainable product innovations and establishing shared value strategic partnerships in the key verticals: health, education, wealth, humanitarian, agriculture, and essential services. It is important that the innovations are designed, developed and deployed in a responsible and ethical manner without infringing on the rights of the users. It is also key that they are human-centric and can be trusted as customers are increasingly more dependent on mobile services for many aspects of their daily lives.

SDG alignment:



Leveraging our mobile technologies and our Foundations to transform lives by improving access to quality and affordable health care services and by promoting well-being for all.



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



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



We unlock access to market for micro, small, medium enterprises (MSMEs).



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



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



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.

Future focus areas:

- Future focus will be acceleration of the new growth areas through shared value strategic partnerships in line with our purpose of transforming lives. Customer satisfaction is important and so we will focus on simplifying customer journeys and incorporating customer feedback into innovation and company processes.

4 Governance, business ethics and risk

Why it is important:

Good corporate governance enables a company to generate long term value and also helps in regulating risk. Robust governance and board effectiveness are key elements of corporate governance.

While complying with ethical and responsible business practices is viewed as a business requirement, as Safaricom, we strive to go beyond compliance to ensuring that our entire ecosystem operates in an ethical manner.

Our response:

Privacy and Data Protection:

- In order to protect our customer data and comply with our obligations under the Kenya Data Protection Act and the General Data Protection Regulations, we have adopted a robust Data Protection Framework that is guided by the relevant laws and regulations as well as the principles of ISO 27701 Privacy Information Management System. An independent maturity assessment of our Privacy programme ranked it at 3.4 on a scale of 1 to 5. Our ambition for the coming year is to achieve at least a score of 4 out of 5.
- Our multi-faceted training programme covers our Board, staff members, tailored training for specialised groups, dealers, agents, suppliers and FSI partners such as banks, sacco and integrators as well as content service providers. In FY24 we were able to train and test 98.3% of all 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 as well as our FSI partners such as banks, sacco and integrators as well as content service providers, annual training is conducted via online forums, partner bulletins, sms reminders and contractual terms to further safeguard individuals' personal information processed.
- Regulatory engagement with the Office of the Data Protection Commissioner (ODPC) during the year is consistent to ensure a free exchange of ideas and information to further promote a strong culture of privacy. Awareness sessions shared by the ODPC were shared with our suppliers, dealers and agents with sessions attended by our staff as well. 4 complaints forwarded from the Office of the Data Protection Commissioner (ODPC) this financial year were resolved with no negative determination against Safaricom.

SDG alignment:



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.



We support peace, justice and strong institutions.



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

Future focus areas:

- ISO 27701 certification
- Enhance further our data minimisation initiatives to protect our customers data when they make payments using M-PESA

5 Regulatory environment

Why it is 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.

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

Our response:

- Mobile network quality of service (QoS) 2022–2023 period: overall performance of 90% surpassing the minimum requirement of 80% set by the Communications Authority. This achievement is a direct result of our commitment to providing a reliable and high-quality mobile network experience for our customers.
- Assignment of two new MNDCs 0116 & 0117: The Authority assigned Safaricom two new Mobile Network Destination Codes (MNDCs) 0116 and 0117. This assignment will bolster our capacity for customer acquisition and network expansion.
- Universal Service Fund "USF" Projects: We're actively engaged in the nationwide rollout of the USF Phase 2 Project. As of March 2023, we received confirmation for completion of additional 11 sites and aim for swift activation upon their readiness. Furthermore, in October 2023, the Authority awarded us a separate contract for Phase 2R and 3. This entails supplying, installing, and commissioning telecommunication infrastructure to deliver mobile services in 93 designated sublocations. We have commenced site surveys.
- WRC-23: Shaping the Future of Mobile Connectivity: We participated at the World Radiocommunication Conference 2023 (WRC-23) in Dubai. Our active engagement in discussions on identifying spectrum for International Mobile Telecommunications (IMT), covering technologies such as 4G, 5G, and the forthcoming 6G, was particularly exhilarating. Contributing to a landmark decision, we successfully advocated for the allocation of new spectrum bands in the 3 GHz (3.3–3.4 GHz, 3.6–3.8 GHz), 4 GHz (4.8–4.99 GHz), and 6 GHz (6.425–7.125 GHz) ranges specifically for IMT. This crucial step lays the foundation for faster mobile speeds, broader coverage, and the development of next-generation IMT services.

SDG alignment:



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



Managing our operations responsibly, decreasing our environmental impact and promoting responsible behaviour among all our stakeholders.



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



We collaborate with regulators (SDG16 and SDG17) to significantly increase access to information and communications technology (SDG 9) while ensuring sustainable consumption and production patterns both within our own organisation and amongst our stakeholders (SDG12).

Future focus areas:

- Engagement with regulators on numerous draft regulations, guidelines, and bills
- 100% single-use, plastic-free organisation with the aim of going green in all our retail shops by doing away with single-use tumblers, and by introducing sustainable solutions such as paper cups
- 98% of solid waste from Safaricom facilities in Nairobi recycled
- One million trees to be grown in line with our net-zero by 2050 carbon offset programme
- Maintain 100% of key operating licences and resources.
- Continue with implementation of the USF projects.
- Continuous improvement of our Network QoS

*For more on customer obsession, see page 23.