Simple • Transparent • Honest
FOR YOU

PARTNERING FOR GROWTH: TRANSFORMING LIVES

2022 SUSTAINABLE BUSINESS REPORT

Safaricom

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Read our full Sustainable Business Report here for more details on the content contained in this report.

WELCOME TO OUR SUSTAINABLE BUSINESS MINI REPORT

ABOUT OUR THEME

The theme for our 2022 Sustainable Business Report is **Partnering for Growth: Transforming Lives**. Our focus on partnership reflects the Kenyan proverb "Sticks in a bundle are unbreakable". In other words, together we are stronger, together we can do more to transform lives. Together with our partners, we have demonstrated unwavering commitment to this vision and will continue to do so.

We continue to partner with others and leverage our connectivity, platforms and technology as we work to realise our strategy of transforming Safaricom into a purpose-led, technology organisation by 2025. In this, we are guided by our priority United Nations Sustainable Development Goals (UN SDGs) as outlined throughout this report.

We aspire to be a digital first, insights-led organisation that enables platforms and ecosystem partnerships. We always look beyond the expected to deliver the most favourable outcomes for all our stakeholders, particularly our customers. In doing so, we connect people to people, people to knowledge and people to opportunities for growth – today and tomorrow.

ABOUT THIS REPORT

This 11th Sustainable Business Report sets out to disclose our efforts to achieve our goal of transforming lives by partnering for growth. We report transparently on our successes and our setbacks, with narrative supplemented by four-year graphs and tables to provide relevant, material and comparable information.

We cover highlights, stakeholder issues, how we went beyond the expected in FY22, together with our future focus areas, all of which are important to our business and of interest to our various stakeholders. This report covers our fiscal year from 01 April 2021 to 31 March 2022. For a more detailed overview of the value we add to our stakeholders and our impact on society, this report should be read together with the 2022 Safaricom Annual Report and Financial Statements.

OUR REPORTING STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Our 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 is responsible for ensuring that sustainability is at the heart of our overall business strategy. For more information on our governance structure and the responsibilities of the relevant governing bodies, please refer to the governance section of the 2022 Safaricom Annual Report.

On behalf of the Board, we acknowledge that our responsibility is to ensure the integrity of this Sustainable Business Report and we are confident that it presents the progress we have made towards our goal of building a more sustainable future with satisfactory accuracy and impartiality.

Michael Joseph

Chairman & Non-Executive Director

Peter Ndegwa

Chief Executive Officer

SAFARICOM AT A GLANCE

YEAR FOUNDED

2000

HEADQUARTERS

Nairobi

PERMANENT EMPLOYEES

4 411

NETWORK SITES

6 046

FIBRE OPTIC FOOTPRINT

10 880km

TOTAL CUSTOMERS

42.4m

NO. OF AGENTS

262 000

NO. OF DEALERS

435

M-PESA

MARKET SHARE

65.3%
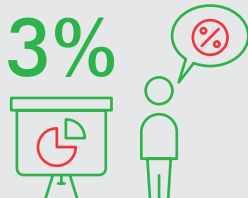
TOTAL REVENUE IN FY22

KSh 298b

KENYAN POPULATION CONNECTED TO 2G

98%

KENYAN POPULATION CONNECTED TO 3G

98%

KENYAN POPULATION CONNECTED TO 4G

97%

MESSAGE FROM OUR CHAIRMAN

ACKNOWLEDGING OUR PEOPLE AND OUR CEO

The Board is encouraged by the recovery from the COVID-19 pandemic in the past year and the return to pre-pandemic growth. This upward recovery will unlock opportunities, especially for micro, small and medium enterprises (MSMEs) who lie at the heart of Kenya's – and Africa's – economy.

Our strong financial and ESG performance over the last year are the result of placing our customers at the heart of our business priorities and are due, in no small part, to the commitment of our employees, ably led by our Chief Executive Officer, Peter Ndegwa. From the time of his appointment, Peter has demonstrated that he truly understands the DNA of Safaricom – that our purpose is not just about profits and that we are not just a utility, but that we are focused on transforming lives.

Under his guidance, we have made significant progress in realising our strategy of transitioning from a telco to a technology company. We have also demonstrated resilience in living true to our commitment of being a sustainable purpose-driven business – one which has delivered consistent returns to shareholders. During the year, the Board declared an interim dividend of KSh 0.64 per ordinary share amounting to KSh 25.64 billion. The Board recommended to shareholders a final dividend of KSh 0.75 per ordinary share amounting to KSh 30.04 billion that was approved in the last AGM held in September 2022.

LIVING UP TO PREVIOUS COMMITMENTS

A significant development in FY21 was that we were the first operator in East Africa to launch 5G with the aim of empowering our customers with super-fast internet at work, at home and on the move. 5G can support up to 1 million connected devices per square kilometre compared to 4G which can only support up to 100 000 connected devices in a similar area. This makes 5G suitable for providing super-fast internet speeds in high density areas and for linking thousands of connected devices in a manufacturing environment and supply chain management for businesses.

> 99
>
> *"Our strong financial and ESG performance over the last year are the result of placing our customers at the heart of our business priorities."*

We are confident that we have overcome the regulatory challenges and consumer's suspicions associated with 5G and we believe that traction is set to accelerate, positioning us ahead of the curve as a company and as a country.

One of the highlights of FY22 was the announcement at the beginning of the year that the consortium led by Safaricom had won the bid for a telecommunications operator licence in Ethiopia. I am delighted to be able to report progress in this regard:

We have signed a five-year lease agreement with Ethiopian Electric Power (EEP), the Ethiopian state-owned power utility company, to share fibre optic infrastructure. Under the deal, Safaricom will use an existing network of fibre optic ground wire cables along high voltage transmission lines – currently standing at 15 000 kilometres – owned by EEP. We have also built two data centres, made the first test call, sent the first SMS, completed the first data session and successfully tested the SIM card registration process.

> *"We have signed a five-year lease agreement with Ethiopian Electric Power (EEP), the Ethiopian state-owned power utility company, to share fibre optic infrastructure."*

We remain more committed than ever to establishing a foundation for a digital society in Ethiopia and to providing quality, competitive technology services across the country. Both the Board and I have confidence that getting in on the ground floor will have significant benefits for our investors and for Ethiopian society.

CELEBRATING 15 YEARS OF M-PESA

In 2007, we made a significant investment to establish M-PESA which today is a household name. At the time, no one thought it would be viable but today, I think it's safe to say, M-PESA has revolutionised the financial services sector – particularly for low-income people living in remote areas. M-PESA has opened new avenues for people to interact with financial services, providing access to affordable, convenient finance; enabling people to make financial transactions remotely; removing the necessity for travelling long distances to bank outlets and avoiding the risks of transporting physical cash from one place to another.

That initial investment has continued to show rewards with M-PESA revenue growing 30.3 % year-on-year.

We continue to invest in new products and services on M-PESA that include savings, wealth management and insurance. At year end, downloads for the M-PESA Super App stood at 5.3 million while M-PESA Business App downloads were recorded at 462 000.

IMPACTING LIVES THROUGH OUR FOUNDATIONS

Our Safaricom and M-PESA Foundations continued their work to transform lives, partnering with local and national authorities and others to make a tangible difference across all levels of society.

The Foundations have now impacted over 4.2 million lives over the past three years in areas such as education, health and economic empowerment.

While agriculture is integral to the Kenyan economy, productivity in the sector is low. Accordingly, we are more determined than ever before to play an enabling role in the success of small-scale farmers by providing end to end products and services and scaling the Digifarm model. Our overarching aim is to have a million farmers active on the platform.

> *"The Foundations have now impacted over 4.2 million lives over the past three years in areas such as education, health and economic empowerment."*

LOOKING FORWARD

There are several important local and international events set to take place in the year ahead, among these the national 2022 elections. I am encouraged by the fact that, unlike other years, there appears to be no downturn in tourists and no sign of let down in economic activity. There could be some tension around local issues, but I anticipate legal challenges rather than rigging challenges.

The Ukraine-Russian crisis was still dragging on at the end of our financial year. This has had a major impact on oil supply and prices, agricultural commodities and metal prices around the world. Spikes in global oil prices have resulted in inflationary pressures that are currently being experienced through increased food, transport and manufacturing costs – all of which have been exacerbated by poor rains in Kenya. Once again, Safaricom has stepped in to help. Shortly after year-end we will be launching the Pamoja Tuungane initiative to provide a vehicle through which Kenyans can support others in areas affected by drought.

A key event on the international calendar is COP 27 in Egypt – the third time this event has taken place on the African continent. The frequency and intensity of extreme weather events has increased in Kenya over the past decade, with mean surface temperatures projected to increase 1°C to 1.5°C by 2030.

While Kenya accounts for a miniscule percentage of global greenhouse gas (GHG) emissions, the country is working to tackle climate hazards head on. The most recently submitted Nationally Determined Contribution (NDC) targets commits to abate GHG emission by 32% by 2030 relative to the business-as-usual scenario of 143 $MtCO_2e$ in line with the sustainable agenda and national circumstances.

As a responsible corporate citizen and in line with our commitment to SDG7: *Affordable and Clean Energy*, we are determined to help drive emissions abatement by increasingly moving to sources of green energy and planting five million trees by 2025.

CONTINUING TO TRANSFORM LIVES

The digital economy has played and will continue to play a key role in overcoming socio-economic challenges by expanding regional business networks, making local communities become more resilient against economic threats. As outlined in this report, Safaricom is helping to accelerating the digital economy not only in terms of economic empowerment, but also across areas as diverse as agriculture, education and healthcare.

We recognise that the digital landscape is constantly shifting and in response, we are constantly innovating, refining and redesigning the digital experience as we work to realise our strategy of becoming a technology company by 2025.

This, Safaricom's 11th Sustainable Business Report articulates how we are doing so as we continue to deliver new innovative products and services that help to drive inclusive sustainable development and transform lives.

Michael Joseph

Chairman & Non-Executive Director
Safaricom PLC

MESSAGE FROM OUR CEO

TRANSFORMING LIVES IN A CHALLENGING YEAR

The year under review was challenging for us as a company and a country as we shifted our focus from surviving the COVID-19 pandemic to co-existing with the disease. Economic growth slowed, due in large part to the impact of the war in Ukraine, the associated impact on commodity prices and the concomitant increase in import costs. In addition, another poor rainy season in Kenya hampered crop production, further compounding the economic situation.

Despite these challenges, I am pleased to report a financial year of strong performance with significant commercial momentum.

While I am proud of these results, I am even prouder of the resilience and commitment our people showed as they upheld the four cardinal virtues of the Spirit of Safaricom – namely Customer Obsession, purpose, innovation and collaboration.

Our Foundations, our people and our partners have leveraged these virtues to positively impact 4.2 million lives over the last three years.

PUTTING OUR CUSTOMERS FIRST

Our aim is to put our customers at the centre of everything we do. This means putting ourselves in the shoes of ordinary Kenyans, understanding what they go through and getting to know their needs, aspirations and priorities. This approach is anchored in our Agile way of working which fosters collaboration across the organisation and speeds up decision-making, bringing us closer to our customers.

In this way, we enrich our customers' digital lifestyles and deliver a superior customer experience as we transition to become a purpose-led technology company by 2025. Our focus this year was to embed Customer Obsession at the core of our culture by delivering superior customer experiences.

LEVERAGING THE INNOVATION EMBEDDED IN OUR DNA

Innovation helps us to stay ahead of the ever-changing environment and to be more responsive to customers, colleagues and community needs. As a sustainable business, we do not innovate simply because we have the resources, but because we want to combine technology and innovation to transform lives and the society in which we live and work.
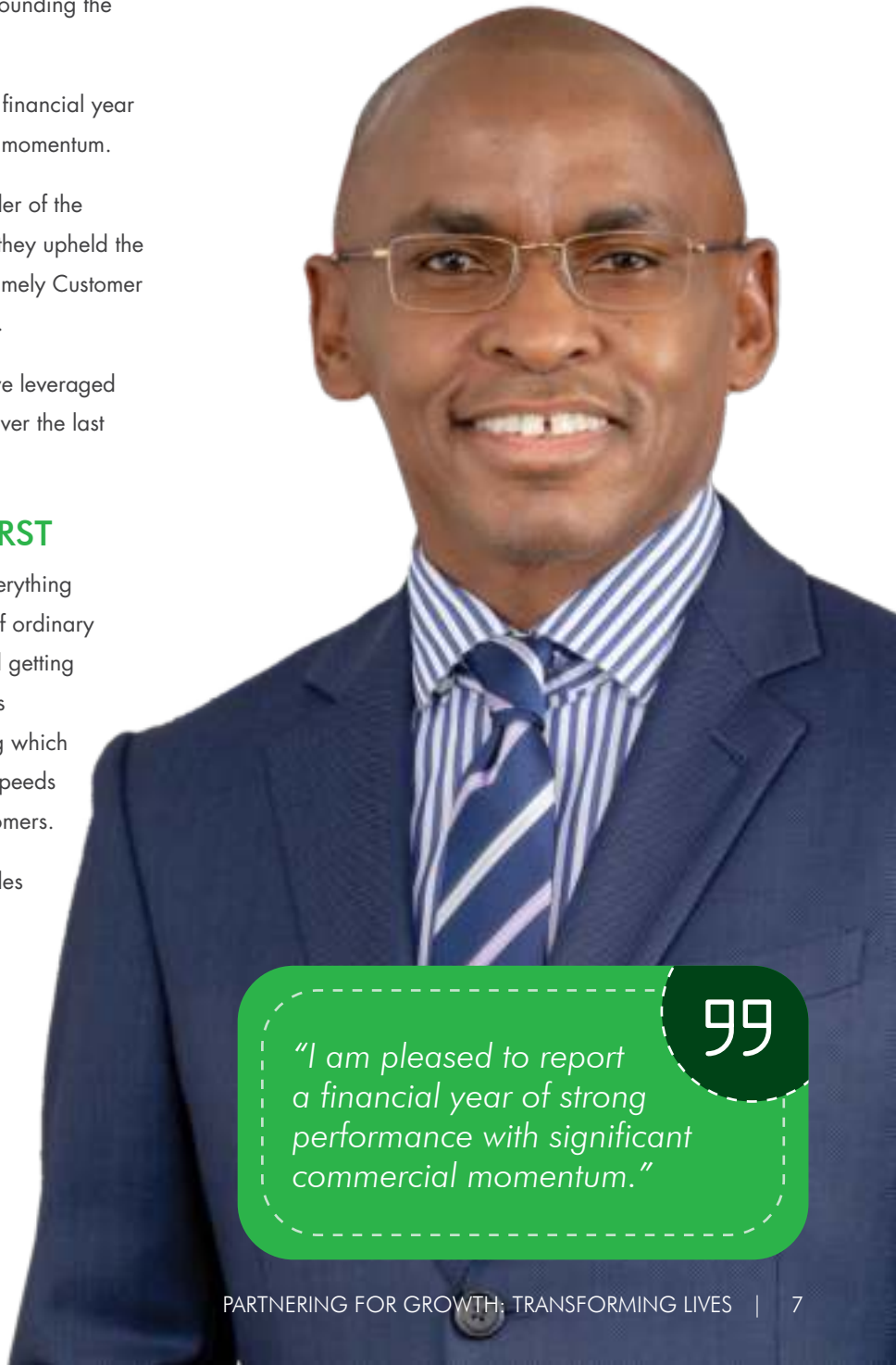
> "I am pleased to report a financial year of strong performance with significant commercial momentum."

The usefulness of technology does not lie in its uniqueness but in its ability to solve a pressing societal problem. While unique is good, a functional solution that solves a societal problem is better.

Our telemedicine initiative that targets over 32 000 children in Homabay, Samburu, Baringo and Lamu Counties is one example of solving a societal issue. It is also an example of the power of partnerships. As a technology company, we do not have the expertise to overcome healthcare challenges on our own. However, working closely in partnership with the national and county governments and others, we can scale solutions to support access to quality paediatric healthcare and a healthy workforce.

Yet another example is our partnership with Zeraki Learning to provide secondary school learners with access to affordable education services from well trained teachers leveraging informative video lessons on a digital platform. Education is one of our priority areas and we will continue to invest in this sector through our products, services and Foundations.

We want to continue to play a key role in driving healthcare and education inclusion as well as enabling smallholder farmers to become wealthier and commercially sustainable.

Innovation can also be leveraged to promote the inclusion of unserved markets, as we demonstrated in the reporting year with the launch of Halal Pesa, a shari'ah-compliant digital product for savings and credit. We saw over two million opt-ins on the product in the reporting period.

> *"We want to continue to play a key role in driving healthcare and education inclusion as well as enabling smallholder farmers to become wealthier and commercially sustainable."*

CELEBRATING LIFE-SAVING FINANCIAL SERVICES

The launch of M-PESA ushered in an era of life-changing financial services for millions of customers. In 15 years, M-PESA has served over 51 million customers in seven countries and has grown by 15% in the last five years to become the largest fintech platform in Africa. Today, M-PESA has evolved from a simple money transfer service to become a robust payment platform and driver of financial inclusion for Kenyans. During the reporting year, we reached the milestone of 30 million monthly active M-PESA customers in Kenya.

M-PESA is a genius invention. However, I believe we are yet to scratch the surface of its potential when leveraged as a platform that supports other fintech ideas. The M-PESA super-app which we launched in the past year is the start of this. The super app enables the use and completion of transactions without bundles or even when offline. Customers can download 'mini-apps' within the app to complete tasks ranging from ticket booking to shopping and licence applications. The super app also incorporates comprehensive security features.

> *"During the reporting year, we reached the milestone of 30 million monthly active M-PESA customers in Kenya."*

The super app won a prestigious Global Mobile Award at the Mobile World Congress in Barcelona in the category 'Best Mobile Innovation for Connected Living'.

The award builds on M-PESA's legacy of consistently delivering innovations that meet the needs of our customers in line with our purpose of transforming lives. We will maintain this commitment into the future to deliver digital financial innovations and enhance our customers' experience as more of our customers move to smartphones.

COLLABORATING TO ACCELERATE NEW GROWTH AREAS

In October 2020, we rolled out our new corporate strategy, the overarching aim of which is to Transform Lives. The third pillar of this strategy was based on 'winning in select digital ecosystems'. Based on our view that we have progressed well in achieving this pillar, we have now recalibrated this ambition to 'accelerate new growth areas'.

Partnerships are a key strategic enabler underpinning this ambition. This is highlighted by our collaboration with the Central Bank of Kenya to implement merchant interoperability between the various mobile money networks in the country. Customers can now pay merchants regardless of which network the latter use – a development which benefits both merchants and their customers and aligns with yet another of our strategic pillars of being a 'financial services provider'.

Consumers want to be able to shop and pay anywhere, anytime, safely and at a low cost while also being able to spend and send money internationally as easily as at home. Safaricom has already transformed how money moves in Kenya. We are excited to be working with Visa to develop new and innovative payments products and services that can eliminate barriers to global commerce for merchants and consumers in sub-Saharan Africa, through Visa's global footprint. We launched the M-PESA GlobalPay Visa Virtual Card in June 2022 to support international online payments.

I am optimistic that our strategic partnership with Visa will go a long way in opening the global e-commerce market to Kenya's significant unbanked and underbanked population.

In July 2020, we partnered with Google to empower Kenyans to acquire smartphones that they can pay-as-they-use. Since then, over 600 000 Kenyans have benefitted from our Lipa Mdogo Mdogo initiative to enjoy the transformative power of the internet.

Yet again, this partnership demonstrates our commitment to bridging the digital divide and providing our customers with relevant solutions that enable them to unlock opportunities.

"I am optimistic that our strategic partnership with Visa will go a long way in opening the global e-commerce market to Kenya's significant unbanked and underbanked population."

DECREASING OUR ENVIRONMENTAL IMPACT

The world has seen unprecedented climate events in the last few years. Climate change is having a growing impact on the African continent, hitting the most vulnerable hardest, and contributing to food insecurity.

We take our commitment to SDG7: *Affordable and Clean Energy* very seriously and are committed to becoming a net zero emitting company by 2050. We are achieving this in several ways which include solarising sites, modernising power systems and moving away from fossil power. Against the backdrop of rapidly rising energy costs, this makes sense from a financial, as well as an environmental perspective.

Our view is that environmental sustainability will boost our growth in various ways and positively impact our customers and the communities in which we operate.

Environmental consideration is strongly linked to our purpose. One of our ongoing priorities is our carbon offset reafforestation programme which aims to plant five million trees by 2025. In partnership with local communities and Kenya Forest Services, we planted 372 000 trees in FY22, bringing the total number of trees planted to date to just over one million. The programme is transforming lives through income generation, skills and climate mitigation.

"Our view is that environmental sustainability will boost our growth in various ways and positively impact our customers and the communities in which we operate."

REACHING OUT TO DROUGHT-STRICKEN COMMUNITIES

As a purpose-led company, Safaricom cannot thrive when the communities around us are in anguish. Kenyans in 23 Arid and Semi-Arid Lands (ASAL) counties are suffering the effects of a prolonged drought. Accordingly, we launched the Pamoja

Tuungane campaign which aims to complement the Government initiatives in tackling famine by providing emergency food relief to Isiolo, Samburu, Marsabit and Turkana Counties. We set aside KSh 100 million for relief food to kickstart the campaign and have appealed to Kenyans to join us in this initiative. They can do so by donating their Bonga points which will then be used to purchase food hampers for distribution to the communities hardest hit by drought.

EMPOWERING KENYANS TO DREAM… AND DREAM BIG

Under the auspices of the Safaricom Foundation, our Ndoto Zetu initiative partners with Kenyans to bring community dreams to life. I am inspired and humbled by the dreams Kenyans have for their communities. These range from beating stigma around cancer to providing equipment to youth clubs and schools enabling the differently abled to empowering young farmers, to cite just a few. Ndoto Zetu has reached approximately three million people over three years, with Phase 3 implemented in the reporting year benefitting approximately 1.2 million people.

Sport is another area where we encourage people to dream. Over the last 20 years, we have been one of the biggest corporate sponsors of sports in Kenya, investing over KSh 1 billion in sports ranging from football, athletics, motorsport and rugby to golf and charity runs. Our deep involvement has helped us recognise the role sports plays in empowering people.

Against this backdrop, the Safaricom Golf Tour Series that kicked off in January 2022, seeks to demystify the game, long seen a sport for the elite and to make it accessible for all. The series has drawn over 9 000 participants who have participated in various tournaments, junior clinics, caddies' tournaments, and outreach programmes dubbed 'Golf Mtaani'.

Our aim is to inspire ordinary Kenyans to dream big and see that anything is possible.

This aim was given further impetus in the reporting year when we added music to Baze, our subscription based mobile-first, video-on-demand entertainment service. This has enabled Kenyan musicians to earn from their talent courtesy of a shared revenue model whereby 60% of income accrues to the artist. Baze has now joined Skiza Tunes as a key earning platform for content creators. The aim is to bring content to Kenyans by Kenyans for Kenyans and for creators to monetise their content.

PROGRESSING 5G AND OUR ETHIOPIAN EXPANSION

We were gratified by the granting of spectrum by the Kenyan Communications Authority to implement a commercial 5G network last year. The retail prices of 5G phones are more than KSh 100 000, putting them beyond the reach of most Kenyans. Until handsets that can receive 5G are at a sufficient scale from an individual mobile perspective, there is an insufficient need to have lots of sites that offer 5G. Accordingly, we decided to slow down the 5G rollout in Kenya and focus on the 4G network.

However, we know that the 5G network heralds an era of intelligent connectivity and will be a key driver of our strategy going forward as we work to enable digital lifestyles for all Kenyans.

Across our borders, much of our Ethiopian infrastructure is already in place, including two data centres and a customer call centre, on track for commercial launch in 2022.

We expect to launch a phased national roll-out that will include 25 sites by April 2023.

We are excited for the opportunity to work with the people of Ethiopia to set up telecom networks to deliver a digital lifestyle, increase connectivity, provide best in class telephony services, create new digital businesses and generate new jobs. In past years in Kenya, we have seen the power of digital transformation and its impact on our customers. We believe that by working with all stakeholders in Ethiopia, we can deliver a similar transformation while achieving a sustainable return to our shareholders.

> *"Across our borders, much of our Ethiopian infrastructure is already in place, including two data centres and a customer call centre, on track for commercial launch in 2022."*

SHARING RESPONSIBILITY FOR A BETTER WORLD

As one of the lead companies in the UN Global Compact, we are committed to integrating a purpose-based approach to sustainability and taking a shared responsibility for achieving a better world.

We continue to integrate nine material SDGs which are directly linked to our business growth strategy. Our priority SDGs have enabled us to become a more sustainable company and create meaningful impact in the communities we serve. Our alignment with our priority SDGs is detailed through this report.

PARTNERING FOR GROWTH

Our strong financial performance over the reporting period would not have been possible without our highly creative, innovative and exceptional staff who help us deliver our purpose of transforming lives every day in so many ways. I thank them for their commitment to our purpose and their dedication in making it come alive.

I would also like to thank our shareholders, communities, business partners, regulators and the Government who enable us to continue providing services that keep Kenya running.

I am grateful to our customers who remain at the core of everything we do.

Looking forward, we will continue to be intuitive to our customers' needs, listen to their concerns and address them as effectively and efficiently as possible.

We will continue to combine the power of technology and innovation and leverage partnerships to reimagine ideas, products and processes and co-create solutions that meet the needs of our current and future customers over the next decade, for the future. Through strategic partnerships we will continue to expand an all-inclusive ecosystem that speaks to the diversified needs of our customers, further broadening financial inclusion and transforming lives.

Together with all our stakeholders we have done and will continue to do great things. We are taking valuable lessons forward to unlock our next growth phase as we continue to meet the needs of our customers, protect the planet for the present and the future to become a purpose-led technology company by 2025.

Peter Ndegwa

Chief Executive Officer

FY22 YEAR IN REVIEW

OUR PEOPLE

DIVERSITY: WOMEN — STABLE

50%

OF TOTAL WORKFORCE

DIVERSITY: WOMEN — ▲1%

35%

IN SENIOR MANAGEMENT

PEOPLE SURVEY — ▼7%

85%

OF STAFF ENGAGED

PEOPLE SURVEY — ▲1%

81%

STAFF CONFIDENT ABOUT MEASURES INTRODUCED TO EARN CUSTOMER LOYALTY

PEOPLE SURVEY — STABLE

77%

STAFF WHO BELIEVE IN EFFECTIVENESS OF MEASURES INTRODUCED TO PROMOTE COLLABORATION

DIVERSITY: PERSONS LIVING WITH DISABILITIES — ▲0.4%

3.1%

IN WORKFORCE

FRAUD — 28 in FY21

STAFF DISMISSED

24

FOR FRAUD

SAFETY — 3 in FY21

FATALITIES

2

(BOTH THIRD-PARTY)
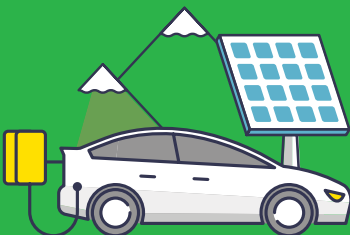
ENVIRONMENT

CARBON FOOTPRINT — ▲1%

66 562

tCO_2e

WATER CONSUMPTION — ▲1%

58 340

(CUBIC METERS) m³

This section covers our most significant areas of progress and challenge during the 2022 financial year (FY22). Any changes in performance have been stated using year-on-year comparison with FY21 performance.

OUR CUSTOMERS

30-DAY ACTIVE CUSTOMERS

32.8m ▲4%
CONSUMER CUSTOMERS

360 000 ▼11%
ENTERPRISE CUSTOMERS

FULIZA ▲36%
502.6b
VALUE OF DISBURSEMENTS (KSh)

4.8m ▲6.25%
M-TIBA CUSTOMERS

30.53m ▲8%
M-PESA CUSTOMERS

25.22m ▲6.1%
MOBILE DATA CUSTOMERS

42.4m ▲5.9%
TOTAL CUSTOMERS

CUSTOMER SATISFACTION ▼3pts
80 BRAND CONSIDERATION | **79** NETWORK NPS
▼1pts

DIGIFARM STABLE
1.4m
FARMERS SIGNED UP

DIGIFARM ▲736%
117 000
ACTIVE FARMERS

88% RECYCLED ▼5%
71 748t
TOTAL WASTE COLLECTION

CLEAN POWER SITES ▲19%
310
USING SOLAR & HYBRID

COLLECTED & RECYCLED (TO DATE) ▲13%
1 626
TONNES OF E-WASTE

INFRASTRUCTURE

▲8%

10 880km

CUMULATIVE FIBRE
OPTIC FOOTPRINT

▲22.5%

RESIDENTIAL HOMES

184 091

CONNECTED TO FIBRE
OPTIC NETWORK

▲12%

4 807

FIBRE READY BUILDINGS

▲11%

17 000

BUSINESSES CONNECTED TO
FIBRE OPTIC NETWORK

▲10%

18.5m

SMARTPHONES IN OUR
NETWORK

ECONOMIC

KENYAN POPULATION
COVERED BY:

2G: 98%
3G: 98%
4G: 97%

▲2%
▲3%
▲3%

▲28 in FY21

204 181

PEOPLE WHO BENEFITED
FROM PHASE 1 OF UNIVERSAL
SERVICE FUND ACTIVITY

▲12%

JOBS SUSTAINED

1 135 588

THROUGH WIDER
ECONOMIC IMPACT

▲1.3%

IMPACT ON SOCIETY

10.4x

PROFIT GENERATED
(excl. minority interest)

▲0.05%

5.25%

GDP CONTRIBUTION

FINANCIAL
All figures KSh billion unless specified

▲0.8%
83.2 b
VOICE REVENUE

▼20%
10.9 b
MESSAGING REVENUE

▲8.1%
48.4 b
MOBILE DATA REVENUE

▲30.3%
107.7 b
M-PESA REVENUE

▲12.3%
281.1 b
SERVICE REVENUE

▼1.7%
69.6 b
NET INCOME
(excl. minority interest)

▲11.1%
149.1 b
EBITDA

▲17.7%
124.7 b
TAXES, DUTIES & LICENCE
FEES PAID BY SAFARICOM

▼1.3%
63.7 b
FREE CASH FLOW

SUPPORTING LOCAL SUPPLIERS
▲3%
62%
TOTAL SPEND
KSh 58 217

STABLE
2.29%
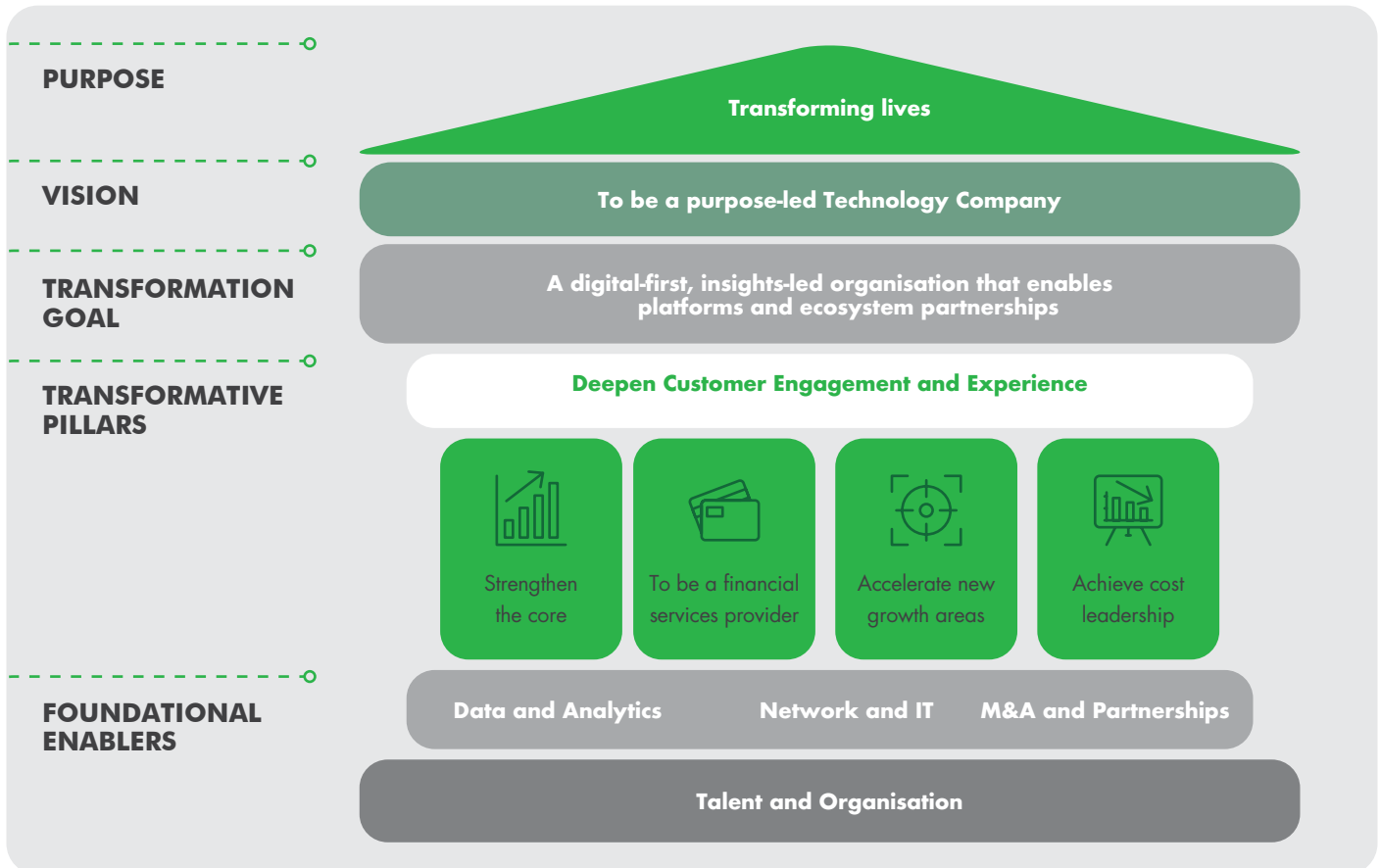PROCUREMENT SPEND ON
WOMEN OWNED BUSINESSES

M-PESA TRANSACTIONS VALUE
▲34%
29.55
KSh TRILLION

OUR CORPORATE STRATEGY

Our strategic focus in FY22 was to establish a Customer Obsessed, digital first organisation – delivering double digit growth – by the end of FY22, in order to be a purpose-led technology company by the end of 2025.

Given our progress in select digital ecosystems, we have now shifted the focus of our third pillar to accelerating new growth areas, delivering superior customer experience.

PURPOSE	**Transforming lives**
VISION	**To be a purpose-led Technology Company**
TRANSFORMATION GOAL	**A digital-first, insights-led organisation that enables platforms and ecosystem partnerships**
TRANSFORMATIVE PILLARS	**Deepen Customer Engagement and Experience** Strengthen the core / To be a financial services provider / Accelerate new growth areas / Achieve cost leadership
FOUNDATIONAL ENABLERS	**Data and Analytics** **Network and IT** **M&A and Partnerships** **Talent and Organisation**

UNPACKING THE TRANSFORMATIVE PILLARS OF OUR CORPORATE STRATEGY

STRENGTHEN THE CORE

To strengthen the core, expand our existing data and 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.

BE A FINANCIAL SERVICES PROVIDER

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.

ACCELERATE NEW GROWTH AREAS

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.

ACHIEVE COST LEADERSHIP

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.

OUR BUSINESS MODEL

INPUTS

The resources and relationships on which we rely.

Our network
- 6 046 network sites
- 10 880 kms of fibre optic network across all 47 counties

Our people
- 4 411 permanent employee

Our partnerships
Business partners
- 799 suppliers
- 435 active dealers
- 262 000 M-PESA agents

Financial partners
Alipay, Amazon, Google, Paypal, Visa, Central Bank of Kenya and other financial institutions

Other partnerships with educational initiatives, health authorities, regulators

OUTPUTS

Our products and services, by-products and waste.

Mobile data
Mobile broadband services

Messaging
SMS and MMS services

Devices
Handsets, routers and other devices

Voice
Prepaid and post-paid voice call plans

Fixed services
Fixed, fibre and leased lines, wireless and hosted services

M-PESA
Mobile money transfer, payments and international remittances

IoT solutions
For applications such as:
- Asset management
- Telematics
- Smart metering

OUTCOMES

The consequences of our business activities and outputs.

Value for the country
Percentage of Kenyan population covered:
- 2G: 98%
- 3G: 98%
- 4G: 97%

Closed at 4 807 fibre-ready buildings

Value for shareholders
Interim dividend of KSh 0.64 per share amounting to KSh 25.64 billion. Final dividend of KSh 0.75 per ordinary share amounting to KSh 30.04 billion

TRUE VALUE for Kenyan society
- Impact on society: **10.4x** profit of **KSh 69.6 billion** (excluding minority interest)
- Contribution to **GDP 5.25%**
- Sustaining employment through wider economic impact: **1 135 588** jobs in FY22
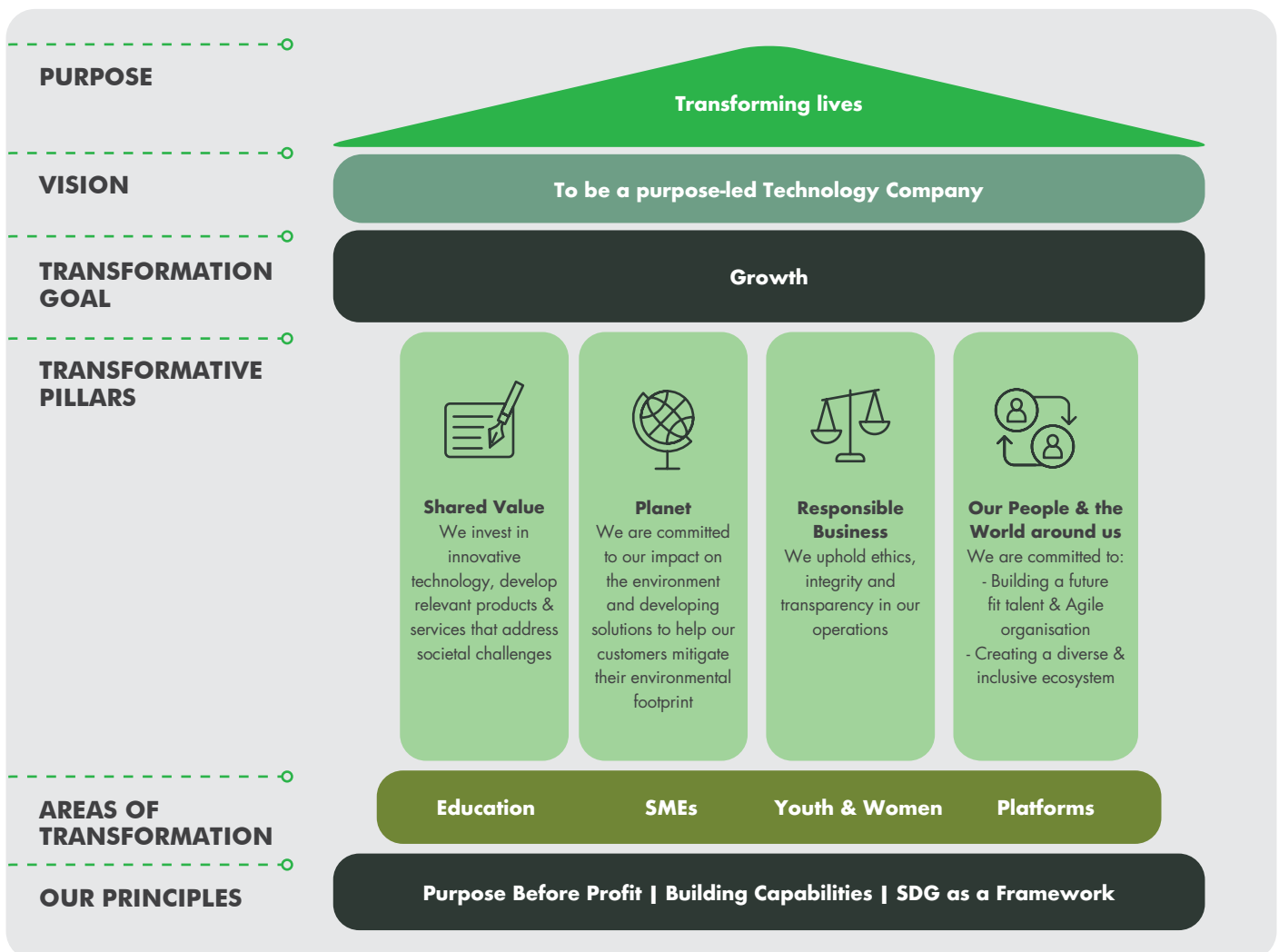
Contribution to the SDGs

SUSTAINABLE DEVELOPMENT G❍ALS
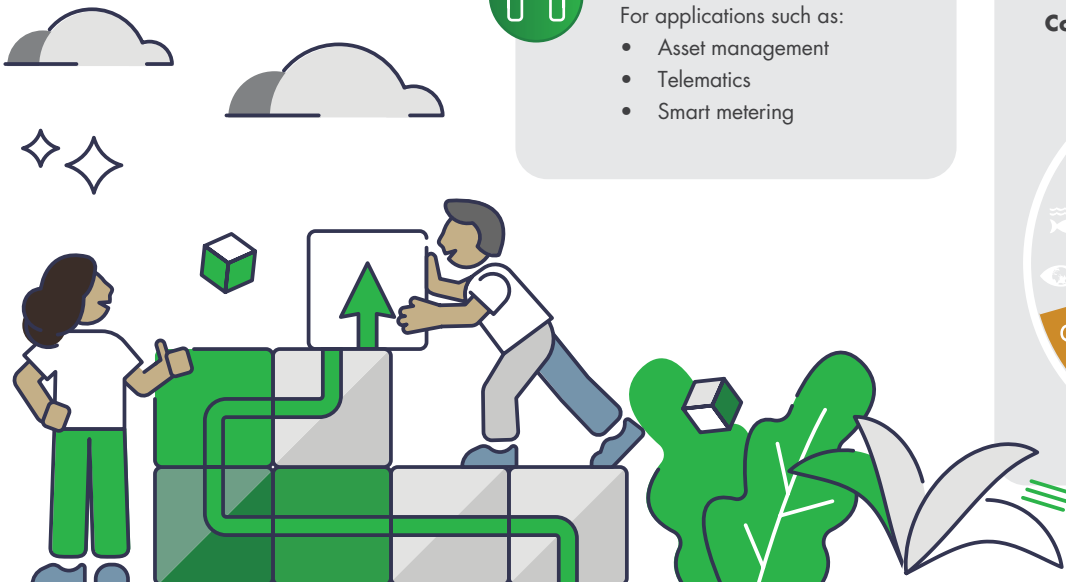
OUR PURPOSE STRATEGY

In the year under review, we developed our purpose strategy – transforming lives– which incorporates our sustainability strategy and serves as the framework for all our actions. Underpinned by our brand values of simplicity, honesty and transparency, this framework is supported by our four pillars:

- **Creating shared value:** 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.

- **Planet:** 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.

- **Operating responsibly:** 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.

- **Our people and the world around us:** 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.

PURPOSE	Transforming lives	
VISION	To be a purpose-led Technology Company	
TRANSFORMATION GOAL	Growth	

TRANSFORMATIVE PILLARS

Shared Value
We invest in innovative technology, develop relevant products & services that address societal challenges

Planet
We are committed to our impact on the environment and developing solutions to help our customers mitigate their environmental footprint

Responsible Business
We uphold ethics, integrity and transparency in our operations

Our People & the World around us
We are committed to:
- Building a future fit talent & Agile organisation
- Creating a diverse & inclusive ecosystem

AREAS OF TRANSFORMATION

Education   SMEs   Youth & Women   Platforms

OUR PRINCIPLES

Purpose Before Profit | Building Capabilities | SDG as a Framework

OUR ESG TARGETS

ENVIRONMENT

Net Zero by 2050

- Achieve 20% reduction on emissions from the network
- Purchase or generate 50% of energy needs from renewable sources by installing solar PV and battery storage for 5 000 sites
- Grow 5M trees as part of our carbon offset programme
- 50% reduction of emissions from supply and value chains
- Helping Society to Decarbonise through digital technologies and services

Building a Circular Economy

- Recycle/repurpose 100% of our solid waste
- 20% growth in E-Waste collected
- Recycle, Reuse or Resale of 100% our network waste
- Zero single use plastics from our operations

SOCIAL

- Achieve 50:50 gender parity at senior management/leadership, and 5% of workforce as persons with disabilities (PwDs)
- 10% of our procurements spend allocated to marginalized groups (women, youth and PwDs)
- Health and safety: Zero harm work environment for our staff and business partners; provide spaces for employees to thrive
- Sustainable community investments through our Foundations (6M lives): healthcare, education, economic empowerment, livelihoods, environment
- Leverage our technologies and partnerships to provide access to healthcare for 15M people and e-learning for 15M learners

Customer Engagement

- Deepen customer engagement through our Customer Obsession strategy

Creating digital societies

- Digital skills and livelihoods for 3.5M people
- Connect 28M people to internet (home fibre and mobile)
- Connect 3M homes & businesses (SMEs and MSMEs) through fibre and 4G LTE

OUR ESG TARGETS

GOVERNANCE

- 100% compliance with Code of Ethics by all employees and business partners
- 100% integration of the UN Guiding Principles and enactment of responsible sourcing principles in our supply chain
- Board diversity
- Fit-for-purpose governance structure
- Products to support digital rights such as privacy, access to information

Children's rights advocacy

- Using our products and services to promote the rights of children and integrating child safeguards into our products.

Business advocacy on sustainability

- Safaricom Sustainable Future series, UNGC, African Business Leaders Coalition (ABLC), CFO Coalition for the SDGs and SVAI Platforms.

OUR CONTRIBUTION TO THE SDGS

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 opportunities for all.

KEY UN 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 1000 live births and under 5 mortality to at least as low as 25 per 1000 live births.

3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

KEY UN 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.

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

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.

OUR CONTRIBUTION

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

- Developed Afya Moja, a medical records health portability platform with a consortium of partners (Savannah Informatics Ltd, Intellisoft Consulting Ltd) to help patients achieve continuum of care.
- M-TIBA: 4.8 million active customers; 4 731 approved health facilities; over KSh 1.5 billion paid out to approved health facilities.
- Through maternal and child health programmes, the Safaricom and M-PESA Foundations are improving access to quality, affordable and accessible services for women and children. These programs impacted 223 934 lives in FY22.

OUR CONTRIBUTION

Expand access through mobile e-learning, digitise education content and promote digital literacy.

- Under our #1MoreSkill campaign aimed at accelerating delivery of digital upskilling and reskilling across the business, 90% of our employees completed at least one digital learning course.
- Under the Last mile connectivity project in partnership with UNICEF: Connected 8 schools to the internet reaching a total of 59 414 people - 29 968 boys (1 104 with disabilities), 28 083 girls (837 with disabilities) and 1 363 teachers.
- Safaricom Foundation's Accelerated Learning Programme impacted basic literacy and numeracy skills to 25 271 learners in Turkana, Bungoma and Tana River counties by the time the programme ended in April 2022.

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

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

KEY UN SDG TARGETS:

7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

KEY UN SDG TARGETS:

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through 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 formalization 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 for young people and persons with disabilities, and equal pay for work of equal value.

OUR CONTRIBUTION

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

- 372 000 trees grown in FY22 as part of our carbon offset programme. Our commitment is to grow 5 million trees by 2025 which we estimate will offset 26% of our emissions.
- We have transitioned 310 (cumulative total) of our sites to renewable and hybrid energy sources against a target of 4 200 sites by 2025.
- Partnered with M-Gas to provide low income households in Nairobi with access to clean, reliable and affordable cooking gas. 10 depots serving 185,000 customers as at end of FY22.

OUR CONTRIBUTION

Provide 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.

- Launched Baze, a subscription-based mobile-focused video- on-demand service that offers an extensive selection of local and regional short videos, together with music, and helps people in the creative industry monetise their craft.
- Approximately 160 000 farmers are engaged on the Digifarm integrated agriculture platform, with yields improving by 15%.
- We sustained 1 135 588 jobs through our wider economic impact in FY22 (including 262 000 M-PESA agents and 435 dealers).
- Removed degree requirement for 33 PwDs and upskilled them with the digital skills needed to boost their employability.

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

SDG 10: Reduce Inequality: Reduce inequality within and among countries.

KEY UN 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.

KEY UN 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 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent.

OUR CONTRIBUTION

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

- Hosted four innovation hackathons to foster a culture of innovation and experimentation.
- Accelerated investments in digital content such as gaming, education and music which can be accessed through the My Safaricom app, engaging 760 000 customers.
- Upgraded a total of 1 100 and 1 000 4G and 3G sites respectively and rolled out 495 new sites to provide our customers with a better network experience.
- Developed the M-PESA super app to cater for subscriber digital lifestyles and empower businesses through the mini apps programme (described above): 5.3 million consumer app downloads (over 25% month active, 2.7 million 30-day active users with 1.1 million transacting) and 462 thousand business app downloads.

OUR CONTRIBUTION

Reduce inequalities by enabling equal access to opportunities to everyone, especially vulnerable groups, leveraging Safaricom leadership, network, solutions and technology.

- Through our partnership with Kenya Union of the Blind and AYUDH Kenya (a non-profit international youth movement), continued to register visually impaired people – over 13 000 in FY22 – using the USSD code *678#.
- Under our Lipa Mdogo Mdogo initiative, offered affordable smartphones in instalments for as little as KSh 20 daily, with 600 000 customers benefiting (cumulative total as at FY22).
- Achieved a 50:50 gender balance of all employees, 35% of senior management and 22% of our Technology Division.

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

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.

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

KEY UN 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.

KEY UN 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 organized crime.

16.5 Substantially reduce corruption and bribery in all their forms.

16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

KEY UN SDG TARGETS:

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

OUR CONTRIBUTION

Manage our operations responsibly, decrease our environmental impact and promote responsible behaviour among all our stakeholders.

- 88.1% of solid waste collected from Safaricom operations was recycled.
- 1 626 tonnes of E-waste collected and recycled since inception of the programme.
- Reduced fuel (diesel and petrol) usage (from 11 652 174 litres to 10 034 899 litres).

OUR CONTRIBUTION

Manage our operations responsibly and ethically and fight corruption in all its forms.

- 98% of staff taken through ethics and anti-corruption training.
- Supported dealers in meeting regulatory subscriber requirements with our Know Your Customer (KYC) awareness campaign and the Jiandikishe KYC app.
- 435 dealers (100%), 489 suppliers (61.2%) trained on ethics and fraud.

OUR CONTRIBUTION

Partner and build collective capacity of people, organisations and nations to promote and advance the SDGs.

- Worked with Vodacom Group, Sumitomo and CDC to drive our expansion into Ethiopia.
- Partnered with the biggest technology brands in the world (Amazon, Google, IoT.nxt, Microsoft, Palo Alto, Sophos, Whitelabel) – this has enabled us to go to market faster and learn best practices in product development and customer experience, thereby benefitting our customers.
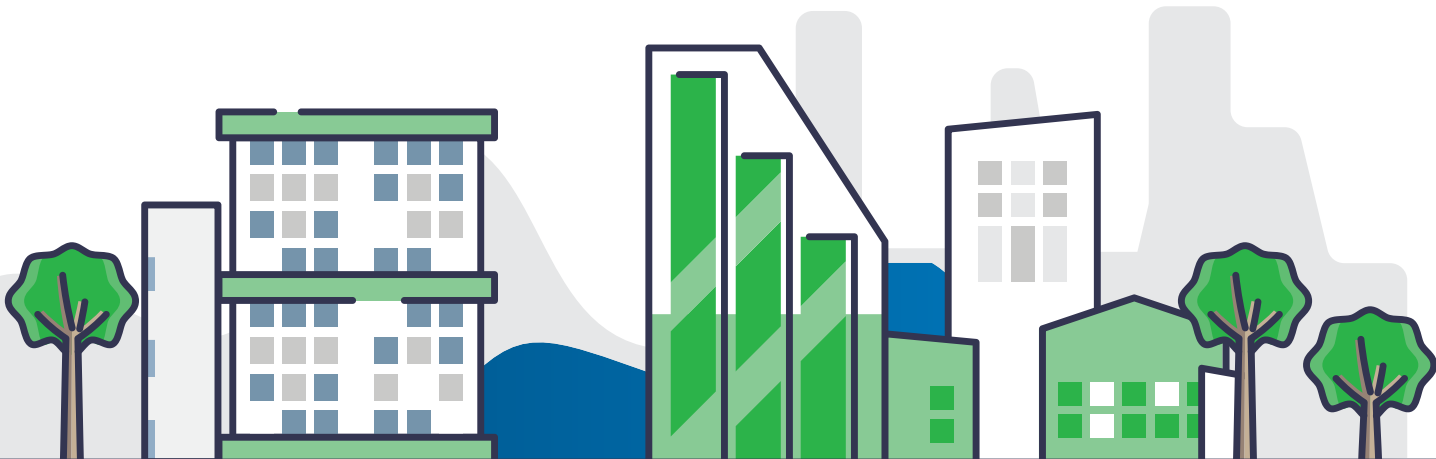
TRUE VALUE ASSESSMENT

We continuously monitor and measure our contribution to Kenyan society. One of the ways in which we do so is by assessing our significant value to society. Since 2015, we have used a structured impact modelling tool – the KPMG 'True Value' methodology – to quantify the positive and negative impact of our organisation on society, the environment, and the economy in monetary terms. The following '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 FY22 was KSh 727 billion, 10.4 times greater than the financial profit we made during the year.

TRUE VALUE: IMPACT ON SOCIETY

The True Value assessment calculates that Safaricom sustained over **214 203** direct and indirect jobs during the year and, if the wider (induced) effects on the economy are included, this number increases to over **1 135 588**.

– –

Impact on society
- **10.4 times** more than profit generated (profit of **KSh 69.6 billion** excluding minority interest in Ethiopia)
- Total True Earnings (▲8%)
- Economic value added through operations **KSh 393 billion** (▲9%)

Social Value of M-PESA
- **KSh 275 billion** (▲14%)

Environmental externalities
- **KSh 1 189 million** (▲25%)

We remain committed to our purpose of transforming lives. Our latest True Value Report indicates that the true value to Kenyan society we created (the cumulative outcome of the economic, social, and environmental impacts highlighted on the True Earnings bridge) increased by 8% from FY21 to FY22. It also indicates that we contributed a total of 5.25% to Kenya's gross domestic product (GDP).

As we continue our journey of becoming a 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. The following is an independent analysis of Safaricom's True Earnings by KPMG.

HOW WE ARRIVE AT THESE NUMBERS

KPMG first performed a True Earnings exercise for Safaricom in 2015 to identify our most material socioeconomic and environmental impacts and to quantify these in financial terms. During that year, Step 1 of the True Value methodology was conducted to estimate our True Earnings. Primary research enabled us to complete this exercise and to ascertain the social value created by M-PESA, in particular. To quantify this social value, principles from the Social Return on Investment (SROI) – an open source, principles-based methodology used to account for social impact – were used.

More detail regarding the 2014/15 True Earnings exercise can be accessed at: https://bit.ly/3SfoBzD

Since 2014/15, Safaricom has used 'True Earnings' as a way of understanding and expressing the value that we create for society. Various assumptions were adjusted to reflect changes in the operating context and product offerings. In 2020/21, the primary research was reperformed to ensure that the assessment accurately incorporates the impacts experienced by Kenyan society. Furthermore, the model utilises informed assumptions which are based on primary and secondary research. These assumptions are interrogated internally and confirmed to be the most appropriate within the specific Kenyan context. In future, we will need to continue to revise and update the model at specific intervals to reflect the changes in our operating context and the evolution of our product offerings.

As climate change is a dynamic field, the KPMG methodology of quantifying the impact of environmental externalities such as waste, water and carbon emissions was updated for FY21/22.

Earnings

Economic Value-Add

TRUE VALUE: IMPACT ON SOCIETY

The True Value assessment calculates that Safaricom sustained over **214 203** direct and indirect jobs during the year and, if the wider (induced) effects on the economy are included, this number increases to over **1 135 588**.
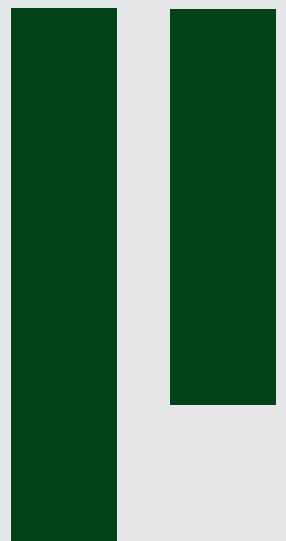
Economic value added through operations

KSh **393b**

▲8%

Profit

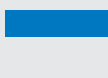KSh **69.6b**
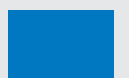
▲1.4%

13 168

(32 770)

393 823

298 078

(230 582)

69 648

True Value

All figures on the graph in KSh millions

REVENUE	COST	PROFIT	ECONOMIC VALUE ADDED OPERATIONS	ECONOMIC VALUE ADDED CAPEX	CORRUPTION

Social externalities

Environmental externalities

'True' Value

275 837

5 728

2 959

(7)

(7)

(1 074)

(94)

(14)

727 187

Value created: 10.4 times profit

Social value of M-PESA

KSh **275b**

▲14%

Environmental externalities

KSh **1.19b**

▲25%

| M-PESA SOCIAL VALUE | SOCIAL VALUE OF JOBS | STRATEGIC SOCIAL INVESTMENTS | HEALTH & SAFETY | WATER | C02 & ENERGY | RECYCLING | WASTE | TRUE VALUE |

ENVIRONMENTAL

CIRCULAR ECONOMY

ENVIRONMENTAL IMPACT MONITORING AND EVOLUTION

	FY19	FY20	FY21	FY22
Environmental Impact Assessments	600	437	122	*57
Environmental audits	300	513	318	**31
Self-environmental audits	N/A	N/A	1 460	^487
No. of awareness broadcasts covering all M-PESA agents	37	32	50	55

* 20 5G and 37 indoor network solution sites
** small cell sites Initial audit
^ (408 BTS self-audits, 79 facilities self-audit)

E-WASTE

	FY19	FY20	FY21	FY22
E-waste collected (tonnes)*	1 072	1 287	1 430	1 626

* Cumulative tonnes since the inception of the project

WASTE COLLECTED AND RECYCLED (KG)

Glass
637
▲FY21: 630

Metal
1 196
▲FY21: 967

Plastic
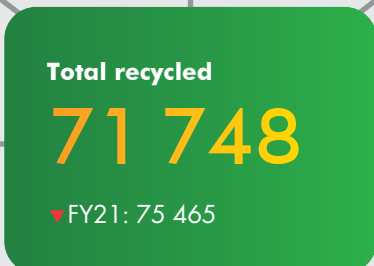9 653
▲FY21: 9 420

Textiles
796
▼FY21: 1 167

Total recycled
71 748
▼FY21: 75 465

Construction waste
1 256
▼FY21: 1 521

Cardboard & paper
17 854
▼FY21: 22 898

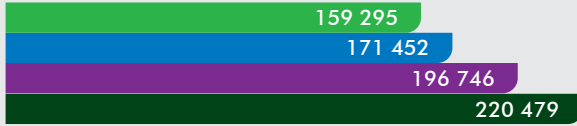**Organic waste**
40 356
▲FY21: 38 841

Other waste
0
▼FY21: 21

TOWARDS NET ZERO

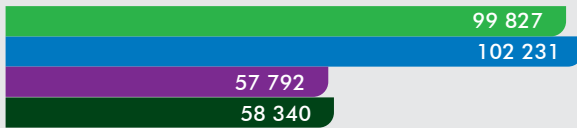## ELECTRICITY, FUEL AND WATER CONSUMPTION

Electricity (MWh)

159 295
171 452
196 746
220 479

Fuel (Litres)

10 181 646
9 762 585
11 652 174
10 034 899

Water consumption (m³)

99 827
102 231
57 792
58 340

● FY19 ● FY20 ● FY21 ● FY22

OUR CARBON FOOTPRINT (tCO$_2$e)

	FY19	FY20	FY21	**FY22**
Scope 1 emissions	33 057.3	28 311.3	31 125.9	**27 617**
Scope 2 emissions	26 833.3	28 881.1	33 141.8	**37 140**
Scope 3 emissions	5 818.0	2618.6	1 765	**1 805**
Total	65 708.5	59 811.0	66 032.7	**66 562**

NUMBER OF TREES PLANTED OVER THREE YEARS (CUMULATIVE)

	FY20	FY21	**FY22**
Trees planted	144 000	650 000	**1 022 000**

TOTAL ENERGY BY SOURCE (%)

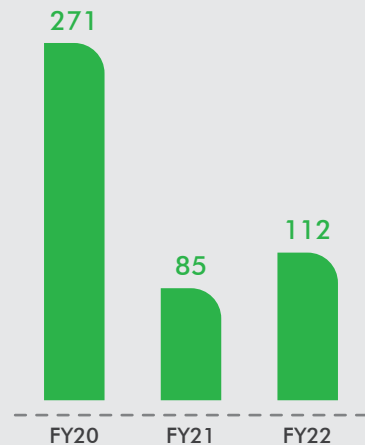|	FY19	FY20	FY21	**FY22**
National grid (green power)				**82.64**
Diesel generators				**16.19**
Renewable energy*				**1.17**

* Wind, solar and hybrid

Note that deep cycle batteries are used but these store energy from the national grid, generators or renewable energy sources, meaning that all this has already been considered.
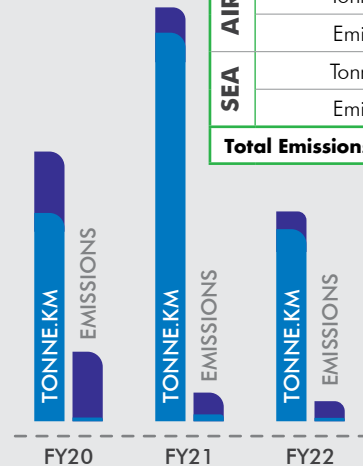
ENERGY EFFICIENCY

	FY19	FY20	FY21	**FY22**
Sites fitted with deep cycle batteries	193	300	27	**0**
Sites with low-voltage auxiliary power supply	55	55	55	**55**
Sites fitted with free cooling units*	88	88	88	**88**
Sites converted from outdoor to indoor**	18	7	41	**0**

FREIGHT CARBON INTENSITY (gC0$_2$e/TONNE/KM)

271
85
112

FY20   FY21   FY22

AIR VS SEA EMISSIONS

		FY20	FY21	**FY22**
AIR	Tonne/km	7 441 005	3 067 357	**2 150 472**
	Emissions	8 432 213	3 476 204	**2 436 605**
SEA	Tonne/km	25 249 342	47 096 057	**23 282 241**
	Emissions	454 526	833 310	**413 989**
Total Emissions (kg)		**8 886 739**	**4 309 514**	**2 850 594**

TONNE.KM   EMISSIONS
TONNE.KM   EMISSIONS
TONNE.KM   EMISSIONS

FY20   FY21   FY22

● Air   ● Sea

SOCIAL

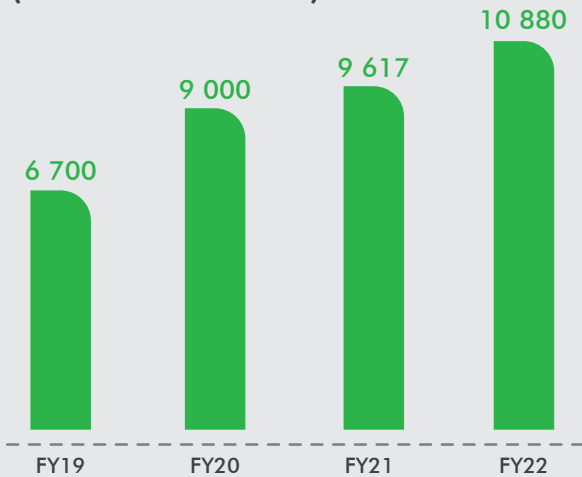## IMPROVING OUR CUSTOMERS' DATA EXPERIENCE

Our networks are critical in enabling stakeholders across Kenya to connect and share information seamlessly. Our key focus in FY22 was improving customer data and network experiences by increasing radio capacity and network coverage. This was achieved by capacity expansion, particularly in the radio network, as well as connecting sites to fibre especially in the rural areas. We upgraded

a total of 1 100 and 1 000 4G and 3G sites respectively and rolled out 495 new sites. In addition, we integrated new 4G spectrum into 1 800 sites. Core capacity was increased to enable a 60% increase in data traffic, while voice-over long-term evolution (VoLTE) capacity was enhanced by 80% to cater for five million users.
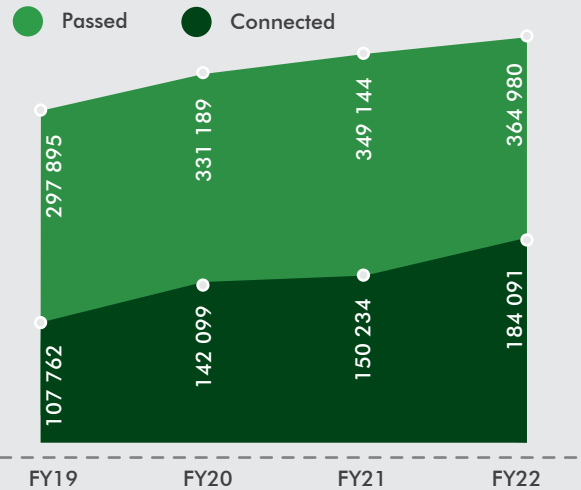
OUR FIBRE FOOTPRINT

Note that the number of residential homes connected and passed for FY21, as well as the fibre footprint numbers for FY21 indicated differ from the previously published numbers due to interrogation and clean-up of data from previous years

FOOTPRINT
(Total kilometres to date)

FY19	FY20	FY21	FY22
6 700	9 000	9 617	10 880

RESIDENTIAL HOMES

● Passed ● Connected

	FY19	FY20	FY21	FY22
Passed	297 895	331 189	349 144	364 980
Connected	107 762	142 099	150 234	184 091

SITES (BTS) CONNECTED TO FIBRE (%)

FY19	FY20	FY21	FY22
55%	64%	65%	72%

ENTERPRISES
(Connected)

● Customers ● Buildings

	FY19	FY20	FY21	FY22
Customers	5 992	11 911	15 300	17 000
Buildings	2 424	3 960	4 327	4 807
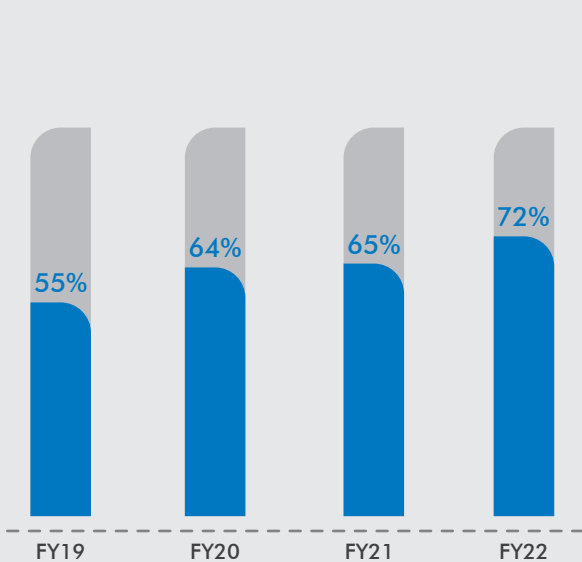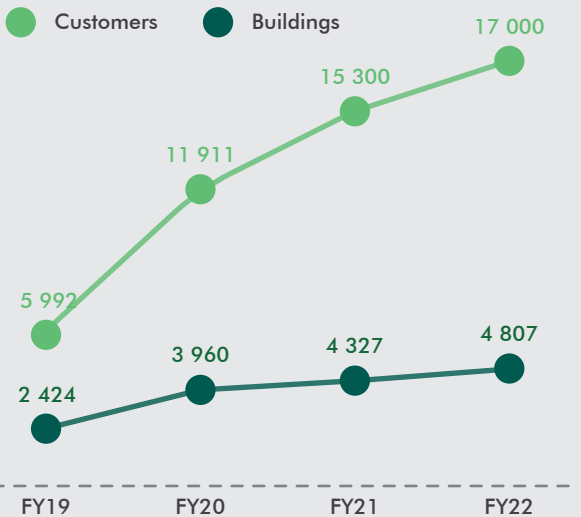
INCREASING OUR SERVICE OFFERINGS

Since 2007, M-PESA has grown to be Kenya's leading household mobile money transfer platform, an alternative method to access financial services and save (not store), transfer and borrow money through their mobile phones. As a result, those who had been previously excluded from formal financial activities (for example, saving and sending money) have been able to participate actively in the financial industry for the past 15 years.

We launched a new **M-PESA super app** to cater for subscribers' digital lifestyles and empower businesses through the mini apps programme (where over 32 mini apps have already been loaded). During the reporting period there were over 2.7 million 30-day active users with 1.1 million transacting and 249 000 business app downloads.

PROMOTING FINANCIAL INCLUSION

	FY19	FY20	FY21	**FY22**
M-PESA				
M-PESA revenue (KSh billion)	75	84.4	82.6	**107.7**
No. of M-PESA customers (million: 30 day active)	22.6	24.9	28.3	**30.5**
No. of Lipa Na M-PESA merchants	122 879	172 561	301 597	**492 772**
Diaspora remittances through M-PESA Global (KSh billion)	119	158	289.7	**395.7**
M-SHWARI				
No. of customers (million: active users)	3.99	4.66	3.98	**4.67**
M-Shwari deposits (KSh billion)*	213.4	320	571.2	**745**
M-Shwari loans (KSh billion)	97.5	129.6	94.5	**86.1**
FULIZA				
No. of transations (million)	46.4	392.9	787.1	**1 456**
Amount disbursed (KSh billion)	29	245	351	**502.6**

Deposit balance (sum of monthly deposit balances)

OUR DIGIFARM PLATFORM

Launched in 2017, DigiFarm, a Safaricom subsidiary, is an integrated mobile platform offering digital services targeted at farmers who can access advisory services, market linkages, inputs, input credits and crop insurance through a basic feature phone. Platforms include USSD *944# for farmers, an app and WhatsApp4Business for smart phone users, portal for buyers and a free call centre 944 for agronomy and vet advice.

Since launch, DigiFarm has registered over 1.4 million registered users, of whom 117 000 were active in the reporting year. With additional features, it has become a one-stop shop for Kenyan farmers.

The key overarching challenge is that commercial viability and scale has yet to be achieved. Going forward, our corporate social investment strategy will focus on addressing this and we are currently assessing ways of overcoming issues and challenges. This includes establishing partnerships with others in the development field as set out below:

OUR DIGIFARM PLATFORM

1 SCALE PRODUCTION

Farmer acquisition and engagement - 3.5m+ (FY25)

- Commercialization of remote private extension service providers to drive sustainability
- Precision agriculture capabilities
- Leverage emerging technologies

2 DEVELOP PARTNERSHIPS

Platform play to orchestrate service provision by diverse multiple players

- Financial institutions
- Development partners
- Post-harvest and aggregation service providers
- Localized logistics service providers

3 DEVELOP INFRASTRUCTURE

Accelerate development of village based infrastructure

- Cold chain and dry warehouses
- Quality management ready aggregation centers
- Quality management services
- Value adding services

INNOVATION AND PARTNERSHIPS

EMBEDDING PURPOSE

Embedding purpose lies at the heart of our business. We continued to collaborate both internally with the Customer Obsession team and with external partners to design, co-create and develop meaningful products and services that deliver social impact, unlock new opportunities and align with our priority SDGs.

We have focused on building platforms that can enable multiple use cases, testing vertical products in select digital ecosystems, most notably health, education, agriculture and humanitarian solutions. This is underpinned by the various products in education and health which have contributed lessons learnt, together with insights that enable the broader strategies for these ecosystems and deliver sustainable mobile technology innovations.

While our aim is to solve societal issues, we are always mindful that our solutions need to be commercially viable. Accordingly, we leverage digital marketing tools to reduce the cost of go-to-market activations.

PARTNERING IN HEALTH SOLUTIONS

The Kenyan Government's Primary Care Strategic Framework 2019-2024 prioritises community-based primary health care. We have aligned with this vision through the following initiatives:

- Medical records portability and enabling the health ecosystem during COVID-19 was a key interest area. This led us to develop **Afya Moja**, a medical records health portability platform, in a consortium partnership (with Savannah Informatics Ltd, Intellisoft Consulting Ltd). The service provides a continuum of care by creating the ability for patients to coordinate care across various health service providers. Afya Moja is a simple, mobile-based digital health passport that receives and securely stores patient information. The system allows users to access a copy of their own health data and share it with trusted healthcare providers. Doctors, upon consent, can act on the data and respond to patient needs. A total of 3 627 patients and 109 practitioners signed up during the pilot phase.

- We piloted an AI symptom checker and telehealth service known as **'Byon8'** in partnership with BYON8 AB. The service seeks to make high-quality healthcare more accessible, affordable and equal by digitalising healthcare on an individual level. There were over 60 consultations and over 10 000 downloads in the pilot period.

- In partnership with the M-PESA Foundation, Gertrude's Children's Hospital and the County Governments of Samburu, Baringo, Lamu and Homabay, we launched the **Daktari Smart telemedicine programme**. Daktari Smart is a kit comprising electronic medical devices which monitor patients' vital signs and enable remote consultation.

- We established **a partnership with the Kenyan Healthcare Federation (KHF) and the Ministry of Agriculture (MoA)**. The Federation's vision is to create an enabling environment that supports quality, affordable healthcare for all, while the Ministry of Agriculture is focused on food security. The KHF and MoA continuously engage the Government of Kenya and government agencies on issues relating to health policy, taxes, regulations and pricing. The membership has enabled us to contribute to the Public-Partnership Agenda through its projects and partnerships in healthcare.

PARTNERING IN EDUCATION

Kenya provides education services for over 16 million children and youth, with almost 500 000 teachers distributed in close to 90 000 schools. The country is generally acknowledged to have a high standard of education. Nevertheless, there are challenges, which we address in the following ways:

- **Ask A Mentor**, which was designed to complement Shupavu 291, resulted in at least tripling of the utilisation of the latter. We closed the pilot and are leveraging the lessons learnt to scale other education products.

- Under the **Last Mile Connectivity Project** for primary schools which aims to accelerate digital learning, we increased the number of connected schools from 70 to 88.

- We partnered with **Zeraki Learning** to provide secondary school learners with access to affordable education services from well trained teachers leveraging informative video lessons. This digital platform, which complements Shupavu 291, seeks to provide topic-by-topic assessments and powerful metrics to help students diagnose their weaknesses and track their progress. A touchpoint within our data services USSD platform, *544*14# will enable students, parents, teachers, or guardians to subscribe to the service for as low as KSh 20 a day. The amount can be deducted from customers' airtime. Approximately 150 000 learners have downloaded the Zeraki Learning app.

PARTNERING IN HUMANITARIAN AID

We leveraged our shared value partnerships to deliver products and initiatives that were geared towards supporting social protection programmes and mitigating disasters:

- In partnership with the **Kenya Red Cross**, we sent out over 9.7 million messages to alert citizens in various counties on heavy rainfall, indicating where to access assistance.

- We partnered with **World Vision** to enable fundraising of their Angaza programme which supports children and families in the Salgaa community through Bonga points.

- Under our strategic partnership with **UNICEF**, we have cross-pollinated various initiatives. The partnership aims to bring together UNICEF's technical expertise and advocacy work with Safaricom's range of products, services and its ability to communicate with large audiences. Specifically, the partnership aims to:

  - Ensure children receive access to quality education

  - Protect children, especially the poorest and most marginalised from violence and abuse.

  - Help children and families receive assistance during emergencies such as droughts, floods and disease outbreaks.

PARTNERING IN IOT AND ICT

Our aim is to become the leading IoT and ICT solutions provider in Kenya. Creating a dedicated IoT and ICT tribe with two commercial lead roles for IoT and ICT is helping us build the right organisation and drive transformation from product sales to insight-led solutions. In terms of IoT, we developed four enterprise-to-enterprise (E2E) solutions for telematics, water and cold chains through various partnerships. For ICT, we successfully recruited four global security partners and closed agreements with key global partners for Cloud (Amazon Web Services, Google, Microsoft, Huawei).

OUR PARTNERSHIP ECOSYSTEM
STRATEGIC PARTNERS & IMPACT

ENERGY

Kenya Power
- Lease of poles for fibre optic cables.
- More than 57 000 homes and 200 business buildings passed.

M-Gas
- Local LPG distributor, M-Gas leverages NB-IoT (Narrow Band Internet of Things) connectivity and the M-PESA service to enable pay-as-you-go cooking.
- 10 depots serving 185 000 low-income households in Nairobi and its environs.

ENTREPRENEURSHIP

Amazon Web Services (AWS)
- 20 enterprise customers currently on AWS.
- DigiFarm eMarketplace, a one-stop-shop that enables farmers to sign-up and sell their produce in a frictionless manner using their mobile phones, tablets or computers.

Google
- Providing digital services that empower a connected society.
- Lipa Mdogo Mdogo has over half a million customers and has loaned approximately KSh 3.5 billion.
- In the reporting period, 60% of our customers upgraded from 2G devices.

Microsoft
- Partnership provides clients with the most popular enterprise solutions, including cloud-based options that enable efficient and reliable business operations.
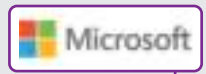
INCLUSION

Meta
- Meta (formerly Facebook) is part of the Lipa Mdogo service which aims to promote the uptake of smartphones in the low-income market segment.
- Meta shared user experience insights that led to the development and marketing of data packages which in turn facilitated a 22% month-on-month growth during the reporting period.

CUSTOMERS

CONSUMER CUSTOMERS

GROWING OUR CUSTOMER BASE

Our move to Agile methodology, the establishment of tribes within the consumer team and consumer offerings based on individual usage all had a positive impact in the year under review. This was reflected in the increase in the active customer base to 32.8 million, as well in growth in terms of digitising our customers as indicated in the table below.

Growth in mobile data revenue increased from KSh 44.8 billion in FY21 to KSh 48.4 billion – good performance in a year in which consumers faced economic pressure generated by the challenges of COVID-19 and escalating food costs. Additionally, our total market share increased to 65.3%.
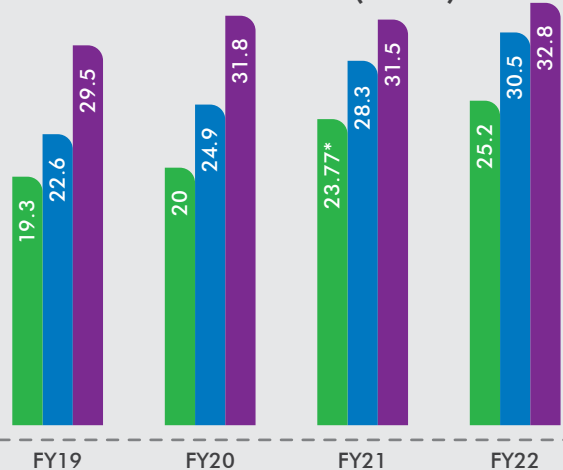
We connected 16 226 homes and noted six million customers daily engaging on the reverse call service. Under Storo Bonus, a popular service that rewards all pre-paid customers for their loyalty, we engaged two million customers daily.

To drive Customer Obsession further, we implemented a unified Customer Value Management (CVM) platform – UNICA – which uses machine learning to give customers personalised offers based on real-time resources available in their mobile wallets. These offers were based on individuals' usage pattern and capability and aimed to cushion them from the harsh economic realities experienced in FY22.
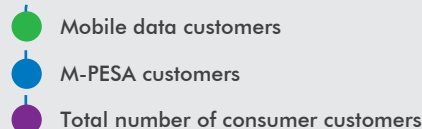
DIGITISING THE CUSTOMER

	FY19	FY20	FY21	FY22
Smart phones connected to the network (millions)	12.2	15.0	16.7	**18.5**
4G enabled smartphones (millions)	3.2	6.1	8.5	**11.1**

OUR CUSTOMER PROFILE (million)

FY19: 19.3 / 22.6 / 29.5
FY20: 20 / 24.9 / 31.8
FY21: 23.77* / 28.3 / 31.5
FY22: 25.2 / 30.5 / 32.8

*Mobile data customers number updated from prior year

- Mobile data customers
- M-PESA customers
- Total number of consumer customers

TOTAL MARKET SHARE (%)

FY19: 62.4
FY20: 64.5
FY21: 64.4
FY22: 65.3
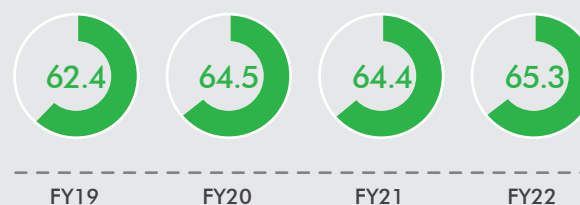
CONTINUING TO OFFER INNOVATIVE SOLUTIONS

Under our Customer Obsession journey, we:

- Partnered with M-Kopa Solar for a pay-as-you-go model for device acquisition, achieving total sales on KSh 427 000 – growth of 145% year on year.

- Launched new secure, reliable digital channels offering best in class customer experience compared to traditional USSD through the MySafaricom App which had 2.5 million downloads with a 4.5/5 rating and 50% monthly active customers.

- Provided fixed convergence in the form of the Home Plus product that allows shared connection for home and away from home.

- Established a new digital streaming platform that aggregates broadcast ready local & international content. Engaged 9 local content creators in partnerships on Baze Video for exclusive content. Over 700K customers access content monthly.

- Launched the Mwelekeo ni internet campaign which focused on introducing affordable data offers and adding new devices to Lipa Mdogo Mdogo device financing plan. These included:

  - Nyakua Data Dabo which gives customers more value through data offers such as Tunukiwa *444#, enabling access to affordable 4G devices through Lipa Mdogo and showcasing the transformative power of the internet.

  - Nyoosha Shilingi, a new data offer that stretches the value of data purchased by up to 100% on select data bundle plans at the same price

ENTERPRISE CUSTOMERS

We categorise our enterprise customers into three main groups: Large Enterprises (LEs) – more than 50 employees; Small-to-Medium Enterprises (SMEs) – between 10 and 50 employees and Small Offices-Home Offices (SOHO) – less than 10 employees. Our target was to grow our SOHO number customers by 92% in the reporting period and that target was met as indicated in the table below. Revenue for SME, SOHO and large enterprise customers increased significantly.

Our adoption of Agile methodology has led to the creation of cross-functional tribes to lead product and go-to-market solutions which has enhanced product and services delivery.

PROFILE OF OUR ENTERPRISE CUSTOMERS

	FY19	FY20	FY21	**FY22**
Total number of SME customers (thousands)	54	75	101	**90**
SME revenue growth (2021-2022)	27%	48%	12%	**34%**
Total number of SOHO customers (000)	125	210	299	**210**
SOHO revenue growth (2021-2022)	24%	48%	20%	**92%**
Total number of large enterprises	1 164	1 200	1 255	**1 365**
Large enterprise revenue growth (2021-2022)	13%	19%	-15%	**19%**
Market share in corporate segment (by customers)	99%	99%	99%	**99%**
Market share in SME segment (by customers)	14%	20%	25%	**32%**
Number of enterprise customers* (thousands)	180	286	401	**360**
Market share by revenue (excluding payments)	52%	53%	55%	**58%**

*Corporate customers are segmented into LE, SME and SOHO

MEASURING CUSTOMER SATISFACTION

NET PROMOTER AND BRAND CONSIDERATION SCORES

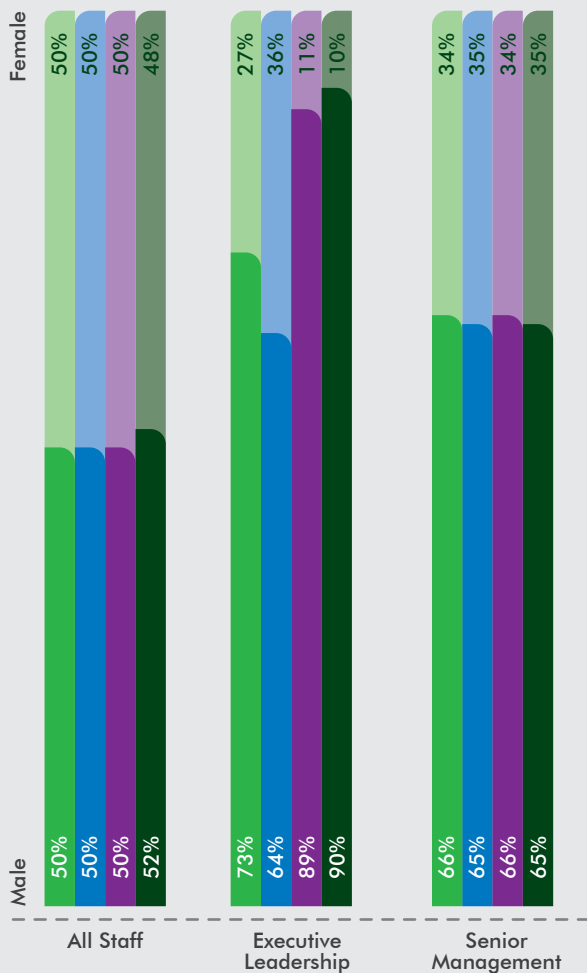|	FY19	FY20	FY21	**FY22**
NPS (consumer)	61	59	65	**64**
NPS (enterprise)	26	29	31	**35**
Brand Consideration	63	70	81	**80**

Understanding the extent to which we are delighting our customers underpins our Customer Obsession journey. Accordingly, we continue to use the Net Promoter Score (NPS) and Brand Consideration (BC) scores to monitor customer satisfaction. Our ambition is to be number one in NPS in our peer group. NPS measures the likelihood that a customer would recommend Safaricom to other customers, family or friends, based on their overall experience. BC measures the likelihood that a customer will purchase a particular brand based on their perceptions of that brand. Both NPS and BC are primarily determined using customer surveys.

EMPLOYEES

OUR WORKFORCE DEMOGRAPHICS

	FY19	FY20	FY21	FY22
Number of permanent male employees	2 251	2 278	2 246	**2 283**
Number of permanent female employees	2 252	2 237	2 210	**2 128**
Total number of permanent employees	4 503	4 515	4 456	**4 411**

EMPLOYEES BY GENDER & DIVERSITY (%)

Female

All Staff: 50% / 50% / 50% / 48%
Executive Leadership: 27% / 36% / 11% / 10%
Senior Management: 34% / 35% / 34% / 35%

Male

All Staff: 50% / 50% / 50% / 52%
Executive Leadership: 73% / 64% / 89% / 90%
Senior Management: 66% / 65% / 66% / 65%

All Staff · Executive Leadership · Senior Management

FY19 · FY20 · FY21 · FY22

PERSONS WITH DISABILITIES

FY19	FY20	FY21	FY22
2.1%	2.3%	2.6%	**3.1%**

BUILDING WOMEN LEADERS

Given that promoting gender equality is a key priority, we continued to focus on building a healthy pipeline for our women leaders through our Safaricom Women in Leadership Programme that saw 50 women graduate from the programme in FY22. Conducted with an external third party, Safaricom Mowgli Mentoring encourages mentees to explore ideas, set clear goals on career growth and take steps towards realising them. Our Safaricom Mowgli mentorship programme has now supported over 100 women grow in their careers and improve their performance in the different roles they execute for the business.

Lean-in circles for our female employees provided psychosocial support and engagement even as we transitioned back to work post COVID-19. These circles covered issues like breakthrough leadership for women and achieving a balance between work and home. Through initiatives such as Women in Technology (WIT) (see page 74 of the main report), we hope to create a talent pool of women opting for technology-based careers.

PERCENTAGE OF WOMEN IN OUR TECHNOLOGY DIVISION

FY19	FY20	FY21	FY22
23%	24%	24%	**22%**

EQUIPPING OUR PEOPLE WITH SKILLS

Our progress in creating a future-fit organisation was highlighted by the fact that we achieved a career development index of 76% in our FY22 employee survey, indicating that 76% of our staff believe their career goals can be met and achieved at Safaricom. As indicated in the table on the following page, we achieved our training target of 40 hours, with the decrease from the previous year attributable to the introduction of hybrid ways of working.

TRAINING HOURS AND INVESTMENT

	FY19	FY20	FY21	FY22
Avg. no. of training hours per employee	N/A	N/A	46.42	**40**
Investment in staff training (KSh million)	273	310	128	**193**
Average training index*	81%	83%	81%	**85%**

* Percentage of staff who attended training during the year

ENGAGING OUR EMPLOYEES

Our target for FY22 in terms of the employee and manager engagement indices respectively was 90. However, we did not achieve this, with the employee engagement index standing at 85 and the manager engagement index at 89. However, these scores are within the Kenyan national norm and are best-in-class.

The increase in staff turnover is attributable to increased demand for talent in the tech and fintech spaces in the local market which saw Safaricom lose many more employees in these skill pools as the year before.

EMPLOYEE ENGAGEMENT SURVEY RESULTS

	FY19	FY20	FY21	FY22
Employee engagement index	96	89	92	85
Manager engagement index	84	89	90	89
Staff turnover	5.7%	5.0%	3.3	5.1

EMBEDDING A CULTURE OF ZERO HARM

Our aim is to embed a culture of zero harm by eliminating or controlling risks associated with our operations and delivering holistic employee wellbeing. As a result, we have embedded the Safaricom Absolute Rules in our ways of working to focus attention on the three high risk activities associated with our business, which are driving, working at heights and working with electricity. We know from experience that failing to follow basic health and safety standards, leads to our people, the people we work with, and the people exposed to our activities being seriously injured or killed. By following these simple life-saving rules, we can help ensure everyone goes home safely every day.

TOTAL OSH-RELATED INCIDENTS

	FY19	FY20	FY21	FY22
Fatalities	2	1	3	2
Lost Time Injuries (LTIs)	2	14	9	2
Incidents	150	175	136	147
Medical treatment cases	20	18	19	116
Man-hours (million)	12.3.	11.9	11.5	11.5
FIFR	0	0	0	0
LTIFR	0.016	0.017	0	0

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

GOVERNANCE

MAINTAINING A ROBUST GOVERNANCE FRAMEWORK

The cornerstones of our governance structure are the Governance Charter and our Board of Directors which is accountable to all stakeholders. To monitor adherence to governance procedures, members of our Board meet at least four times a year and undertake collective and individual performance assessments at least once annually. The Safaricom Board comprises 11 Board members, reflecting a 36% female and 64% male split.

ENSURING ACCOUNTABILITY AND TRANSPARENCY

Our robust corporate governance framework ensures accountability and transparency, aligning the interests of all stakeholders and helping us to transform lives. Our strong governance structures include a governance code, an ethical culture and a risk management framework underpinned by our ethical practices.

To strengthen our focus on Customer Obsession, we aim to build a strong reputation, enhance customer trust and provide 100% assurance on all our products, projects and systems to ensure we have a simplified, secure customer journey.

We ensure the availability of our systems under our business continuity plan and continue to implement robust assurance programmes and platforms. Our priorities in terms of governance, business ethics and risk in FY22 were to:

- **Stay ahead of cyber threats**
- **Maintain data privacy**
- **Proactively manage fraud, particularly in the light of ever-changing social engineering schemes**

ETHICS AND ANTI-CORRUPTION STAFF TRAINING
**(% of total staff)**

	FY19	FY20	FY21	FY22
% of total staff attending ethics and anti-corruption training	96%	98%	98.5%	**98%**

ETHICS TRAINING FOR PARTNERS

	FY19	FY20	FY21	FY22
Suppliers	248	286	530	**489 (61.2%)**
Dealers	282	309	451	**435 (100%)**
M-PESA agents	61 567	63 812	1 345	***4 217 (100%)**
No. of awareness broadcasts covering all M-PESA agents	37	32	50	**55**

*   Represents super agents trained physically, remaining agents trained during area sales manager visits and weekly awareness broadcasts.
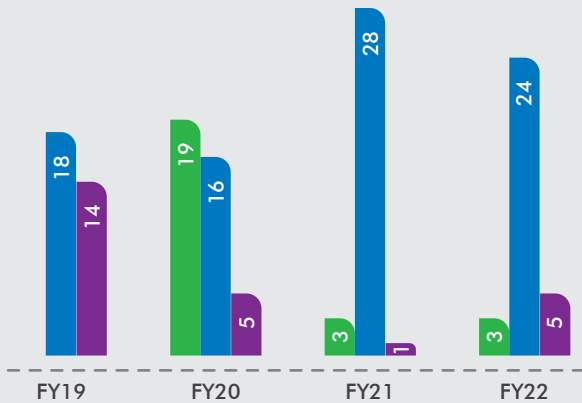
ANTI-CORRUPTION MONITORING MEASURES (at year end)
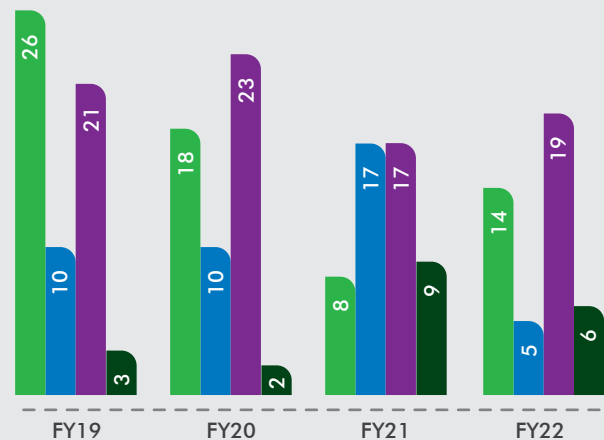
- 🟢 **Risk assessments (bi-annual cycle)**
  Comprehensive evaluations of a range of risks, from operational and strategic to ethical and reputational
- 🔵 **Fraud reviews**
  Conducted on specific areas/ processes suspected of having become compromised
- 🟣 **Audit reviews**
  In-depth reviews that evaluate specific internal controls and processes
- 🟢 **Special request reviews**
  Reviews of special areas/ processes requested by management

ANTI-CORRUPTION CORRECTIVE MEASURES (as at year end)

	FY19	FY20	FY21	FY22
Disciplinary warnings		19	3	3
Dismissals	18	16	28	24
Cases reported to law enforcement agencies	14	5	1	5

● Disciplinary warnings
● Dismissals
● Cases reported to law enforcement agencies

Fraud cases investigated

FY19	FY21	FY21	FY22
30	**35**	**36**	**27**

AN EVOLVING REGULATORY ENVIRONMENT

Our regulatory universe helps us to improve compliance monitoring. Our main regulator remains the Communications Authority of Kenya (CA). In total we engage with ten regulatory bodies (see page 79 of the main report) in a constantly shifting ecosystem as we expand our products and services to prepare for 5G, artificial intelligence (AI) and the Internet of Things (IoT). Within this context, we are constantly looking for ways to strengthen our engagement with regulators to ensure the highest standards of transparency and protection of consumer rights.

In the past year there were several key developments in the regulatory space. However, through proactive engagement, we maintained our mutually respectful, cordial relationship with regulators as we collaborated to connect people and facilitate online learning, remote work, e-commerce and financial services. We continued to file our quarterly compliance returns with the

Communications Authority (CA). Our aim, in engaging with regulators on draft regulations, guidelines, and bills, is to ensure a positive outlook and favourable consideration of our products and services.

OVERCOMING CHALLENGES

In January 2022, the United States (US) Federal Aviation Administration issued a warning that 5G could interfere with airline safety. Consequently, the National Environment Management Authority (NEMA) solicited comments from the Kenya Civil Aviation Authority (KCAA) on our proposed 5G projects. This negatively impacted the timelines for acquisition of the 5G rollout licence. We continue to work closely with the KCAA to ensure that necessary awareness is created on 5G.

In a move to accelerate the fight against identity theft and improve data accuracy, in September 2021 the CA directed the country's mobile operators to ensure that the personal details of their subscribers were fully updated in compliance with prevailing laws by 15 April 2022. The directive also provided for the deactivation of any SIM cards that continued to be non-compliant after the deadline. Registration had to be done in person at the respective mobile operators' retail outlets. However, faced with long queues at outlets, mobile operators lobbied the CA to allow online registration and to extend the deadline by six months. The CA granted both requests. Our level of compliance at the end of March 2022 was 60%.

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