

## UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS



## CEO's MESSAGE

Safaricom celebrated its 10<sup>th</sup> anniversary in October 2010, it has been a decade embodied by successful business growth. Over the years and especially in the recent past, the operating environment has changed thus the business must also change in order to succeed in the future.

A key part of that change will be rebuilding relationships with all key stakeholders in our ecosystem. These include our customers, our employees, our shareholders, our business partners, the regulators, the media, our society and the future generations

The business has since embarked on an audacious process of change dubbed **Safaricom 2.0** which is about living the *Safaricom Way values* of **speed, simplicity** and **trust** in order to be more responsive to our stakeholders.

Safaricom 2.0 embodies a more inclusive, outward-looking organization that is customer-centric and operates in a sustainable ecosystem that seeks constructive advantage over competitive advantage. This will be achieved by listening more to our stakeholders while appreciating that we may not have all the answers, understanding our stakeholders' points of view while honouring them, and delivering on our promises efficiently, in order to build a culture of honesty and trust.

All the components of a natural ecosystem depend on each other to thrive. Our business ecosystem comprises various stakeholders whose dedicated support enables our continued success. The ecosystem charters are as follows:

### 1) The customer charter

We will communicate honestly, offer simple and relevant products and deliver on our promises to the customer with speed and consistency

### 2) The employee charter

We will provide a great place to work and grow, where both individual accomplishments and team effort will be rewarded. We will provide opportunities for personal empowerment and career growth in an atmosphere of trust, honesty and openness.

### 3) The shareholder charter

We will enhance shareholder value by adherence to the highest standards of corporate governance and world class management practice. Our shareholders should expect timely and accurate information and the opportunity to engage through various forums with us.

### 4) The business partners charter

We will engage in mutually beneficial and sustainable relationships with all business partners in an environment of equity, mutual respect and honesty.

We are committed to growing Kenyan businesses and will offer preferential support to innovative local businesses.

#### **5) The regulators charter**

We will build constructive, respectful, open and transparent relationships with all regulators. Whilst being compliant with all regulation and applicable laws, we will adopt a firm approach on issues that may be detrimental to industry growth.

#### **6) The society charter**

We will work closely with Kenyans to be a respected and empowering contributor in the society. While we participate as an integral part in the uplift of society, our relationship will be built on the principles of partnership, humility, openness and professionalism.

#### **7) The media charter**

We will continuously and proactively engage the media in a factual, speedy and honest way in order to actively participate in informing public opinion. We will take a lead role in building industry knowledge among various media groups and hold them to account for responsible reporting.

#### **8) The future generations charter**

The future is now and our conduct and business practices today must be designed to create and shape a sustainable tomorrow.

Implementing the United Nations Global Compact as part of our broader commitment towards being a responsible and accountable business falls in line with our commitment to our stakeholders. We will ensure that our operating standards are of a consistently high level, and that our policies are translated into practical actions.

Through this report on our progress, Safaricom Limited continues to express its willingness to support and advance the ten Principles of the UN Global Compact through our policies, processes, products and services. This is our commitment to our stakeholders.

**Bob Collymore**  
**CEO, Safaricom Limited.**

## LABOUR

In our effort to uphold the elimination of discrimination in respect of employment and occupation, the Human Resources Division of Safaricom Limited has the mandate of identifying talented, creative and innovative team players who are excited by the opportunity of pushing the frontiers of this evolving technology, growing the business' services, exciting our customers and contributing to the community.

In return HR commits to giving staff the opportunity to realize their maximum potential, to train staff and give them opportunities to realize their career ambitions. The staff will be rewarded and given the opportunity to realize their goals while working with them to give back to their communities.

The HR division strives to source for talent locally. It's only in cases of a 'knowledge gap' arising from new technologies or software that the HR division through agencies would source for expatriates with the necessary technical skills and competencies. Expatriates are hired with the mandate of transferring knowledge to the local staff.

The elimination of discrimination starts with the procedure for local hiring. The procedure involves the following process;

**Advertisement:** Based on the level of the job, and the technicality, the recruiting line manager together with Talent Acquisition section determine the appropriate talent acquisition media (including social media, online recruitment websites) are used to ensure the best pool of candidates.

**Long listing/Short listing:** Received CV's are taken through a sieving process that may include long listing and short listing or just short listing, based on the minimum requirements for the position in question and advertisement media used. Long listing is done by HR Talent Acquisition section, and short listing by the HR Talent Acquisition section and recruiting line manager.

**Selection:** This stage entails assessing the candidates by using various selection tools which include but are not limited to Oral interviews, Written tests (done through ability tests or aptitude tests), Computer tests, In-tray basket, Case study / Presentations, Psychometric tests- These tests are administered for all candidates shortlisted for a Competency Based Interview - CBI. They are used to assess the candidate's behavioural attributes and capability to fit into the Safaricom's 2.0 culture of Speed, Simplicity and Trust. Different CBI's are used for the different job grades or the units in which the position will sit in. These CBI's measure past performance as a way of gauging future performance. The recommended ratio for CBI's is 5:1; meaning for every 1 open position a minimum of 5 candidates are interviewed.

Once the appropriate assessments have been conducted, the best candidate is selected and an offer of employment is made.

All or a combination of these tests may be used for recruiting. This process is applicable for candidates applying for permanent positions, fixed term contracts and expatriate contracts. The choice of selection tools will be discussed between the recruiting department and the Senior Manager Talent Acquisition, and where necessary, in consultation with the Director Resources. For other categories of positions i.e. temporary positions, attachment (internship) positions, the selection process will be done through oral interviews, and interview notes will be kept as record. Where the position requires a more rigorous selection method, an assessment agreeable to both Talent Acquisition and the recruiting department will be administered as per this policy.

Plagiarism / cheating or submitting forged documents are acts of fraud. These acts of fraud involve the following, but not limited to:

- Changing the words or ideas of another person and presenting them as your own;
- Copying words or ideas from another person during an assessments or interview;
- Committing literary fraud, by accessing the internet, written text and any other form of cheating during an assessment or interview;
- Presenting as new and original an idea or product derived from an existing source;
- Submitting forged personal, academic, professional documents etc.

Before the participating in an assessment candidates are advised of the above acts of fraud and consequences of these acts. A candidate identified or caught for plagiarism / cheating or submitting forged documents is disqualified from the recruitment process he / she had been selected for; and is blacklisted from participating in any Safaricom recruitment process going forward.

**Referencing & Background Checks:** Based on the position and business unit, Safaricom conducts independent background checks on new staff members using selected service provider(s) before on boarding an individual. These checks are used over and above telephone references. All new members of staff are required to produce a certificate of good conduct from the CID offices alongside other required employment documents.

The chart below shows the proportions of senior management hired from the local community heading significant operations.

| Level of Operation                           | Total Local | Seconded | Percentage of local management staff |
|--|-------------|----------|--------------------------------------|
| General Manager/Director/Chief Officer Level | 8           | 2        | 80%                                  |
| Executive HOD/HOD level                      | 34          | 0        | 100%                                 |
| Senior Management Level                      | 120         | 0        | 100%                                 |

The following chart demonstrates the ratio of male to female employees at Safaricom

| <b>Job grade</b> | <b>Total Permanent &amp;<br/>Seconded Staff</b> | <b>No. of Women</b> | <b>No. of Men</b> | <b>Gender Ratio</b> |
|------------------|---|---------------------|-------------------|---------------------|
| 1                | 1   | 0                   | 1                 | 0:1                 |
| 2                | 8   | 2                   | 6                 | 1:3                 |
| 3                | 36  | 12                  | 24                | 1:2                 |
| 4                | 109   | 36                  | 73                | 1:2                 |
| 5                | 180   | 43                  | 137               | 1:3                 |
| 6                | 421   | 144                 | 277               | 1:2                 |
| 7                | 528   | 224                 | 304               | 1:1                 |
| 8                | 1516  | 731                 | 785               | 1:1                 |
| 9                | 2   | 0                   | 2                 | 0:1                 |
| <b>Totals</b>    | <b>2801</b>                                     | <b>1192</b>         | <b>1609</b>       | <b>1:1</b>          |

The chart below shows the ratio of basic salary of men to women by employee category.

| <b>Employee Category</b> | <b>Gender Salary Ratio<br/>Male;Female</b> |
|--------------------------|--|
| 2                        | 1;1.3                                      |
| 3                        | 1;1  |
| 4                        | 1;1  |
| 5                        | 1;1  |
| 6                        | 1;1  |
| 7                        | 1;1  |
| 8                        | 1;1  |
| <b>Total</b>             | <b>1;1</b>                                 |

The total company ratio is 1;1. The only exception is within the senior managers at grade 2.

## **ENVIRONMENT**

At Safaricom, we recognise our obligation to manage our environmental footprint while not impairing the ability of our business to continue providing quality service. We understand that the ICT industry can also assist in reducing carbon emissions from economic activity by providing alternatives to traditional ways of doing business.

We engage with our stakeholders broadly through the Environmental Impact Assessment (EIA) process, and on a case-by-case basis when installing base transceiver stations. These stakeholders include the National Environment Management Authority (NEMA) and the general public. The Environmental Management and Coordination Act (EMCA) 1999 came into effect on 1<sup>st</sup> January 2000 and the Act is operationalized by various regulations. Safaricom implemented the requirements of the Act and subsequent regulations and also understands the implications and requirements thereof.

Currently, Safaricom is in full compliance with the EIA/EA Regulations of 2003. All of our Base Transceiver Stations (BTS) have undergone Environmental Audits by independent consultants and the reports submitted to NEMA. Furthermore, all new developments have been subjected to an Environmental Impact Assessment prior to construction and operation.

In addition, Safaricom has embarked on a journey to implement an automated Environmental Management System. The system shall be implemented by a reputable firm of consultants, Norken (I) Limited. This reflects the company's commitment to maintain and improve its environmental management procedures, enforce its environmental policy and comply with laws and regulations. This is a strong focus for Safaricom, as sustainability is fully embedded in its systems.

In December 2010, Safaricom was selected as the Best Environmental Compliant Firm in the Telecommunications Sector by the National Environment Management Authority (NEMA). The selection was based on attainment of high compliance levels through deliberate investment in

cleaner production systems which were monitored through the Annual Environmental Audit reports, Negotiated Compliance and Implementation of the Improvement Orders.

We understand that all our activities contribute to a cumulative effect. Addressing climate change and sustainable business practices has become integral to our business strategies. We are proactively addressing this by way of technological solutions that replace the traditional carbon intensive methods of doing business.

## **1. Climate change/Carbon footprint**

Safaricom takes climate change seriously as it is a pressing issue that requires the full attention of all global citizens. We understand that all our activities contribute to a cumulative effect; hence addressing climate change has become integral to our business strategies. Safaricom seeks to address this proactively by way of technological solutions that replace the traditional carbon intensive methods of doing business. Currently we have a cross functional sustainability team that seeks to analyse our activities and ensure we minimize the impact of our operations on the environment and shape a sustainable tomorrow.

We have embarked on a carbon neutral path as part of our sustainability initiative by pledging to undertake a Carbon Footprint Analysis and Reporting on the same as part of our Corporate Policy. We will further design carbon reduction programs that will propel Safaricom to achieve its carbon neutrality goals.

## **2. Technological Innovations**

Safaricom Enterprise Business unit recently launched Tele-Presence which is a high definition visibility meetings interface. This will give private and public enterprises the ability to communicate effectively from virtually remote locations at high speeds, supported by our 3G network. Tele-Presence and Video Conferencing have been proven to reduce carbon emissions associated with business travel locally, regionally and globally. This innovative initiative will not



only help Safaricom reduce its carbon footprint but will also assist other enterprises using the service to reduce their carbon footprint.

### **3. Green Products**

M-PESA the world's first Mobile Money Transfer system has brought convenience and changed many lives by reducing the number of trips people make to pay for transactions, reducing carbon emissions. The service is available 24 hours. Another first from Safaricom is Simu ya Solar; solar phones that are charged by the sun and hence do not use power.

### **4. Energy Efficiency/Alternative Energy**

At Safaricom, climate change is not the only driving factor behind the move towards energy efficiency. The company demands more reliable electricity than is currently available from the national grid, as evidenced by the frequency of load-shedding and rolling blackouts over the past few years. It is therefore a business imperative to ensure a constant supply of energy to the critical systems, particularly network infrastructure, thus Safaricom has a draft policy on energy use.

We are currently working on long term energy savings at the base transceiver stations, with percentage reductions which will be published in April 2012. In line with the energy efficiency, we have implemented several projects within the company, for example, we have deployed energy metres at test BTSs in order to monitor the energy use at the sites and evaluate the effectiveness of various energy saving initiatives. We have retrofitted the Air Conditioning equipment from high energy use coolants to R407 and R402 coolants as a way of reducing energy use at the sites. We have also deployed more outdoor BTSs in areas with cool weather thus cutting down energy use by air conditioning equipment.

Furthermore, we currently have the following energy efficiency initiatives in place:

- **Use of Hybrid Energy Technologies at our Base Transceiver Stations**

Safaricom has employed hybrid energy technologies that use renewable energy sources such as wind and solar to provide an energy mix to power the Base Transceiver Stations (BTSs). We have deployed over 80 BTSs on a combination of solar-wind-diesel-battery hybrid system, over 30 BTSs are running on enhanced battery-diesel hybrid system, and 2 BTSs run on pure green energy supported by solar-wind-battery-hybrid. This accounts for 4.6% of the total network. All these reduce the running hours of diesel generators by about 67 per cent which proportionately reduces carbon emissions by the same margin. The key objective of using the hybrid system is to reduce our carbon emission from combustion of fossil fuels by the diesel generators hence reducing our carbon footprint.

#### Safaricom's Energy Use

|  | 2010                                 | 2009                                  |
|--|--------------------------------------|---------------------------------------|
| <b>Electricity use at the sites (BTS Sites only)</b> | AV; 2,000kWhr x 2,228 sites          | AV; 2,000kWhr x 1,828 sites           |
| <b>Diesel Use</b>                                    | AV; 700,000Litres per month for 1980 | Av; 650,000Litres per month for 1,680 |

The increase in electricity use and diesel use is in line with the increase number of BTS sites.

- **Earth Hour**

Safaricom this year 2011 participated in the Earth Hour on the 26<sup>th</sup> March 2011 by switching off lights for 1 hour in solidarity with other participants across the globe. Safaricom partnered with WWF to observe the earth hour.

- **Eco-friendly Buildings and Facilities**

Safaricom House II is one of the first buildings in Kenya to have the latest Digital Addressable Lighting Interface (DALI) that controls the lighting level and hence power consumption of lights

in the main work areas, based on the intensity of external lighting. Furthermore, Safaricom Care Centre and Safaricom House II are some of the few buildings in Kenya to feature a fully integrated Building Management System incorporating occupation-based lighting and air-conditioning control. The system has enabled the company to monitor and control building systems thereby increasing energy efficiency. This was implemented in 2010 and realised a significant saving in energy use currently we have reduced our energy use by 40%.

The Safaricom Staff gym is the only gym in Kenya with an all-Light Emitting Diode (LED) design with lights that use only 10-20 per cent of conventional lighting. These are some of the technologies available today that have a direct positive impact on the global environment.

- **Reducing the need for powered air-conditioning at our base-stations**

During 2009/10, we installed 5 free-cooling units at our base stations, to help reduce air-conditioning use. As anticipated, they are achieving a 60% reduction in energy usage.

- **Efficient and silent generators**

Safaricom aims to reduce carbon emissions from diesel fuel using hybrid energy mix. This is where the generator running time is greatly reduced. The energy mix at the site relies heavily on grid power, then battery backup in case of power failure and finally generator. In most cases, the energy mix ensures that the generator running time is greatly reduced and in some instances, the generator is not used at all.

We have also deployed super silent generators that are more energy efficient and pollute less. At some sites, we have also accelerated combustion by use of fuel catalysts, as well as tested bio-fuels for future use in the generators.

There are currently 25 sites running on super silent generators.

- **Upgrading IT equipment**

Safaricom has adopted purchasing of energy smart laptop models that are less power intensive with longer battery lives. This has the added benefit of allowing employees to continue working for longer in the event of power outages.

## **5. Resource utilisation**

As Safaricom is a growing business, it follows that our internal operations are associated with growing consumption of resources. We recognise our obligation to manage the resultant impact on the environment. The resources we consume range from those related directly to our buildings, such as electricity usage and water consumption, to those related to our information management systems, such as data and switching centres. At Safaricom, we conscientiously practise smarter management and environmentally ethical practices.

Safaricom has an Environmental Policy in place that addresses resource consumption and advocates for minimised resource usage. We have organised company-wide awareness sessions/campaigns on efficient and effective resource utilisation and have implemented a Green Office Guide to offer tips and ideas on resource utilisation. The implementation of the policy and of the Green Office Guide is delegated to the relevant divisions that initiate their own activities within the guiding framework such as duplex printing, use of projectors in meetings rather than printing presentations, turning off of PCs, laptops, printers and other electronic equipment, automatic AC turn on and turn off based on room utilisation, advocating for paperless offices, paper recycling and water conservation amongst others.

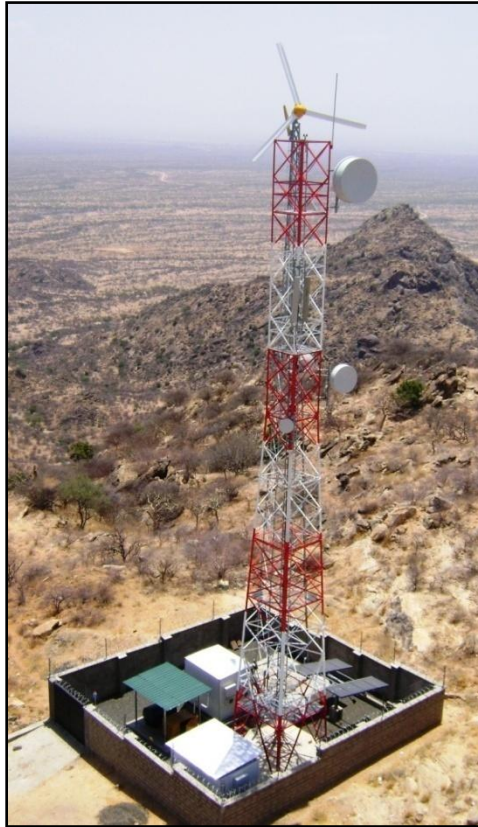
We are currently engaging external parties on resource management requirements. The company has established a supplier engagement programme, working initially with the top 30 suppliers, with checks in place to ensure that suppliers are environmentally compliant and subscribe to sustainability principles.

## **6. E-waste Management**

Electronic waste (e-waste) is a serious issue in the fast moving technology world, since everyday there are newer and more sophisticated products that are released into the market place and consumed. With the current poor waste management strategies in Kenya and lack of proper sanitary landfills, producers of these goods need to become more responsible by embracing the Extended Producer Responsibility for the entire product life cycle. Most electronic and electrical equipment do contain hazardous waste and need to be disposed of in an environmentally friendly manner.

Safaricom recently launched a Handset Take-Back programme aimed at managing the impact of our electronic gadgets from the Cradle to Grave. This initiative is currently being piloted by our staff and will soon be rolled out to customers through our network of retail shops and dealerships across the country. The program promotes the recycling of old mobile devices, PDAs, and their accessories that might otherwise end up in garbage dumps and landfills. This contributes to the carbon neutrality commitment by ensuring that our products at their end of life are effectively disposed off in an environmentally sound manner. The initiative has created green jobs in the e-waste recycling industry where Safaricom is in partnership with Computer for Schools Kenya (CFSK) across the country. This has contributed substantively to the Green Economy by creating green jobs.

## 7. Placement of base stations



For provision of reliable service to our customers, Safaricom needs an urbane and extensive network of base stations. Currently, we have about 2500 base stations in a diverse range of areas, from urban centres to rural areas. Rolling out of sites raises a number of issues in relation to potential environmental and biodiversity impacts, visual and aesthetics impacts, as well as community and social impacts. These issues are addressed and mitigated against.

Safaricom's Environmental Management Framework guides the process of site selection for placing of base stations by drawing on demographic studies, research results and customer requests, as well as the location of other operator masts, for mast sharing (collocation), in order to determine the next appropriate location for new base stations. The framework and all policies relating to site selection and the placement of masts is implemented by the technical team.

Environmental regulations are complied with and these regulations include the requirement for Environmental Impact Assessments (EIAs) before mast construction and also include public participation and consultation before siting the base stations. For the EIA process, we draw on the expertise of over 13 Environmental Impact Assessment consultants. The proposed sites undergo either an EIA project assessment or an EIA study assessment, depending on the sensitivity of the site. Non-sensitive sites (for example, rooftop sites) are more likely to be subject to a EIA project assessment, while sites in ecologically sensitive areas may be subject to the more thorough EIA study assessment. Following the EIA process, NEMA either grants or refuses authorisation for Safaricom to proceed with its proposed mast construction. At sites where Safaricom co-locates with other telecommunication companies, if the host company has conducted an EIA and the site has been approved by NEMA, Safaricom is only required to conduct an Environmental Audit (EA) after one year of operation. In addition, all Safaricom sites have an EA done after one year of operation. The legislation is currently under review and will be amended in respect to the various categories and the respective types of assessment required.

- **Site selection process**

We recognise increasing concern about the impact of our installations on the environment and human health. In this regard, the site selection process encompasses the following principles:

- Principle One - areas of landscape of national and cultural recognised importance: the siting of the installations will avoid, wherever possible, areas designated as important, even if this results in a site being chosen which is slightly less technically acceptable or result in a marginal increase in the total number of installations
- Principle Two - choose a site where the masts will be in character with the area: when siting the masts, advantage should be taken where other masts or similar structures are already found.
- Principle Three - choices of antenna location and mast sharing: where possible, mounting antennas on a building as opposed to erecting new masts should be given

prior consideration. In such cases, care must be taken with the antenna mounting so as to attempt to minimise the external visual effect on the building whilst still maintaining a technically acceptable solution.

- Principle Four - public and private views: visually sensitive sites should be avoided, wherever possible, particularly where specific public or private views are affected. The mounted antenna should not be visually distracting (e.g. in front of windows) or aesthetical intrusive.
- Principle Five - sites and features of local amenity value: the siting of masts will avoid, wherever possible, all local sites and features which are designated as having particular amenity value, unless it can demonstrate that the equipment can be installed with minimal visual intrusion. Where this is not possible, then particular care should be taken.
- Principle Six - use of screening when installing a new mast: wherever possible the site chosen should have foreground screening from the most prominent view or a backdrop of trees, buildings or high ground.
- Decommissioning of sites: Safaricom will reinstate the decommissioned site to its original condition or to a better environmental status which, by necessity would involve removal of all apparatus and civil works

A total number of 380 base stations were approved in 2009/10.

## **ANTI-CORRUPTION**

In the year under consideration 2010-2011, a Fraud Risk Assessment was conducted in November 2010. The assessment covered all the 14 business units at Safaricom Limited. This represents 100% coverage of total number of business units analyzed for risks related to corruption. Safaricom's staff have been trained in the organization's anti-corruption policies and procedures. We have also automated our awareness training so that everyone can train wherever they are.

The Risk division of Safaricom Limited has a procedure in place to respond to incidents of corruption. The procedure is applied to all incidents of corruption and it involves the following actions;

- Investigation of the incidence



- Taking disciplinary and/ or legal action against suspects
- Increasing awareness to staff on corruption issues
- Continuously advising the business on the improvement in procedures/processes to curb corruption
- Increased monitoring and
- Recovery where loss can be quantified

## **PARTNERSHIPS**

The Safaricom Foundation was founded in 2003 to provide a focused mechanism for Safaricom Limited to exercise its Corporate Social Investment mandate. The Foundation supports initiatives that provide sustainable and community based solutions which support achievement of the Millennium Development Goals or the objectives of the Global compact.

In 2010, the Safaricom Foundation entered its sixth year of working with our partners and continued to support the implementation of projects in a broad range of areas that include Economic Empowerment, Education, Environmental Conservation, Health, Water, Arts, Music and Culture, Sports and Disaster Relief. Safaricom Limited also contributes to the other MDGs through products and services that enhance livelihoods and education, improve health, support gender equality, and help protect the environment.

The tables below highlight some of the projects funded by the Foundation in the FY 2010/11, which are in line with the Millennium Development Goals

**SAFARICOM FOUNDATION MDG PROJECT 2010-2011**

**GOAL 1: ERADICATE EXTREME POVERTY & HUNGER**

**Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1.25 a day**

|   | ORGANISATION   | DESCRIPTION OF PROJECT   | PROVINCE    | LOCATION      | GRANT     |
|---|--|--|-------------|---------------|-----------|
| 1 | Gwa Memorial Welfare Group                           | Purchase of Sewing Machines  | RIFT VALLEY | NANDI CENTRAL | 754,600   |
| 2 | Sipili School for the Deaf                           | Purchase of Sewing Machines  | RIFT VALLEY | LAIKIPIA WEST | 190,000   |
| 3 | End Time Harvest Women Group                         | Start up of a bee keeping project  | WESTERN     | BUNGOMA       | 493,930   |
| 4 | Catholic Diocese of Isiolo                           | Start up of a poultry rearing project                                      | EASTERN     | ISIOLO        | 678,755   |
| 5 | Kikuyu Visually Impaired Empowerment Self Help Group | Purchase of a sewing machine, knitting machine, material and knitting wool | CENTRAL     | KIKUYU        | 344,000   |
| 6 | Deaf Youth Congress                                  | Funding to start up a posho mill as an income generating project           | MOMBASA     | MTWAPA        | 264,300   |
| 7 | Farm Africa  | Kenya Dairy Goat & Capacity Building Project (KDGCBP)                      | EASTERN     | MWINGI        | 3,458,200 |

**Target 3: Halve, between 1990 and 2015, the proportion of people who suffer from hunger**

|   | ORGANISATION                           | DESCRIPTION OF PROJECT                     | PROVINCE | LOCATION     | GRANT      |
|---|--|--|----------|--------------|------------|
| 1 | Kenya Community Development Foundation | Funding of the country wide ustawi project | NAIROBI  | COUNTRY WIDE | 10,000,000 |
| 2 | Kenya Red Cross Society                | Seed Distribution in Arid Areas            | EASTERN  | MWINGI/KITUI | 3,075,556  |

**GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION**

**Target 1: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling**

|   | ORGANISATION                               | DESCRIPTION OF PROJECT   | PROVINCE      | LOCATION   | GRANT     |
|---|--|--|---------------|------------|-----------|
| 1 | Kaptata Progressive Primary School         | Construction of 3 classrooms, 2 dormitories and 3 water tanks              | RIFT VALLEY   | WEST POKOT | 2,841,384 |
| 2 | Kajiado Primary Boys Boarding School       | Construction of dormitory and water tank                                   | RIFT VALLEY   | KAJIADO    | 2,084,556 |
| 3 | Nyanza District Primary Schools text books | Purchase of text books for top 3 primary schools                           | NYANZA        | KISUMU     | 50,000    |
| 4 | ADC Primary School                         | Construction of two classrooms   | NORTH EASTERN | GARISSA    | 1,286,000 |
| 5 | Makamini Primary School                    | Construction of a girls toilet facility                                    | RIFT VALLEY   | SAMBURU    | 213,000   |
| 6 | Gathuthu Primary School                    | Construction of sanitation facilities                                      | EASTERN       | THIKA      | 300,000   |
| 7 | C.C.M Nthagaiya Primary School             | Construction of a pavement path for disabled students and water harvesting | EASTERN       | RUNYENJES  | 1,053,900 |
| 8 | Murigi Primary School                      | Funding for construction of a foot bridge across river thuchi              | EASTERN       | CHUKA      | 748,200   |

|   |                             |  |              |                           |           |
|---|-----------------------------|--|--------------|---------------------------|-----------|
| 9 | Mulufu Primary School       | Funding for purchase of text books                       | WESTERN      | BUKURA                    | 80,000    |
| # | Riamangerere Primary School | Construction of classrooms                               | WESTERN      | KISII                     | 344,950   |
| # | Nyaronge Primary School     | Construction of classrooms                               | WESTERN      | KISII                     | 427,825   |
| # | Esikulu Primary School      | Paintwork of the administration block and classrooms     | WESTERN      | BUSIA                     | 150,000   |
| # | USIU - Community Project    | Funding to equip City Primary School with a computer lab | NAIROBI      | CENTRAL BUSINESS DISTRICT | 151,300   |
| # | Nation Media Group          | Being phase two funding for Newspaper in Schools projet  | COUNTRY WIDE | COUNTRYWIDE               | 5,000,000 |
| # | Kibotany Primary School     | Installation of a solar lighting system                  | RIFT VALLEY  | KOIBATEK                  | 250,000   |

### GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

**Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015**

|   | ORGANISATION                | DESCRIPTION OF PROJECT   | PROVINCE      | LOCATION     | GRANT     |
|---|-----------------------------|--|---------------|--------------|-----------|
| 1 | Ombogo Girls Academy        | Purchase of computer hardware and software   | NYANZA        | HOMABAY      | 2,000,000 |
| 2 | Fafi Girls School           | Construction of classrooms and toilet block  | NORTH EASTERN | GARISSA      | 5,453,910 |
| 3 | Life's Journeys             | Purchase of books - Conversations with high achieving women in Kenya                                       | COUNTRY WIDE  | COUNTRY WIDE | 50,000    |
| 4 | Junior Achievement Kenya    | Funding for running the 2011 programme   | COUNTRY WIDE  | COUNTRY WIDE | 5,000,000 |
| 5 | Huru International Kenya    | Funding to pilot a reusable sanitaty towels project  | NAIROBI       | NAIROBI      | 500,000   |
| 6 | Girl Child Network          | Provision of sanitary towels & underwear & construction of latrines  | RIFT VALLEY   | KAJIADO      | 1,445,550 |
| 7 | The Global Give Back Circle | Funding for renovation, furniture and electrical installation at St. Martin's School in Kibagare Westlands | NAIROBI       | KANGEMI      | 2,066,192 |

### GOAL 4: REDUCE CHILD MORTALITY

**Target 5: Reduce by two-thirds between 2009 and 2015 the under-five mortality**

|   | ORGANISATION                               | DESCRIPTION OF PROJECT                                      | PROVINCE     | LOCATION     | GRANT      |
|---|--|---|--------------|--------------|------------|
| 1 | Nelson Dzuya Foundation                    | Deworming project in Kaloleni Division of Kaloleni District | COAST        | KALOLENI     | 2,000,000  |
| 2 | Kenya Diabetes Mgt & Information Centre    | Funding countrywide community medical camps                 | COUNTRY WIDE | COUNTRY WIDE | 15,000,000 |
| 3 | AIC Cure International Children's Hospital | Funding of the cure clinic program                          | CENTRAL      | KIJABE       | 3,573,750  |

**GOAL 5: IMPROVE MATERNAL HEALTH****Target 1: Reduce by three quarters the maternal mortality ratio**

|   | ORGANISATION                    | DESCRIPTION OF PROJECT                                       | PROVINCE     | LOCATION    | GRANT      |
|---|---------------------------------|--|--------------|-------------|------------|
| 1 | Gender Violence Recovery Centre | Funding for support for the centre activities                | NAIROBI      | COUNTRYWIDE | 8,500,000  |
| 2 | Butiik Dispensary               | Construction of a maternity wing                             | RIFT VALLEY  | KERICHO     | 1,238,220  |
| 3 | Githunguri Women Hospital       | Equipping the hospital                                       | CENTRAL      | GITHUNGURI  | 700,000    |
| 4 | Edelvale Trust, Jamaa Hospital  | Support for treatment & care of women with Obstetric Fistula | NAIROBI      | EASTLANDS   | 12,960,000 |
| 5 | Kangemi Maternity Hospital      | Equipping the hospital which is already built                | NAIROBI      | WESTLANDS   | 2,000,000  |
| 6 | Nairobi Women's Hospital        | MAMMO truck costs for three medical camps                    | COUNTRY WIDE | COUNTRYWIDE | 773,000    |

**GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY****Target 1: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources**

|   | ORGANISATION                                | DESCRIPTION OF PROJECT                                   | PROVINCE      | LOCATION       | GRANT     |
|---|---|--|---------------|----------------|-----------|
| 1 | Vihiga Environmental Waste Management Group | Purchase of waste bins                                   | WESTERN       | VIHIGA         | 1,346,500 |
| 2 | World Environment Day                       | Funding for events to be held on 5th June 2010           | NAIROBI       | COUNTRYWIDE    | 100,000   |
| 3 | Ngare Ndare Forest Trust                    | Institutional Support for 6 months                       | RIFT VALLEY   | TIMAU          | 3,081,850 |
| 4 | Ngare Ndare Forest Trust                    | Tree planting exercise for staff members                 | EASTERN       | TIMAU          | 319,520   |
| 5 | Centre for Family Initiatives               | Community led agro forestry project                      | NYANZA        | MIGORI         | 900,000   |
| 6 | Rhinoark Charitable Trust                   | Construction of elephant grid                            | CENTRAL       | KIPIPIRI       | 1,534,285 |
| 7 | Northern Rangelands Trust                   | Ishaqbini Hirola Community Conservancy operational costs | NORTH EASTERN | IJARA          | 1,200,000 |
| 8 | Grevy's Zebra Conservation                  | Radio collaring & water management project               | RIFT VALLEY   | NORTHERN KENYA | 2,737,020 |

In the following section, Safaricom also highlights some of the projects above that demonstrate Safaricom's contribution to the MDGs.

**GOAL 1: ERADICATE EXTREME POVERTY & HUNGER****Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1.25 a day**

In 2010, the Foundation partnered with Farm Africa in a Kenya Dairy Goat and Capacity Building Project (KDGCBP) targeting 1,050 households with over 30,000 people in two arid and semi-arid districts in the country. The overall objective of the Project was to develop models of good practice in smallholder development that reduce poverty through scaling up sustainable community-based goat improvement and animal healthcare systems. This was to be achieved through cross breeding exotic Toggenburg goats with local goats, and developing an animal healthcare network.

The new hybrid, improved goat introduced a new way for farmers in semi-arid and arid areas of Kenya to earn income and become self-sustaining. The project provided animal healthcare and access to markets for the sale of live goats, goat meat, goat milk and other by-products. Households that were originally very poor are now able to meet basic needs as a result of project interventions. The upgraded dairy goats are producing between 2 – 3 litres of milk per day. The local goats produce an average of ½ litres per day. This milk is consumed at home and some is sold to the neighbours leading to improved nutritional levels and household incomes. By December 2010, the beneficiaries had 59 goats (27 pure Toggenburgs and 32 75% cross breeds). The price of a pure Toggenburg goat is KES 25,000.00, a 75% cross is KES 10,000.00. Compare this to the price of a local goat of between KES 2,000 and 4,000.00.

### **Target 3: Halve, between 1990 and 2015, the proportion of people who suffer from hunger**

During the year, The Safaricom Foundation and the Kenya Community Development Foundation (KCDF) worked together to ensure that Kenyan communities could implement sustainable solutions to combat food insecurity that has been caused by the perennial cycles of drought, famine and floods in Kenya.

The objective of the project was to support farmer groups in 10 Arid and Semi Arid districts in Kenya to adopt modern farming methods such as greenhouse farming, drip irrigation and water harvesting technologies. This is in the context of cyclical droughts, floods and famine which have made many communities food insecure with dire need of food for subsistence as well as long term food security plans.

Through the programme, communities which previously depended on rain – fed agriculture, were trained on, and adopted greenhouse farming, drip irrigation, water harvesting and water conservation in order to grow food both for subsistence and commercial purposes. 20 food security grants worth KShs 3.8 million awarded and disbursed to 20 farmer groups, and two farmer learning sessions comprising 60 representatives held to share knowledge on new sustainable agricultural practices

The Foundation organized a dissemination forum targeting policy makers in the Ministry of Agriculture and other stakeholders. During the forum the outcomes and impacts of the programmes were demonstrated showing different ways of providing sustainable food security solutions to the Kenya's perennial food shortages.

The 20 farmer groups that adopted greenhouse farming are now benefitting more than 4,000 direct beneficiaries. 6 tonnes of horticultural produce estimated at KShs 800,000 had been harvested in the first 2 seasons (six months) and yields are expected to increase by 25% in the following season. The communities are now producing enough food for domestic consumption as well as for sale. Hunger and food insecurity are no longer part of their lives

The food security project has brought significant benefits to the communities, these include

- (i) Improved access of Income and access to food for 3,500 families
- (ii) Over 1000 children with special nutritional needs have been saved from starvation and received nutritious food from the programme,
- (iii) Increased household incomes from sale of produce. In one of the villages, the community set up an education fund for a number of children. Previously, the community lived from hand to mouth and was not able to cover the costs required for the children to stay in school
- (iv) Enhanced food storage capacity for harvested cereal. More than 4,000 bags of food worth KShs 8,000,000 will be stored in the improved stores during the year

## **GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION**

**Target 1: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling**

Through the Foundation's grant for a solar system, Kibotany Primary in Mogotio (a remote area in the Rift Valley) now has a steady supply of lighting, enabling the students to do their homework at ease and participate in clubs and other activities. Previously the students struggled to do their homework in candlelight and lamps. The recurring costs for candles, paraffin and batteries for radio lessons were becoming increasingly high. The School administration looks forward to improved performance by the students in the future.

## **GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN**

**Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015**

Fafi Girls Secondary School is the only girl's secondary school in Fafi District. The school was built through funding from Safaricom Foundation and other donors, the first intake was done in February 2010 admitting 54 girls with 48 registering for the National 2010 KCPE examinations. The construction of the school is expected to improve the access, retention and completion of girls in secondary education in the district. These girls are also expected to act as role models for the other girls in the district, hence motivating them to pursue their studies. The school is set to increase access to girl's secondary education within the district and the entire North Eastern Province of Kenya.

### **The Girl Child Network (GCN)**

In partnership with the Girl Child Network (GCN) the Foundation supported a national campaign to improve sanitation facilities, supply sanitary towels to girls and provide them with training on physical changes during puberty, personal hygiene and reproductive health. The lack of sanitary wear and sanitation facilities at schools adversely affects the girl child in Kenya who is disadvantaged in terms of attendance, performance and likelihood of secondary education compared to their boy counterparts. Feedback from the schools reveals that there is improved attendance, better academic performance and more retention of girls in school. Over 1,000 girls from the schools supported by the Foundation now have improved awareness on personal hygiene and reproductive health. GCN has also worked with the schools on training teachers, school management and parents on similar topics as it did with the girls; and constructing additional latrine(s) exclusively for girls, thereby enhancing their privacy and convenience.

### **GOAL 4: REDUCE CHILD MORTALITY**

#### **Target 5: Reduce by two-thirds between 2009 and 2015 the under-five mortality**

Gender based violence (GBV) is a serious health, human rights and developmental issue, and GBV is a significant contributor to morbidity and mortality among women and girls in Kenya. GBV remains a taboo and often does not receive the attention and resources required to address it effectively.

The Gender Violence Recovery Centre (GVRC) of the Nairobi Women's Hospital is the only institution in Kenya providing holistic support for survivors of GBV. The Safaricom Foundation has been GVRC's main partner since 2005, providing support for its operational costs and leveraging its partnerships to raise more funds for the GVRC.

The centre serves women, men and children survivors of gender based violence. Since inception in 2001, GVRC has treated over 14,000 survivors of sexual and domestic violence. The centre receives an average of 230 survivors per month most of whom are women and children.

### **GOAL 5: IMPROVE MATERNAL HEALTH**

#### **Target 1: Reduce by three quarters the maternal mortality ratio**

The World Health Organization has identified obstetric fistula as one of the most devastating childbirth complications affecting an estimated 2,000,000 women worldwide, most of them in Sub-Saharan Africa and South Asia. Each year, it is estimated that an additional 50,000-100,000 women are affected. In Kenya, the annual incidence is 5,000, with only about 10% of the affected women accessing fistula services.

In 2010, Safaricom Foundation partnered with Jamaa Mission Hospital to provide free surgical treatment, care, counselling and support for women and girls living with fistula. The hospital managed to conduct over 5,000 corrective surgeries during the year up from an initial 230 in the previous years. This intervention has in addition to repair surgery also given the affected

women a second chance in life as most had been abandoned by their husbands or partners, rejected by their communities and often lived an isolated existence.

## **GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY**

### **Target 1: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources**

In 2010, the Foundation was a key partner in the renovation of the Mida Creek boardwalk, a famous tourist attraction site, owned and managed by A Rocha Kenya a conservation organization that is involved in eco-tourism, conservation and education. The boardwalk provides a scenic tour of the mangrove forest and the bird population that are at the eastern part of the Arabuko Sokoke forest, bordering the Indian Ocean.

In order to raise funds to manage the conservation and education programmes, A Rocha designed an income generating project to renovate its then dilapidated boardwalk and restore it to a viable attraction for local and international tourists. After the renovation, the boardwalk has increased its revenues from the boardwalk. Mida Creek attracted 4,850 visitors, and earned Kshs. 480,660, (the equivalent of 40 annual bursaries).

Through this partnership with the Safaricom Foundation, A Rocha plans to expand the number of schools under its bursary programme over the next five years continuing to use its sustainable eco tourism project as the back bone for income generation to support community development.

## **Conclusion**

In conclusion, Safaricom as a Kenyan company and a good corporate citizen of Kenya and the world, envisions leading the Kenyan corporate sector in advancing the ten universal principles in the areas of human rights, labour, environment and anti-corruption. We seek to do this by adopting those principles in our business activities to catalyze actions that support the broader UN goals.