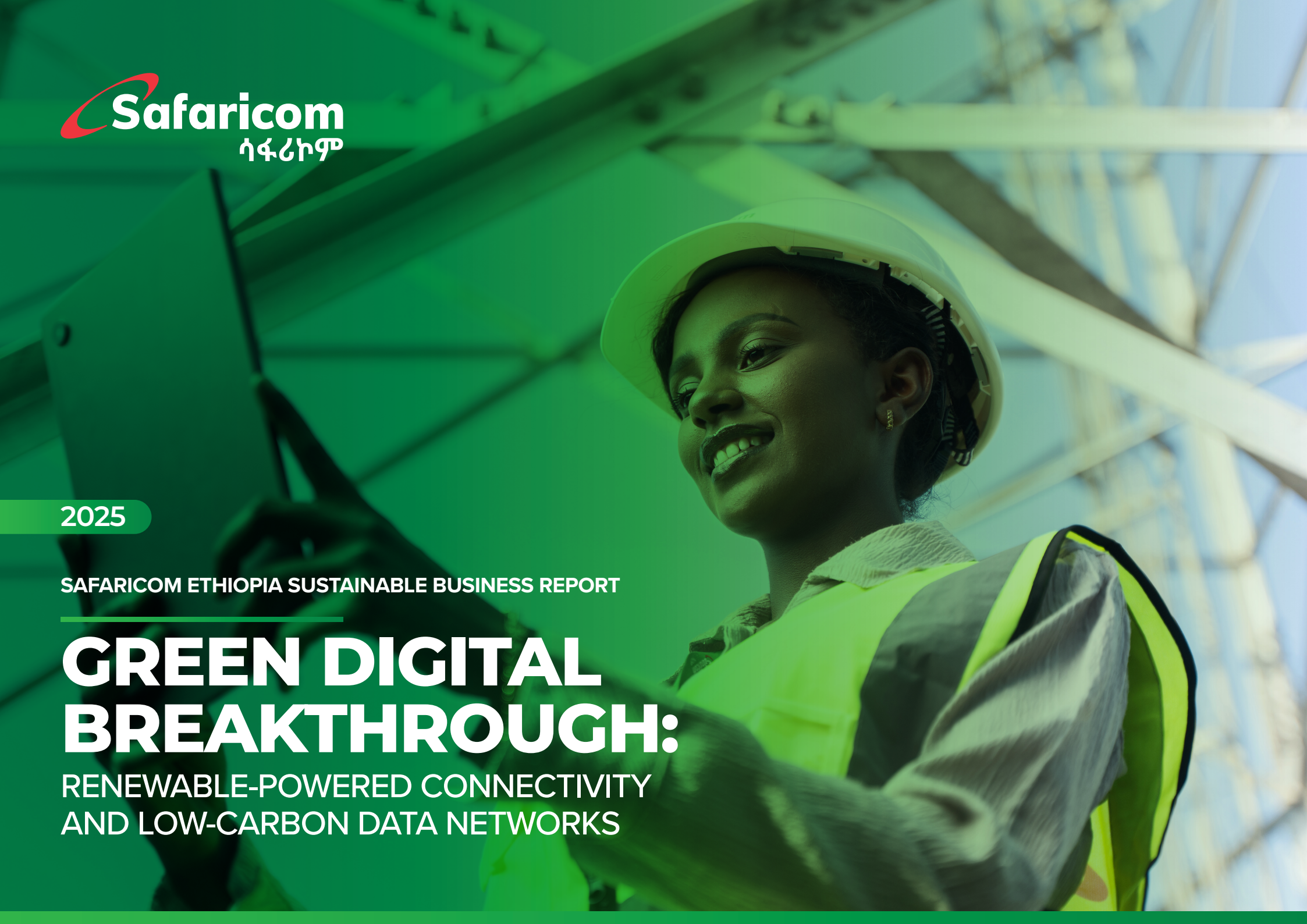
Safaricom
ሳፋሪኮም

2025

SAFARICOM ETHIOPIA SUSTAINABLE BUSINESS REPORT

GREEN DIGITAL BREAKTHROUGH:

RENEWABLE-POWERED CONNECTIVITY AND LOW-CARBON DATA NETWORKS



Safaricom
ሳፋሪኮም

2025

SAFARICOM ETHIOPIA SUSTAINABLE BUSINESS REPORT

GREEN DIGITAL BREAKTHROUGH:

RENEWABLE-POWERED CONNECTIVITY AND LOW-CARBON DATA NETWORKS

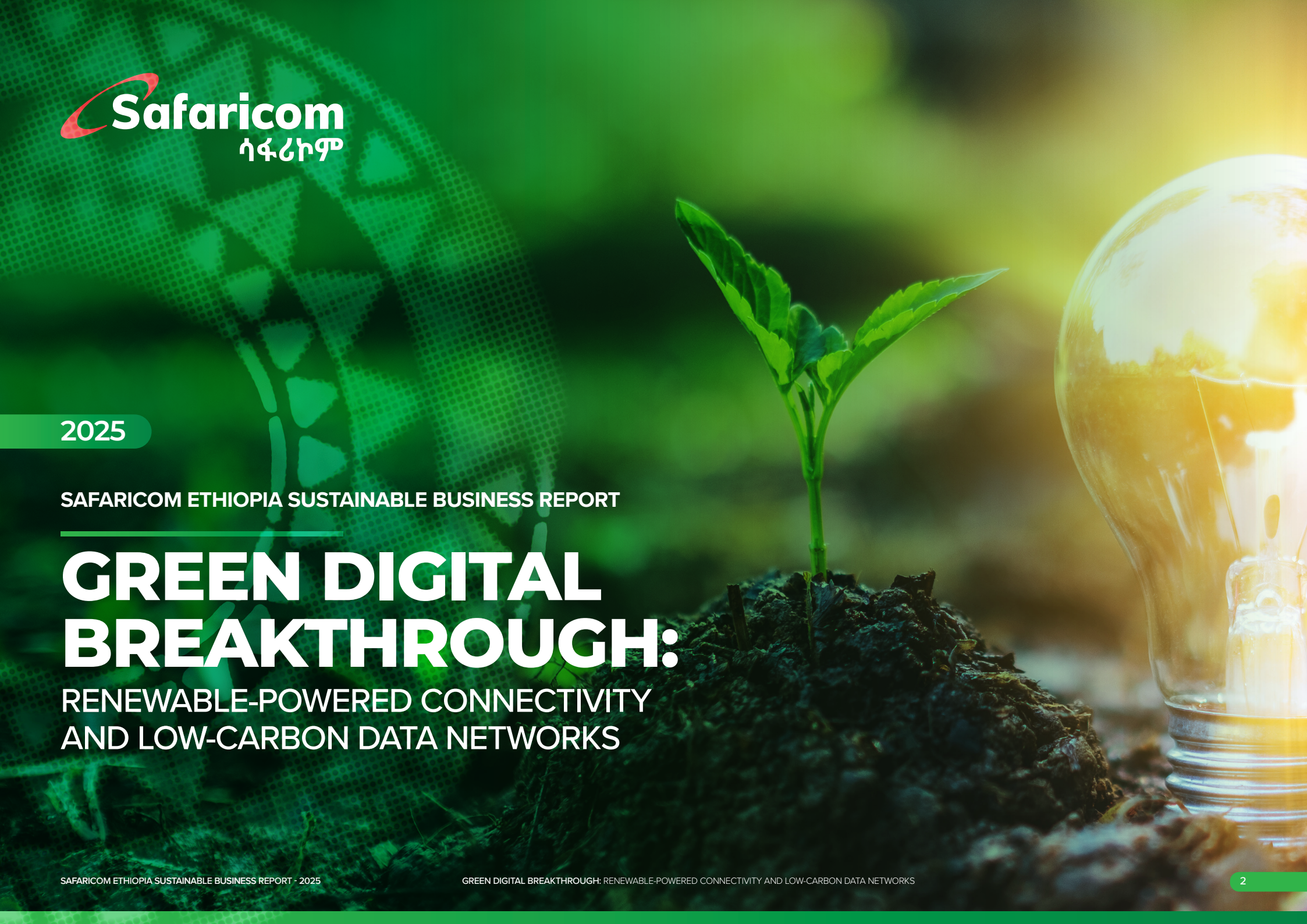




TABLE OF CONTENT

4 MESSAGE FROM OUR CEO

5 KEY HIGHLIGHTS

6 FY25 IN REVIEW

8 OUR COMMITMENT TO UN SDGs

9 GOVERNANCE AND COMPLIANCE

10 OUR ENVIRONMENT JOURNEY

11 SUSTAINABILITY ACHIEVEMENT AND IMPACT

13 OUR STAKEHOLDERS

14 LEVERAGING AI AND TECHNOLOGIES

15 LOOKING AHEAD



MESSAGE FROM OUR CEO

Ethiopia represents both immense promise and a unique responsibility. With over 120 million people, most of whom are under 30, the country is one of Africa's largest and youngest consumer markets. The Government's Digital Ethiopia 2025 strategy provides a clear framework for modernisation, connectivity, and financial inclusion which are priorities that resonate strongly with our purpose and business model.

As the first private telecom operator in the country, we have experienced first-hand the challenges and opportunities of building in a dynamic and evolving environment. By embedding sustainability and ESG principles into every aspect of our operations, we are demonstrating that responsible business growth and national development can go hand in hand.

In FY25, our progress has been both significant and purpose-driven. We surpassed 7 million active customers by year-end, with this number already exceeding 10 million by August 2025, underscoring the trust Ethiopians are placing in our services. Our network footprint has expanded to more than 3,000 sites, with 96% powered by clean grid and solar energy, a strong reflection of our climate-conscious growth strategy. At the same time, our initiatives in tree planting, digital literacy, and financial inclusion have advanced national goals while creating meaningful social impact.

We remain deeply committed to investing in people. Today, more than 90% of our workforce are Ethiopian nationals, benefitting from ongoing training and skills development that strengthen both our business and the country's digital future. We also continue to collaborate closely with government, regulators, and communities, ensuring that our growth is both inclusive and aligned with Ethiopia's long-term aspirations.

Looking ahead, our focus is clear: to expand connectivity and financial inclusion, accelerate our renewable energy transition, and deepen our social impact through the Safaricom Ethiopia Foundation. By aligning our business with Ethiopia's digital transformation agenda and the Sustainable Development Goals, we are building a business that is resilient, adaptive, and purpose led.

The message I wish to share with all our stakeholders is simple: Safaricom Ethiopia is here to stay. We are committed to being a trusted partner in Ethiopia's journey toward a digitally connected, inclusive, and sustainable future. Together with our investors, partners, customers, and communities, we will continue to push boundaries, unlock opportunity, and create lasting shared value.

WIM VANHELLEPUTTE
Chief Executive Officer (CEO)
Safaricom Ethiopia

KEY HIGHLIGHTS

Despite the absence of a fully competitive level playing field, **Safaricom Ethiopia** has made significant strides in expanding customer reach, improving network coverage, and delivering impactful community initiatives. Our key achievements during the reporting period include:



1. INFRASTRUCTURE & SERVICE EXPANSION (TOTAL END OF FY24/25)

By the end of the fiscal year, Safaricom Ethiopia had:

- Built a total of **3,146 sites nationwide,** with **1,097 sites connected to AC power.**
- Rolled out **2,959 new sites operational ("on-air").**
- Commissioned **253 solar-powered sites** as part of green energy initiatives.
- Extended its own fiber infrastructure to **834 kilometers.**

2. CUSTOMER GROWTH & MARKET REACH

- **Active Customers (90 Days Active) FY24/25): 8,848,733** unique customers served.
- **Active Customers Currently (90 Days Active): 10 million** active customers across various service platforms.
- **Total Client Organizations: 25,288,** comprising **1,094** large corporates, **6,781** SMEs, **17,226** microenterprises, and 187 community service enterprises (healthcare, education, etc.).
- **Active M-PESA Customers: 4,725,130** as of year-end FY24/25.
- **Business Registrations: 104,367** (including micro merchants).

3. EDUCATION & DIGITAL EMPOWERMENT

- **Education and School Support:** Safaricom Ethiopia enhanced digital literacy by equipping IT labs in 76 high schools across 8 regions with **738 laptops** and **164 routers,** each supported by **six months of unlimited data.** At the start of the Ethiopian school year, **6,000 students** from low-income backgrounds received **72,000 exercise** books and **9,000 pens.** Specially tailored materials were also provided to **students with disabilities,** emphasizing inclusive education.
- **Safaricom Talent Cloud:** Upskill the youth with advanced IT Skills to meet industry requirements. **5705 youth are already enrolled.**

4. SOCIAL IMPACT & INCLUSION

- **Employment Opportunities:** Over **800 direct jobs,** more than **4,100 indirect jobs,** and over **12,000 brand ambassadors** contributing to community livelihoods.
- **Emergency Relief and Solidarity:** Safaricom Ethiopia actively supported vulnerable communities during crises, including:
- **10 million ETB donation** to **Mekedonia,** an NGO supporting people with mental illness, disabilities, and the elderly, aiding nationwide care center construction.
- **1 million ETB** contribution to rehabilitate the **Awash Market** following a fire in Dire Dawa City.
- One-year health insurance coverage is provided for **100 families and their members.**
- In the Afar region, food items were donated to assist families displaced by an earthquake that impacted thousands.
- Emergency food assistance was provided to survivors and displaced households after a landslide that resulted in significant loss of life Gofa zone land slide.
- Low-risk digital lending via M-PESA reached **224 smallholder farmers** on **LERESHA Program.**

FY 25 IN REVIEW

A. FINANCIAL AND OPERATIONAL PERFORMANCE

Safaricom Ethiopia's revenue and profit for FY 2025 grew compared to FY 2024. This growth was mainly driven by an increase in the customer base, expanded product offerings and services, marginal price increases in some products, and the implementation of cost optimization initiatives.

B. PERFORMANCE AGAINST FY25 GOALS

In FY25, Safaricom Ethiopia recorded mixed performance against its stated financial and operational goals, reflecting both internal execution factors and external macroeconomic and operational constraints.

Customer growth targets were not achieved during the reporting period. Performance was mainly impacted by challenges related to the pace of network rollout and the inaccessibility of certain regions due to safety and operational constraints, which limited coverage expansion and customer onboarding in those areas.

By contrast, Average Revenue Per User (ARPU) targets were achieved, supported by increased revenue per customer. This improvement was driven by better usage patterns and pricing across product offerings. Similarly, service revenue targets were achieved, primarily due to higher service usage levels and price-related improvements, reflecting stronger customer engagement and demand for data and digital services.

EBIT targets were not achieved, largely due to significant foreign exchange (FX) losses incurred during the year. These losses were driven by the devaluation of the Ethiopian Birr against the US Dollar, given the USD-denominated nature of key capital expenditures, vendor payments, and financing obligations. Free cash flow targets were also not achieved, mainly due to the combined impact of FX losses and the carry-forward of overdue balances from the prior financial year.

C. MARKET SHARE DEVELOPMENT

Safaricom Ethiopia's market share increased in FY25 compared to FY24, driven primarily by the expansion of its network footprint, which now covers over 50% of the country's population. This expansion significantly improved service accessibility, particularly in previously underserved areas, supporting subscriber growth and increased usage of voice and data services.

Improved network reach and quality enabled the delivery of a more reliable customer experience, contributing directly to subscriber acquisition and retention. A strategic focus on infrastructure development and expansion into regional towns further supported market share growth by reaching a broader and more diverse customer base.

While M-PESA contributed positively to customer retention and digital financial inclusion, particularly in urban and peri-urban areas, network expansion and increased regional presence remained the primary drivers of market share growth during the reporting period.

D. INVESTMENT IN INFRASTRUCTURE AND TECHNOLOGY ENHANCEMENTS IN FY 2025

During FY 2025, Safaricom Ethiopia continued to make significant investments in infrastructure and technology, despite operating in a market environment characterized by the absence of a fully competitive level playing field. These investments were aimed at expanding customer reach, improving network coverage, strengthening digital services, and delivering inclusive socio-economic impact.

As a result of these investments, Safaricom Ethiopia served 8,848,733 individual customers, including 1,090,363 first-time customers onboarded during the reporting period. The company also supported 25,288 client organizations, comprising 1,094 large corporates, 6,781 SMEs, 17,226 microenterprises, and 187 community service enterprises in sectors such as healthcare and education. Digital financial services continued to expand, with 4,725,130 active





FY 25 IN REVIEW

M-PESA customers recorded at year-end and 104,367 business registrations, including micro-merchants.

From an infrastructure perspective, by the end of FY 2024/25 Safaricom Ethiopia had built a total of 3,146 network sites nationwide, of which 1,097 sites were connected to AC power and 2,959 new sites were operational ("on-air"). Commercial clusters expanded to 44, while 253 solar-powered sites were commissioned as part of the company's green energy initiatives. In parallel, Safaricom Ethiopia extended its own fiber infrastructure to 834 kilometers, strengthening backbone connectivity and service reliability.

Despite challenging market conditions, the company continued to roll out new sites to increase population coverage, enhancing access to communication, financial services, and digital utilities for both individual and business customers.

E. FY 2025 STRATEGIC FOCUS AREAS AND PERFORMANCE

In FY 2025, Safaricom Ethiopia's strategic focus areas were aligned with its long-term ambition to become a digital-first, customer-centric, and sustainable technology company. These focus areas were designed to deepen market penetration, enhance brand loyalty, foster employee engagement, and build financial resilience.

Key focus areas and outcomes during the reporting period included strengthening brand presence through localized and inclusive engagement campaigns, expanding the network to cover nearly 50% of Ethiopia's population, and improving customer reach and distribution efficiency through data-driven digital sales and distribution models. Internally, the "One Company, One Culture, One Team" initiative contributed to a positive cultural shift, enhancing employee motivation and collaboration, which supported major milestones in network rollout and operations.

The regionalization strategy advanced through the deployment of region-specific service offerings, the opening of multiple regional offices, and localized operations tailored to diverse customer needs. Safaricom Ethiopia also progressed in building internal technological capability by insourcing several IT functions and developing multiple platforms and products in-house, strengthening long-term innovation capacity and technical self-reliance.

A continued focus on the route to EBITDA positivity supported cost discipline and operational efficiency, helping to absorb foreign exchange-related shocks and mitigate financial impacts. In parallel, the "Digital Ethiopia" initiative advanced local digital use cases and increased M-PESA active users, reinforcing Safaricom Ethiopia's contribution to national digital transformation efforts.

F. GROWTH IN RURAL PENETRATION – FY 2025 VS. FY 2024:

There has been a growth in rural penetration in FY 2025 compared to FY 2024, largely driven by increased awareness and adoption of digital tools like M-PESA, as well as expanded network infrastructure and targeted community outreach programs. Key Contributing Factors:

This growth can be attributed to several key factors:

- Partnerships with local organizations and cooperatives, which have facilitated community-level acceptance.
- Expanded network and service availability in underserved regions.

OUR COMMITMENT TO UN SDGs

Our Commitment to Aligning with the UN SDGs Safaricom Ethiopia's sustainability goals for the upcoming fiscal year are focused on embedding ESG principles across operations, ensuring regulatory compliance, and contributing to national and global development agendas, including the IFS PS and UN Sustainable Development Goals (SDGs).

The Key Goals are:

A. ROBUST MONITORING, EVALUATION, AND REPORTING:

- **Follow Up and Monitor the 25 Priority ESAP Actions:** Regularly assess implementation status, assign accountability, and escalate gaps to the ESG & Impact Committee for corrective action.
- **Integrate 281 ESG & Sustainability KPIs Across Business Units:** Track progress across environmental, social, and governance pillars. Embed KPIs into departmental scorecards, project dashboards, and reporting cycles.

B. CLIMATE ACTION AND ENVIRONMENTAL SUSTAINABILITY:

- **Implement Tree Planting Program:** Plant 15,000+ trees annually (10,000 by Safaricom and 5,000 with partners such as Nokia and Huawei) to offset emissions and support biodiversity.
- **Scale Renewable Energy Use:** Reduce reliance on diesel generators by expanding solar and grid-based BTS sites.
- **Enhance Climate Resilience:** Conduct climate risk assessments and integrate adaptation strategies into business continuity plans.

C. STRENGTHENING ESG GOVERNANCE AND RISK MANAGEMENT:

- **Operationalise ESMS and ESG Risk:** follow and monitor environmental and social risks.
- Deploy Political, Regulatory, and Integrity Risk Monitoring Systems.
- **Enhance Internal Governance:** Strengthen oversight through the ESG & Impact Committee and Audit & Risk Committee.

D. SOCIAL INCLUSION AND HUMAN RIGHTS:

- **Advance Safaricom Ethiopia's Human Rights Framework:** Implement policies on grievance redress, whistleblowing, and stakeholder engagement (internal and external).
- Train Security Personnel on Voluntary Principles on Security and Human Rights.
- Promote Gender Equality and Inclusive Workplaces.

E. STRATEGIC CSR AND FOUNDATION INTERVENTIONS:

- **Scale Community Investments:** Through the Safaricom Ethiopia Foundation, implement projects in digital education, healthcare, women's economic empowerment, and humanitarian support.
- **Design Community-Centered Projects:** Ensure CSR initiatives respond to local priorities and are co-developed with stakeholders

GOVERNANCE AND COMPLIANCE

Developments in our Governance Structure As part of our growth journey, we continue to refine our leadership and governance structures to strengthen accountability, enhance decision-making, and support long-term value creation. There have been significant developments in the governance structure of Safaricom Ethiopia (SFET).

A key leadership change has taken place with the appointment of Mr. Peter Ndegwa as the new Chairman of the SFET Board of Directors. In addition, the Board has been strengthened with the appointment of three new members:

- Mr. Ermias Eshetu
- Mr. Eisuke Takenaka
- Mr. Michael Turner Notably,

Mr. Ermias Eshetu marks a historic milestone as the first Ethiopian appointed to the SFET Board, reflecting the company's commitment to inclusive leadership and local representation at the highest level of governance. At the same time, Mr. Michael Joseph and Mr. Katsuya Kashiki have stepped down from the Board.

The current gender composition of the Board is entirely male. There are 9 non-executive and 1 executive board members.

HOW WE ENSURE GOOD GOVERNANCE AND ETHICAL OPERATIONS

Safaricom Ethiopia safeguards integrity through its Compliance and Fraud Management function, which oversees legal compliance, data privacy, anti-bribery and corruption (ABAC), anti-money laundering (AML), sanctions, trade controls, and telecom fraud. The team reports quarterly to the Board Audit and Risk Committee (BARC) and the Ethics Committee, chaired by the CEO and supported by Executive Committee (ExCo) members, ensuring strong governance oversight.

Safaricom Ethiopia's ESG framework is overseen by the Board ESG & Impact Committee, with operational accountability led by the Chief Risk and Compliance Officer through ExCo. ESG integration is embedded within vendor management, with all major vendors contractually required to comply with environmental and social standards and subject to regular audits.

Key measures include clear compliance frameworks, training and awareness programs for employees and partners, strengthened risk management for high-risk activities, and anonymous reporting channels. We also maintain proactive engagement with regulators, including the Ethiopian Communications Authority (ECA) and the National Bank of Ethiopia (NBE), to align with evolving requirements. During the year, external audits identified 39 actionable points, of which 35 were completed and 3 are close to finalization. Importantly, no material compliance breaches were recorded.

COMMITMENT TO A RESPONSIBLE AND INCLUSIVE BUSINESS

Safaricom Ethiopia is committed to building a diverse, inclusive, and ethical workplace. While the current Board is male-only, the company has set a target of 35% women in leadership roles (up from 28%). In FY25, we achieved 27% Women in Leadership (target: 28%). We also achieved female employment of 35%, against our target of 40%.

We continue to drive equal opportunity through non-discriminatory hiring, affirmative action, and nationwide recruitment programmes. At the same time, strong governance and ethical oversight are ensured through the Compliance and Fraud Management function, which reports quarterly to the Board Audit and Risk Committee and the Ethics Committee, chaired by the CEO.

Focus areas include data privacy, anti-bribery and corruption, AML, sanctions, trade controls, and telecom fraud, supported by risk-based frameworks, employee training, and anonymous reporting channels. In FY25, external audits identified 39 actionable points, of which 35 were completed and 3 are near finalization, with no material compliance breaches recorded.



OUR ENVIRONMENT JOURNEY

As Safaricom Ethiopia, we are committed to growing responsibly by integrating environmental sustainability into our core business strategy. Our approach is built on minimizing our ecological footprint, leveraging Ethiopia's renewable energy potential, and contributing to global climate goals. The following outlines our environmental approach across four key dimensions:

A. STRATEGY

Our environmental strategy is guided by four key pillars:

1. **Clean Energy Transition is foundational:** 87% of our network sites are powered by Ethiopia's national electric GRID, which is over 90% renewable—primarily hydro-powered.
2. Responsible Use of Diesel is a transitional measure designed to ensure service reliability in areas not yet accessible by renewable sources. Currently, only 3.77% of our energy mix relies on diesel generators.
3. Carbon Offsetting Safaricom Ethiopia is investing in carbon offset initiatives through an annual target of planting 15,000 trees, including 10,000 by the company and 5,000 through partnerships with vendors such as Huawei and Nokia, with a targeted survival rate of at least 80%.
4. **Circular Economy:** promotes the use of energy-efficient equipment and environmentally responsible materials.

B. GOVERNANCE

Safaricom Ethiopia's environmental sustainability is governed through a well-structured and multi-layered framework that ensures strategic direction, regulatory compliance, and operational effectiveness.

Board Oversight – ESG & Impact Board Committee: At the apex of governance is the Sub Board of ESG & Impact, which provides strategic oversight and approves key ESG policies, goals, and action plans. The Sub Board ensures that Safaricom Ethiopia's sustainability priorities align with national development agendas, the Safaricom Group's Net-Zero ambitions, and global standards, including IFC Performance Standards and World Bank Safeguards.

Safaricom Ethiopia participates in a broader **ESG and Human Rights Working Group,** comprising representatives from all shareholders—**Safaricom Kenya PLC, Vodacom, Vodafone Group, British International Investment (BII), IFC, and Sumitomo.**

Compliance: Positioned between the Board and executive management is the **Chief of Compliance and Risk,** who ensures that ESG policies, directives, and risk controls are enforced across the organization.

Strategic Execution: The **Executive Head of Department (EHOD) – ESG & Sustainability** drives the operationalization of the company's environmental strategy. This includes:

C. RISK AND OPPORTUNITIES

Safaricom Ethiopia has identified key environmental risks and sustainability opportunities that guide infrastructure planning and operational decisions.

Key Environmental Risks Identified:

- **Power Reliability in Off-Grid Areas:** Sites reliant on diesel generators face operational and environmental challenges. These are being mitigated through grid expansion and solar hybrid systems.
- **Climate-Related Disruptions:** Extreme weather events such as flooding or drought pose risks to network resilience and uptime.
- **Regulatory Compliance Risks:** Emerging requirements on emissions reporting, e-waste, and biodiversity protection call for continuous adaptation.

Key Opportunities:

- **Full Renewable Transition**
- **Nature-Based Carbon Offsetting Initiatives**
- **Sustainable Procurement and Waste Minimization**
- **ESG Integration in Project Screening**

This balanced assessment helps Safaricom Ethiopia embed sustainability into its operational model while unlocking long-term environmental and business value.

SUSTAINABILITY ACHIEVEMENT AND IMPACT

In FY2025, Safaricom Ethiopia strengthened its environmental sustainability efforts by expanding clean energy use, reducing diesel dependency, enhancing ESG site screening, and improving performance monitoring frameworks. These efforts support the company's Net-Zero ambitions and Group-aligned sustainability goals.

RENEWABLE ENERGY DOMINANCE

During the reporting period, Safaricom Ethiopia advanced its clean energy agenda by leveraging both **on-grid and off-grid renewable energy sources.** The company generated a total of **26,803.75 MWh of renewable electricity,** of which **23,250.85 MWh** was sourced from the **national grid powered by hydropower,** and **3,552.90 MWh** was generated **off-grid through on-site solar PV systems.**

This combined effort not only supports the company's goal of reducing reliance on fossil fuels but also strengthens its energy resilience and operational sustainability. The investments made in new renewable generation capacity **23.25 MW** for hydropower (via the grid) and **3.55 MW** in solar PV (off-grid) demonstrate Safaricom Ethiopia's proactive approach to expanding access to clean energy and reducing greenhouse gas emissions across its operations.

DECARBONIZATION STRATEGY

Out of the total 2,952 on-air sites, 2,511 are powered by the national electricity grid, while 253 operate on solar energy reducing diesel reliance across 2,764 sites. With an average diesel consumption of 1.62 cubic meters per site, this transition resulted in a total avoided diesel consumption of approximately **4,489.11 cubic meters (m^3).**

This shift led to substantial emissions reductions. Grid-powered sites contributed to an estimated **10,901.90 tons of CO_2 equivalent (tCO_2e)** in avoided emissions, while solar-powered sites accounted for approximately **1,096.06 tCO_2e.** Combined, the transition to cleaner energy sources across these sites enabled Safaricom Ethiopia to avoid a total of **11,997.97 tCO_2e** in greenhouse gas emissions during the reporting period.

CLEAN ENERGY TRANSITION AND DIESEL REDUCTION

Safaricom Ethiopia accelerated its clean energy transition across its 2,953 network sites. Of these, 2,511 sites (85%) were connected to Ethiopia's national grid, which is predominantly renewable hydropower and among the cleanest energy systems globally with an emission factor of **0.0001 tCO_2e/kWh** based on national inventory data and international benchmarks (IEA). An additional 253 sites (9%) operated on solar power, up from 106 sites in FY24, while diesel-only sites were reduced to 188 (6%).

During FY 25, **Safaricom Ethiopia's total greenhouse gas (GHG) emissions** amounted to **13,019 tCO_2e,** with **Scope 1 emissions** contributing **13,017 tCO_2e** and **Scope 2 emissions** arising from electricity purchased from Ethiopia's hydropower-dominated grid contributing only **2 tCO_2e.** This exceptionally low Scope 2 figure reflects the **clean and renewable nature of Ethiopia's national electricity mix,** which carries a minimal emission factor of just **0.0001 tCO_2e per kWh.**

These achievements position the company among the region's leading low-carbon telecom operators.

SCOPE 1 - FUEL CONSUMPTION SUMMARY (FY24/25)

During FY2025, total diesel consumption reached approximately 4,803.7 m^3, primarily used for Base Transceiver Stations (BTS), data centers, and fleet operations. Petrol consumption for vehicles totaled 167.4 m^3. Importantly, this fuel use was linked to only 6% of sites, as 94% of the network operated on grid or solar energy. Without these renewable energy investments, diesel consumption and emissions would have been significantly higher.

SCOPE 1 - EMISSIONS (TCO2E): SCOPE 1 GREENHOUSE GAS EMISSIONS – FY25

In FY2024/25, Safaricom Ethiopia recorded a total of **13,017 metric tons of CO_2 equivalent (tCO_2e)** under Scope 1 emissions, which accounts for direct emissions from fuel combustion sources within our operations. These emissions are attributed to the use of diesel and petrol across different operational areas, as outlined below:

- **Base Transceiver Station (BTS) Diesel Generators:** 11,253 tCO_2e (86.4%)
- **Diesel Consumption for Owned and Leased Vehicles:** 1,007 tCO_2e (7.7%)
- **Diesel for Data Centers:** 365 tCO_2e (2.8%)
- **Petrol for Owned and Leased Vehicles:** 392 tCO_2e (3.0%)

It is essential to note that these emissions stem from **only 6% of our network sites,** which are powered exclusively by diesel or utilize diesel for backup purposes. The remaining **94% of Safaricom Ethiopia's sites operate on renewable grid electricity and/or solar energy,** significantly reducing our carbon footprint.

SCOPE 1 - GRID ELECTRICITY CONSUMPTION KWH

During the reporting period, Safaricom Ethiopia's total electricity consumption under Scope 1, sourced from the national grid, amounted to 22,773,207 kWh. The majority of this energy use was driven by Base Transceiver Stations (BTS), which accounted for approximately 71.5% (16.29 million kWh) of the total consumption. Data Center operations contributed about 27.2% (6.18 million kWh), while office facilities represented the remaining 1.3% (0.3 million kWh).

SCOPE 2 - ELECTRICITY EMISSIONS

Safaricom Ethiopia's **Scope 2 electricity emissions** those associated with purchased grid electricity totaled only **2 tCO_2e** despite a significant overall consumption of **22,773,207 kWh.**

The breakdown shows that **BTS sites** contributed **1.63 tCO_2e, Data Centers** contributed **0.62 tCO_2e,** and office operations just **0.03 tCO_2e.**

Total GHG Emissions
Total: 13,019 tCO_2e
Scope 1: 13,017
Scope 2: 2

Low footprint for a telecom operator of this scale - reflects Ethiopia's green energy advantage.



SUSTAINABILITY ACHIEVEMENT AND IMPACT

This achievement reflects the company's strong commitment to sustainable energy use and aligns with national and global climate action objectives

CIRCULAR ECONOMY: WASTE MANAGEMENT

In FY2025, Safaricom Ethiopia managed approximately **1,992,942.30 kilograms** of waste across offices, warehouses, and BTS infrastructure projects.

A. FACILITIES

Safaricom Ethiopia's administrative offices, data centers, and warehouse facilities collectively produced 26,201.65 kg of non-hazardous solid waste during FY2025.

TOP 5 WASTE CATEGORIES (FACILITIES):

1. **Cardboard and Paper Waste –** 7,351.92 kg
2. **Wooden Pallets and Packaging –** 3,422.60 kg
3. **Plastic Packaging and Bottles –** 2,328.24 kg
4. **Electronic and E-waste (non-hazardous) –** 1,728.00 kg
5. **General Mixed Office Waste (food, residuals, tissues) –** 11,370.89 kg

TREATMENT SUMMARY

Recycled or Reused – 52% (13,642.51 kg)
Landfilled – 48 % (12,559.14 kg)

B. BTS SITE WASTE MANAGEMENT (1,966,740.65 KG)

In FY2025, BTS-related projects generated **1,966,740.65 kg** of construction and site waste.

TOP 5 WASTE CATEGORIES (BTS SITES):

1. **Excavated Soil –** 1,953,956 kg
2. **Concrete, Cement and Construction Debris –** 6,686 kg
3. **Wooden Crates and Delivery Pallets –** 1,770 kg
4. **Plastic Wrapping and Cable Sheaths –** 2,149 kg
5. **Metal Scrap and Fittings –** 179.65 kg

TREATMENT SUMMARY – INCLUDING EXCAVATED SOIL:

Reused – 28%
Landfilled – 72%

TREATMENT SUMMARY – EXCLUDING EXCAVATED SOIL (~12,785 KG):

Recycled – 53%
Reused – 6%
Landfilled – 41%

CARBON OFFSET AND TREE PLANTING

As part of its carbon offset and community engagement efforts, Safaricom Ethiopia, together with partners including Huawei and Nokia, planted over 5,000 trees across Addis Ababa and regional locations during FY2025.

OUR STAKEHOLDERS

In FY 2025, Safaricom Ethiopia made significant strides in advancing community development and supporting vulnerable populations through targeted education, emergency response, and digital inclusion initiatives.

SOCIAL IMPACT

ESTABLISHMENT OF THE FOUNDATION

In an effort to broaden Corporate social responsibility efforts and create a more structured and sustainable impact, Safaricom Ethiopia has officially established a charitable endowment known as the Safaricom Ethiopia Foundation. The Foundation was formally licensed on July 1, 2025, and is registered under license number 7647 by the Federal Democratic Republic of Ethiopia Authority for Civil Society Organizations. This strategic move reflects the long-term commitment to supporting community development and driving positive social change across the country through a dedicated philanthropic arm.

THEMEATIC PILLAR	PROJECT NAME	OBJECTIVE AND OUTCOME	PARTNERS
EDUCATION	Safaricom Talent Cloud	**Objective:** Upskill the youth with advanced IT Skills to meet industry requirements. **Outcome:** 5,705 participants already enrolled.	Ministry of Innovation and Technology, Sumitomo Corporation, JICA, and Gebeya Inc
	Digitization of Education	**Objective:** To enhance digital literacy among high school students, IT labs in 76 schools across 8 regions were equipped with 738 laptops and 164 routers, each supported with six months of unlimited data.	
	School Supply Distribution	**Objective:** At the start of the Ethiopian school year, **6,000 students in 60 schools** from low-income backgrounds were supported with **72,000 exercise books and 9,000 pens.** Additionally, tailored school materials were provided for students with disabilities, emphasizing inclusiveness.	
	Digital Inclusion for Youth	**Objective:** Equipping young people with the skills they need to thrive in a modern, interconnected economy. **Outcome:** Connected 9 youth centres with INS Hardware devices and connectivity. Also launched Safaricom Talent Cloud x DIY: Scholarship Edition in which 1,000 scholarships will be awarded, and 500 youth already enrolled.	Vodafone Foundation and Amref Health Africa
AGRICULTURE	Smallholder Farmers' Access to Micro-Finance	**Objective:** To provide low-risk digital lending services to smallholder farmers using M-PESA. **Outcome:** The pilot has been completed. Out of 224 farmers, 150 farmers have fully repaid their loan, which is approx. 5million ETB.	Sumitomo Corporation, JICA, Hibert Bank, and Lersha

Emergency and Solidarity:

- **Mekedonia:** A donation of **10 million ETB** was made to a local NGO that supports people with mental illness, disabilities, and the elderly, contributing to nationwide efforts to build care centers capable of accommodating more people.
- **Aswah Market Fire Response:** In Dire Dawa City Administration, we provided **1,000,000 ETB** to support market rehabilitation after a devastating fire.
- **Awash Earthquake Relief:** In the Afar region, food items were donated to assist families displaced by an earthquake that impacted thousands.
- **Gofa Zone Landslide:** Emergency food assistance was provided to survivors and displaced households after a landslide that resulted in significant loss of life.

MOST CHALLENGING INITIATIVES

During the fiscal year, one of the most significant challenges Safaricom Ethiopia faced was the impact of currency devaluation, which increased operational costs and affected procurement for goods and services sourced in foreign currency. In response, the company implemented several strategic measures, including adjusting pricing structures, converting foreign currency-denominated contracts into Ethiopian Birr (ETB) where feasible, renegotiating supplier agreements, and insourcing selected services to reduce costs and strengthen operational control.

MOST SUCCESSFUL INITIATIVES

One of the company's most successful initiatives during the year was its strategic response to currency devaluation. A key Corporate Social Responsibility initiative was the Safaricom Talent Cloud, a program designed to equip young people with technology skills and improve employability. The platform provided tailored learning pathways in high-demand digital fields, with subsidized access that increased participation among women and youth from low-income backgrounds.

More than 5,000 young people joined the program, with the top 100 participants developing app-based solutions addressing real community challenges. Several participants secured employment opportunities across different industries, while Safaricom Ethiopia offered internships to 11 participants, with opportunities for full-time employment based on performance. The initiative advanced digital inclusion, gender equity, and youth empowerment while creating meaningful pathways to economic participation.



LOOKING AHEAD

Safaricom Ethiopia's sustainability priorities for the upcoming fiscal year focus on embedding ESG principles across operations, strengthening governance and accountability, enhancing climate resilience, and contributing to national and global development agendas, including the IFC Performance Standards and the UN Sustainable Development Goals (SDGs).

ESG GOVERNANCE, MONITORING, AND ACCOUNTABILITY

The company will continue strengthening ESG governance through enhanced oversight by the ESG & Impact Committee and the Audit & Risk Committee, while operationalizing the Environmental and Social Management System (ESMS) and strengthening environmental, social, political, regulatory, and integrity risk monitoring.

A key priority will be the implementation and monitoring of 25 priority Environmental and Social Action Plan (ESAP) commitments, alongside the integration of 281 ESG and Sustainability Key Performance Indicators (KPIs) across business functions. These KPIs will be embedded into departmental scorecards, project dashboards, and reporting cycles to support data-driven decision-making, accountability, and continuous improvement.

CLIMATE ACTION AND ENVIRONMENTAL SUSTAINABILITY

Safaricom Ethiopia will continue advancing its climate and environmental agenda by expanding renewable energy use across network operations, reducing reliance on diesel generators, and increasing the deployment of solar and grid-powered Base Transceiver Stations (BTS). The company also plans to plant more than 15,000 trees annually, including 10,000 directly by Safaricom Ethiopia and 5,000 through partnerships with vendors such as Huawei and Nokia, supporting biodiversity, carbon offsetting, and ecosystem resilience.

Additional priorities include strengthening climate resilience through climate risk assessments and integrating adaptation measures into business continuity planning. Safaricom Ethiopia will also continue scaling circular economy initiatives, including e-waste collection, refurbishment, and recycling programs with certified partners.

SOCIAL IMPACT AND HUMAN RIGHTS

The company remains committed to advancing its human rights framework through strengthened grievance mechanisms, whistleblowing systems, and stakeholder engagement processes. Training on the Voluntary Principles on Security and Human Rights will continue for security personnel, alongside initiatives promoting gender equality, diversity, employee wellbeing, and inclusive workplaces.

Through the Safaricom Ethiopia Foundation, the company will scale community investments in digital education, healthcare, women's economic empowerment, and humanitarian support, ensuring projects are community-centered and co-developed with local stakeholders and partners.

INNOVATION, INCLUSIVE GROWTH, AND FUTURE FOCUS

Safaricom Ethiopia will continue integrating sustainability into core business strategy by aligning network expansion, operational improvements, and digital innovation with ESG principles. Future priorities include expanding regional and rural network and M-PESA coverage, investing in digital skills, AI-powered services, and advanced analytics to enhance customer experience and operational efficiency.

The company will also strengthen sustainable resource management through energy efficiency measures, emissions monitoring, and green technology deployment, while promoting inclusive economic growth through local sourcing, SME support, and sustainable digital solutions.

Safaricom
ሳፋሪኮም

2025

SAFARICOM ETHIOPIA SUSTAINABLE BUSINESS REPORT

GREEN DIGITAL BREAKTHROUGH:
RENEWABLE-POWERED CONNECTIVITY AND LOW-CARBON DATA NETWORKS