Second-Party Opinion

Safaricom Sustainable Finance Framework

Second-Party Opinion

Reviewed by: MORNINGSTAR | SUSTAINALYTICS

Evaluation Summary

Sustainalytics is of the opinion that the Safaricom Sustainable Finance Framework is credible, impactful and aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023 and Social Loan Principles 2023. This assessment is based on the following:

USE OF PROCEEDS The eligible categories for the use of proceeds – Energy Efficiency, Renewable Energy, Green Buildings, Pollution Prevention and Control, Environmentally Sustainable Management of Living Natural Resources and Land Use, Socio-economic Advancement and Empowerment, Access to Digital Services and Access to Healthcare – are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles and Social Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 7, 8, 9, 11, 12, 14 and 15.

PROJECT EVALUATION AND SELECTION Safaricom's Sustainable Finance Committee comprises members from the Treasury, Finance, Technology, Investors Relations, Risk, and Sustainable Business and Social Impact department. The committee will be responsible for the project evaluation and selection process under the Framework. Safaricom manages socio-environmental risks according to its Enterprise Risk Management policy and system. Sustainalytics considers the project selection process to be aligned with market practice.

MANAGEMENT OF PROCEEDS Safaricom's Sustainable Finance Committee will track the net proceeds on a portfolio basis using an internal tracking system. Safaricom intends to allocate proceeds within 24 months after each issuance. Pending full allocation, proceeds will be temporarily invested in cash and short-term liquidity accounts. This is aligned with market practice.

REPORTING Safaricom commits to report on the allocation of proceeds annually until full allocation. The allocation report will be made publicly available on the company's website, except for loan instruments, in which case Safaricom will share the allocation reports directly with investors. In addition, Safaricom intends to report on relevant impact metrics. Sustainalytics considers the allocation and impact reporting commitments as aligned with market practice.

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Issuer Location	Nairobi, Kenya

Report Sections

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Introduction

Safaricom Plc ("Safaricom" or the "Company"), a telecommunication company in East Africa, provides voice, data and financial services, and enterprise solutions to a wide range of customers. The Company was established in 2000 in Nairobi, Kenya, and in FY2024, it had more than 6,600 employees and 44.67 million customers.[1]

Safaricom has developed the Safaricom Sustainable Finance Framework dated May 2025 (the "Framework"), under which it intends to issue green, social and sustainability bonds or obtain loans and use the proceeds to finance or refinance, in whole or in part, a portfolio of existing and future projects intended to contribute to decarbonization and socio-economic advancement in Kenya and Ethiopia.

The Framework defines eligibility criteria under the following environmental categories:

1. Energy Efficiency
2. Renewable Energy
3. Green Buildings
4. Pollution Prevention and Control
5. Environmentally Sustainable Management of Living Natural Resources and Land Use

The Framework defines eligibility criteria under the following social categories:

6. Socio-economic Advancement and Empowerment
7. Access to Digital Services
8. Access to Healthcare

Safaricom engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework's environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2023 (SBP),[2] Green Loan Principles 2023 (GLP) and Social Loan Principles 2023 (SLP).[3] The Framework will be published in a separate document.[4]

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[5] opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023, as administered by ICMA, and the Green Loan Principles 2023 and Social Loan Principles 2023, as administered by LMA, APLMA, and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Safaricom's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Safaricom representatives have confirmed (1) they understand it is the sole responsibility of Safaricom to ensure that

[1] Safaricom, "Annual Report and Financial Statements", (2024), at: https://www.safaricom.co.ke/images/Downloads/2024-Annual-Report-Update.pdf
[2] The Sustainability Bond Guidelines, Green Bond Principles and Social Bond Principles are administered by the International Capital Market Association and are available at https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/
[3] The Green Loan Principles and Social Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at: https://www.lsta.org/content/green-loan-principles/# and https://www.lsta.org/content/social-loan-principles-slp/
[4] The Safaricom Sustainable Finance Framework will be available on Safaricom's website at: https://www.safaricom.co.ke/about/sustainability
[5] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Safaricom.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Safaricom has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Safaricom Sustainable Finance Framework

Sustainalytics considers the Safaricom Sustainable Finance Framework to be credible, impactful and aligned with the four core components of the GBP, SBP, GLP and SLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible categories – Energy Efficiency, Renewable Energy, Green Buildings, Pollution Prevention and Control, Environmentally Sustainable Management of Living Natural Resources and Land Use, Socio-economic Advancement and Empowerment, Access to Digital Services and Access to Healthcare – are aligned with those recognized by the GBP, SBP, GLP and SLP.
  - Sustainalytics notes that Safaricom has established a 36-month look-back period for its refinancing activities, which is in line with market practice.
  - Safaricom has communicated to Sustainalytics that projects financed under the Framework will be located in Kenya and Ethiopia.
  - Under the Energy Efficiency category, Safaricom intends to invest in new and existing telecommunication infrastructure projects, including: i) fibre optic networks; ii) upgrades to 5G networks; iii) data centres and mobile service centres; iv) battery storage; and v) energy efficiency upgrades, solutions and digital products.
    - For fibre network projects, including fibre to the home, fibre to the business, fibre to the site and metrofibre, the Framework stipulates investments to replace copper-based or microwave transmission networks.
    - For 5G network projects, the Framework stipulates expenditures that support and expand 5G wireless connectivity to upgrade old infrastructure. Sustainalytics notes that while replacing previous generation networks with 5G technologies could lead to increased energy demands on the network, Sustainalytics considers that the energy efficiency gains achieved through such investments will result in a net energy reduction per unit of data transmitted. This will be achieved specifically through energy efficiency of data transmission and operational efficiency across a range of industries and activities downstream of the network provider.

- For data centres and mobile service centres, Safaricom intends to invest in installations or upgrades to energy-efficient technologies, equipment and hardware, including upgrades or retrofits of network transmission capacity, rectifiers with improved conversion efficiency, AI and machine learning-driven energy-saving solutions, water pumps, free cooling systems and LED lights.
    - Sustainalytics notes the Company's intent to improve the power usage effectiveness (PUE) of existing data centres to below 1.5.
    - Sustainalytics highlights that Safaricom has committed to using free cooling technology that takes advantage of cool ambient conditions and reduces the need for mechanical cooling and associated power. Sustainalytics considers that data centres with an annualized PUE below 1.5 and free cooling technology will significantly reduce scope 1 and 2 emissions.
    - AI and machine learning-driven energy-saving solutions include radio access intelligent shutdown systems that deactivate idle network cells while maintaining stability and reducing energy consumption.
- For battery storage projects, Safaricom intends to invest in battery storage connected to solar energy or the electricity grid. Sustainalytics notes that in Kenya, renewable energy represents 92% of the energy generation mix of the grid.[6]
- Investments in research and development (R&D) and the implementation of digital products and services based on the Internet of Things (IoT), big data or artificial intelligence (AI) aimed at reducing energy consumption, including software and automation aimed at minimizing power consumption through server virtualization, remote and data management applications, power-saving features, and machine-learning and AI applications.
    - Safaricom has confirmed that these digital products and services are dedicated towards the replacement of older, more energy consuming technologies. Sustainalytics recognizes that IoT and AI technologies carry two risks in terms of impact. First, IoT and AI technologies have a broad impact and can drive energy efficiency gains in a variety of industries, including the fossil fuel industry. Also, Sustainalytics understands that the Company cannot control the use and application of the IoT- and AI-enabling technologies once sold. Second, the expansion of IoT and AI networks and increasing data flow resulting from IoT and AI solutions may result in additional energy demands on telecommunications networks. Nevertheless, Sustainalytics believes that the enabled savings outweigh the potential adverse effects of additional network energy demand.
    - Additionally, the Framework stipulates investments towards R&D on IoT solutions, including smart mobility, smart logistics, smart cities and smart home devices, that aim to save energy or natural resources. By enabling high-speed network connectivity, Safaricom's solutions have the potential to support energy savings by end users across industrial sectors. Sustainalytics is of the opinion that investments in this expenditure are expected to provide net-positive environmental impacts. However, the extent of these benefits may vary due to variations in the energy demands on the network and the range of end-user technologies that they support.
    - Safaricom has confirmed to Sustainalytics that solutions under this category exclude: i) activities that are associated with fossil fuels or primarily driven or powered by fossil fuels; and ii) the application to transmissions lines connected or dedicated to fossil fuel power.
- Sustainalytics considers the expenditures under this category to be aligned with market practice.

– Under the Renewable Energy category, Safaricom intends to finance on-site development, construction, maintenance and components of projects generating energy from onshore and offshore wind, solar photovoltaics, geothermal, biofuel and green hydrogen.

[6] Kenya Power and Lighting Company, "Annual Report 2023", at: https://www.kplc.co.ke/annual-reports

- On- and offshore wind energy projects. For offshore wind power, Safaricom has confirmed to Sustainalytics that fossil fuel backup will be limited to power monitoring, operating and maintenance equipment, resilience or protection measures, and restart capabilities.
- Solar photovoltaic projects.
- Biofuel will be produced with life cycle emissions at least 65% lower than the fossil fuel baseline.[7]
    - Safaricom has communicated to Sustainalytics that eligible biowaste feedstock may include residual biomass from forestry and agricultural waste, such as sugarcane molasses, coffee husks, maize and rice straws.
    - Additionally, biofuel may be produced from non-waste feedstock, such as sugar cane and corn, that does not compete with food sources or deplete carbon pools. Sustainalytics encourages the Company to report on the sources of feedstock used in biofuel production and pursue third-party certifications to validate sustainability credentials.
    - Sustainalytics notes that animal fats, oils and other animal products from livestock or meat processing facilities, as well as wastewater from fossil fuel operations and hard-to-abate industries, are excluded.
- Geothermal projects with GHG emissions below 100 gCO_2/kWh.
- Green Hydrogen will be produced through electrolysis powered by renewable energy sources that meet the eligibility criteria under the Framework.
- Sustainalytics considers the expenditures under this category to be aligned with market practice.

– Under the Green Buildings category, Safaricom intends to invest in the following:
    - The construction or acquisition of new and existing buildings that achieve one of the following certification levels or better: LEED Gold,[8] BREEAM Excellent,[9] Green Star Africa Five Stars[10] or EDGE Certified.[11] Sustainalytics views these certifications to be credible and the levels selected as aligned with market practice.
    - Additionally, the Framework stipulates investments toward the renovation of existing buildings that achieve one of the aforementioned certifications thresholds or achieve an energy efficiency improvement of at least 30% over the baseline before retrofit. Safaricom has confirmed to Sustainalytics that renovations are limited to expenditures related to retrofits.
    - Sustainalytics considers the expenditures under this category to be aligned with market practice.

– Under the Pollution Prevention and Control category, the Framework stipulates expenditures towards: i) air quality improvement projects; and ii) waste management projects.
    - For air quality improvement projects, Safaricom intends to invest in switching to refrigerants with lower global warming potential (GWP) and the recovery of refrigerants at mechanical cooling systems' end of life. Sustainalytics encourages Safaricom to promote robust refrigerant leak control, detection and monitoring, while ensuring the recovery, reclamation, recycling or destruction of refrigerants at end of life.
    - For waste management projects, Safaricom has communicated to Sustainalytics that investments under this category may include: i) development of an electronic waste recycling management system; ii) R&D expenditures to pilot the transition from physical SIM cards to e-SIMs to reduce single-use plastics; and iii) activities related to waste segregation, collection, recycling and reuse, including the establishment or expansion of facilities for mobile phone repair and refurbishment. Safaricom has confirmed to Sustainalytics that the repaired or refurbished mobile phones will be restored to their original use with minimal or no further pre-processing before reuse. Safaricom has also communicated to Sustainalytics that the financing of waste collection vehicles is excluded. Furthermore, where recycling activities involve e-waste

[7] Safaricom has confirmed that it will report on the fossil fuel baseline used to calculate the emissions thresholds of eligible biofuel production.
[8] LEED: https://www.usgbc.org/leed
[9] BREEAM: https://bregroup.com/products/breeam/
[10] Green Star Africa: https://www.gbcsa.org.za/green-star/
[11] EDGE: https://edgebuildings.com/

or waste from electrical and electronic equipment, Safaricom has confirmed that it will have in place robust waste management processes to mitigate associated environmental and safety risks.
    - Sustainalytics considers the expenditures under this category to be aligned with market practice.
- Under Environmentally Sustainable Management of Living Natural Resources and Land Use, Safaricom may finance or refinance the following expenditures:
    - Safaricom has confirmed to Sustainalytics that any reforestation or afforestation projects financed under the Framework will use tree species that are well-adapted to the site conditions and will have a sustainable management plan in place.
    - A public school greening programme. Safaricom has communicated to Sustainalytics that the programme may support schools in Nyandarua and Laikipia counties in Kenya to adapt to climate change through initiatives such as distributing fruit seedlings to provide additional income, improve children's nutrition and conserve soil. Sustainalytics considers these investments to be aligned with market practice.
    - Conservation and restoration of terrestrial and marine ecosystems, and habitats. Safaricom has communicated to Sustainalytics that financing may include:
        - Developing digital solutions for monitoring, protecting and restoring nature. Safaricom has communicated to Sustainalytics that solutions may include:
            - A Tree Growing Information System, which monitors tree-planting efforts and survival rates over time. The system includes a web portal with live dashboards for real-time data and a mobile app used by vendors to collect and report information. Sustainalytics considers this investment to be aligned with market practice.
            - M-Twiga, an AI-powered, solar-based monitoring system developed in partnership with Vodafone and the World Wide Fund for Nature (WWF).[12] The system is designed to detect predators near human settlements and alert community members and wildlife authorities, aiming to prevent human-wildlife conflicts.[13] By reducing the likelihood for retaliatory actions, such as predator killings or poisoning, the system aims to support ecosystems and biodiversity conservation.[14] Unlike traditional methods, M-Twiga uses non-lethal deterrents, such as flashing lights or specific sounds, to repel wild animals rather than relying on physical barriers or interventions that could harm wildlife. Safaricom has communicated to Sustainalytics that it acts as the operating entity for M-Twiga and that the main purpose of this project is to monitor wildlife exclusively. The Company has also communicated to Sustainalytics that the installed systems feature end-to-end encryption and that the AI algorithms are trained exclusively to detect specific wild animals, without identifying or registering human faces, in order to help protect privacy and prevent misuse of the cameras and monitoring systems. Sustainalytics encourages Safaricom to implement governance measures and technical safeguards to ensure that the system is not used for unintended surveillance and respect the privacy of individuals living near installation sites.
        - Engaging in nature-based solutions, such as tree growing. Safaricom has communicated to Sustainalytics that nature-based solutions, such as tree growing, are implemented based on vulnerability assessments and adaptation plans developed by the Kenya Forest Service. Sustainalytics considers these investments to be aligned with market practice.

[12] Vodafone, "IoT into the Wild: Using AI to prevent human-wildlife conflict in Kenya", (2024), at: https://www.vodafone.com/news/protecting-the-planet/iot-into-the-wild-using-ai-to-prevent-human-wildlife-conflict-in-kenya
[13] Safaricom, "This new tech will help end human-wildlife conflict", (2024), at: https://newsroom.safaricom.co.ke/innovation/this-new-tech-will-help-end-human-wildlife-conflict/
[14] Yale School of the Environment, "The Crucial Role of Predators: A New Perspective on Ecology", (2011), at: https://e360.yale.edu/features/the_crucial_role_of_predators_a_new_perspective_on_ecology?

- Under the Socio-economic Advancement and Empowerment category, the Framework stipulates expenditures towards: i) development or maintenance of digital platforms that enhance access to financial services; ii) programmes to enhance digital literacy; iii) procurement of products and services from vulnerable groups; and iv) nature advocacy and environmental education initiatives among Indigenous communities.
  - For access to financial services, the Framework stipulates investments towards digital platforms, such as Safaricom's mobile financial services platform (M-PESA)[15] and Digifarm.[16] The Framework defines the target population as smallholder farmers,[17] individuals and micro, small and medium-size enterprises (MSMEs)[18] in remote and rural areas with no or limited access to banking, financial or digital services. Safaricom has communicated to Sustainalytics that these digital platforms are free for the target population to access.
  - To enhance digital literacy, Safaricom intends to invest in programmes and initiatives that target women and children through training, internships and mentorships in STEM. The Company has confirmed to Sustainalytics that these programmes are free for the target population to access.
  - For procurement expenditures, the Framework stipulates procurement from MSMEs that are majority owned (at least 51%) by women, youth[19] or people with special needs. Safaricom has confirmed to Sustainalytics that procurement expenditures will exclude products and services associated with the exclusions stipulated under the Framework. Sustainalytics considers that the green and social bond markets favour expenditures directly associated with activities that provide a clear environmental and social benefit compared to procurement cost expenditures based on the identity of suppliers. Sustainalytics nonetheless recognizes the benefits of supporting MSMEs owned by members of historically disadvantaged groups through procurement from them.
  - Safaricom aims to implement nature advocacy initiatives and training programmes for Indigenous communities living near degraded forest ecosystems. Safaricom has communicated to Sustainalytics that it will offer such programmes free of charge to the target population.
  - Sustainalytics considers the expenditures under this category to be socially impactful.
- Under the Access to Digital Services category, Safaricom intends to invest in:
  - Deployment of fibre optic or mobile network services and related telecommunication infrastructure to improve access to the internet and digital services for populations in underserved areas with limited access to telecommunication networks.
    - The Framework defines underserved areas as those that are either: i) more than 2.5 kilometres away from the telecommunication site servicing them; or ii) have a low signal coverage, below minus 90 dBm receive level for GSM. Sustainalytics views the provision of telecommunication services to underserved areas as socially impactful.
  - Device financing programmes that enable digital inclusion and access for low-income customers and customers in rural areas by providing them with network-connected smartphones. Programmes include the Maisha Ni Digital campaign, which focuses on

[15] M-PESA is a free-to-access digital platform by Safaricom that is regulated by the Central Bank of Kenya. The platform provides a wide range of digital banking services for retail individuals and MSMEs. Safaricom, "M-PESA", at: https://www.safaricom.co.ke/personal/m-pesa
[16] DigiFarm is a free-to-access digital service provided by Safaricom to empower farmers in Kenya by providing access to financial and credit services, market, products and capacity building content. Safaricom, "Digifarm", at: https://digifarmkenya.com/
[17] Safaricom defines smallholder farmers as those with farmland of 1 hectare or less.
[18] Safaricom follows the Kenya Micro and Small Enterprise Policy definition. A micro business has an annual turnover of less than KES 1 million (USD 7,722) and either: i) employs fewer than 10 people; or ii) has total assets determined from time to time by the cabinet secretary. A small business has an annual turnover of between KES 1 million (USD 7,722) and KES 5 million (USD 38,610) and either: i) employs between 10 and 50 people; or ii) has total assets determined from time to time by the cabinet secretary. Government of Kenya, "Sessional Paper No. 05 of 2020 on Kenya Micro and Small Enterprises Policy for Promoting Micro and Small Enterprises (MSEs) for Wealth and Employment Creation", (2020), at: https://sewfonline.com/wp-content/uploads/2024/09/MSEs-Policy.pdf
[19] In line with the Kenyan national legislation's definition, Safaricom defines youth as those up to 34 years old. According to the Federation of Kenya Employers, the unemployment rate of 67% for the youth is significantly higher than the overall unemployment rate which stands at 12.7%. Safaricom has communicated to Sustainalytics that it will select youth-owned MSMEs in its procurement process in alignment with Article 100 of the Kenyan Constitution, which recognises youth as a Special Interest Group under the national framework for minorities and marginalised communities. Eligibility will be verified through the presentation of a national ID and a valid AGPO Youth Certificate during supplier onboarding.
Federation of Kenya Employers, "Youth Employment", at: https://www.fke-kenya.org/policy-issues/youth-employment
National Gender and Equality Commission, "Minority and Marginalised", at: https://www.ngeckenya.org/SpecialInterestGroups/MinorityandMarginalised

providing women with affordable smartphones and improving their access to mobile connectivity.[20]

- Digital learning platforms, such as the Zeraki platform,[21] that offer educational content and performance tracking tools to secondary students in public schools located in remote and rural areas. Safaricom has communicated to Sustainalytics that these platforms will be offered to public schools located in remote and rural areas for free or at a significantly reduced cost compared to other online course provider platforms.
- Projects that connect underserved primary schools to the internet.[22]
- Sustainalytics considers expenditures under this category to be socially impactful.

- Under the Access to Healthcare category, the Framework stipulates expenditures toward digital platforms that improve access to healthcare services, such as tele-healthcare services, a non-communicable disease content management platform, mobile-based digital health passport and the M-Tiba[23] platform. The Company has communicated to Sustainalytics that its healthcare digital solutions are targeted at the general public, are free to access and charge no transaction fees. Sustainalytics considers the expenditures under this category to be socially impactful.
- Sustainalytics notes the exclusionary criteria outlined in the Framework and that proceeds will not be allocated to projects or assets directly connected to: i) the extraction, processing, distribution or transportation of fossil fuels; ii) consumption of fossil fuels for power generation purposes; iii) alcohol and tobacco; iv) weapons; and v) gambling.

- Project evaluation and selection
  - Safaricom's Sustainable Finance Committee (the "Committee") will be responsible for the project evaluation and selection process under the Framework. The Committee includes members from the Treasury, Finance, Technology, Investors Relations, Risk, and Sustainable Business and Social Impact departments and subcommittees.
  - During the project evaluation stage, Safaricom assesses whether the potential projects comply with the Company's risk assessment criteria. The Company has established an Enterprise Risk Management policy and system to mitigate environmental and social risks commonly associated with the eligible projects. Sustainalytics considers these environmental and social risk management systems to be adequate. For additional details, please refer to Section 2.
  - Based on the allocation of responsibilities for project selection and risk management, Sustainalytics considers this process to be aligned with market practice.
- Management of Proceeds:
  - Safaricom's Sustainable Finance Committee will track the net proceeds on a portfolio basis using an internal tracking system.
  - Pending allocation, net proceeds will be temporarily invested in accordance with investment guidelines, which may include placement in cash and short-term liquidity accounts.
  - Safaricom will allocate net bond proceeds within 24 months of each issuance.
  - The Framework may include multi-tranche financing instruments. Safaricom has confirmed to Sustainalytics that it will only label the tranches of such facilities whose proceeds will be allocated to eligible projects and assets under the Framework.
  - Sustainalytics considers this process to be aligned with market practice.
- Reporting:
  - Safaricom commits to report on the allocation of proceeds annually until full allocation. The allocation report will be made publicly available on the Company's website, except for loan instruments, in which case the Company will share the allocation reports directly with investors. The Company intends to have an external verifier provide a verification report for the allocation of proceeds on an annual basis until full allocation and in the event of material developments.

[20] GSMA, "Safaricom's Maisha Ni Digital Campaign", (2021), at: https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2021/03/Safaricom-Maisha-Ni-Digital-Case-Study.pdf
[21] Safaricom has communicated to Sustainalytics that a majority of its target beneficiaries are public schools and students in peri-urban and rural settings:
Masiyiwa, E.T., Mucheri, T., et al. (2023), "Unlocking Private Support to Public Education Systems", Higherlife Foundation, at: https://www.higherlifefoundation.com/wp-content/uploads/2023/09/Unlocking-Private-Support-to-Public-Education-Systems.pdf
[22] Safaricom has communicated to Sustainalytics that the Company, in partnership with Unicef, has connected 127 primary schools to the internet, enabling online digital tools to more than 61,000 students in 2023.
[23] M-Tiba is a free-to-access digital platform developed by Safaricom that enables users to set funds aside specifically for healthcare use. Safaricom, "M-TIBA", at: https://www.safaricom.co.ke/media-center-landing/frequently-asked-questions/m-tiba

- Sustainalytics notes that Safaricom may consider revolving credit facilities under the Framework and has committed to report on the allocation of funds from the revolving credit facilities until their maturity.
- Allocation reporting may include net proceeds raised, amount of proceeds allocated per category, amount used for financing or refinancing and total amount of unallocated proceeds.
- In addition, Safaricom intends to report on relevant impact metrics. Impact reporting may include key performance indicators, such as renewable energy capacity installed (in MW), GHG emissions avoided (in tCO_2e), annual energy saved (in MWh), number of certified green buildings and respective certification, waste collected and recycled (in kg), number of MSMEs benefitted, fibre optic network footprint (in km) and number of students benefitted.
- Based on Safaricom's commitment to both impact and allocation reporting, Sustainalytics considers this process to be aligned with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Safaricom Sustainable Finance Framework aligns with the four core components of the GBP, SBP, GLP and SLP.

Section 2: Sustainability Strategy of Safaricom

Contribution to Safaricom's sustainability strategy

Safaricom has demonstrated commitment to sustainability through the two pillars of its 2030 Purpose Strategy: i) Planet, with the aim of catalyzing a net positive future; and ii) People, with the aim of investing in and transforming society. Under Planet, the company focuses on climate action, circular economy and the conservation and restoration of biodiversity and ecosystems. The People pillar includes programmes on digital inclusion, financial inclusion and health, diversity, equity and inclusion across its ecosystem, as well as sustainable community investments.[24] The Company has been publishing a sustainable business report on an annual basis since 2012. The 2024 Sustainable Business Report follows the Global Reporting Initiative Standards 2021, reporting on progress required as a member of the UN Global Compact.[25,26]

Safaricom pledges to achieve net zero GHG emissions by 2050, underscoring its commitment to minimizing its environmental impact and providing customers with solutions to reduce their own environmental footprints. In 2019, the Company's targets were validated by the Science Based Targets initiative (SBTi).[27] As of FY2024, Safaricom reported a 28% reduction in its scope 1 and 2 emissions compared with 2017, aiming to reduce these emissions by 43% by 2030 and 74% by 2050 from 2017, while reducing scope 3 emissions by 41% and 72% for the same respective years.[28] The Company has communicated to Sustainalytics that it is in the process of enhancing its SBTi-validated targets from well-below 2°C to 1.5°C above pre-industrial levels.

Additionally, Safaricom aims to have at least 10% of its suppliers, by goods and services spend, obtain SBTi-validated targets by 2025. As part of its goal to transition to renewable energy and improve energy efficiency across its operations, Safaricom has implemented solar energy solutions across more than 1,400 sites, which contributed 22% to the Company's total energy consumption FY2024.[29] Safaricom plans to expand solar deployment to all 5,000 of its sites. In FY2024, the Company has also implemented recycling initiatives, achieving a 98% recycling rate for municipal waste across 71 facilities and recycling 100% of its network waste. In FY2024, this amounted to more than 290 tonnes of network waste. Additionally, as of FY2024, Safaricom has cumulatively recycled 2,048 tonnes of e-waste and established a collaboration framework with the WEEE Centre for e-waste management.[30] Safaricom has further communicated to Sustainalytics that it has entered a long-term agreement with Warmtech Africa Ltd. to recycle e-waste from its operations in Kenya.

Furthermore, Safaricom's tree planting initiative aims to plant 5 million trees by 2025, contributing to carbon sequestration efforts and aiding in the reduction of the net carbon footprint.[31] As at FY2024, Safaricom planted 1.5 million trees across five sites, restoring 1,500 hectares of degraded public forests. Additionally, in

[24] Safaricom, "2024 Sustainable Business Report", at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Sustainable-Report-2024-compressed.pdf
[25] UN Global Compact, "Safaricom Limited", at: https://unglobalcompact.org/what-is-gc/participants/8138-Safaricom-Limited
[26] Safaricom, "2024 Sustainable Business Report", at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Sustainable-Report-2024-compressed.pdf
[27] Ibid.
[28] Ibid.
[29] Ibid.
[30] Safaricom, "Annual Report and Financial Statements", (2024), at: https://www.safaricom.co.ke/images/Downloads/2024-Annual-Report-Update.pdf
[31] Safaricom, "2024 Sustainable Business Report", at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Sustainable-Report-2024-compressed.pdf

2024, Safaricom signed a collaboration framework with the Kenya Forest Service to strengthen efforts in forest conservation and restoration.[32]

Safaricom invests in people and local communities through the Safaricom and M-PESA foundations, which contribute to enhancing the quality of education, health services and economic empowerment in Kenya. Through the development of its 2023-26 Partnering to Enhance Equity strategy, these foundations have reported to have affected a total of 3.6 million lives across various initiatives as of FY2024. The Wezesha Vijana TVET Programme provided scholarships to 1,300 students. The M-PESA Foundation Academy educated 551 students from poor backgrounds and enrolled 568 in tertiary institutions globally. Additionally, the Afya Uzazi Salama programme, designed to improve maternal and child health services, aided more than 85,000 women. This initiative aims to ensure safer childbirth and reduce maternal and infant mortality rates by providing access to quality health services and related education. In parallel, the Wezesha Agri Programme trained more than 1,000 women and youth farmers by providing them with modern agricultural techniques, access to markets and financial support to increase productivity and income, and improve food security and economic stability among rural communities. Complementing these efforts, the Ndoto Zetu Phase 5 initiative supports community-driven projects across all 47 counties in Kenya, with a focus on various sectors, including education, health and economic development. The initiative funded 303 proposals, reaching 2 million lives in health, education and economic empowerment.[33,34]

Sustainalytics is of the opinion that the Safaricom Sustainable Finance Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental and social priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to generate positive environmental and social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) land use change and biodiversity loss associated with large-scale infrastructure development; ii) occupational health and safety (OH&S); iii) emissions, effluents and waste generated in construction and operations of digital services; iv) bribery, corruption and business ethics; v) customer privacy and data security; vi) freedom of expression; and vii) supply chain.

Sustainalytics is of the opinion that Safaricom is able to manage or mitigate potential risks through implementation of the following:

- To mitigate risks associated with land use change, biodiversity loss and emissions in its infrastructure development and digital service operations, Safaricom's Environment Policy, ESG Policy and Corporate Social Responsibility Policy collectively integrate social and environmental considerations into the Company's business practices, focusing on energy efficiency, waste reduction and biodiversity conservation. The Environment Policy specifically mentions that all the Company's products, services, processes and operations are assessed in order to be safe for the environment. In addition, the Company aims to reduce energy usage; conserve water; reduce, reuse and recycle; and prevent environmental pollution.[35,36,37] Furthermore, the Company's environmental management system is certified to ISO 14001, indicating that robust processes are in place to effectively mitigate business activities' negative impacts on the environment.[38,39]
- With regard to OH&S, all of Safaricom's operations were ISO 45001-certified and subject to continual internal and external audits as of FY2024. Certification to ISO 45001 demonstrates the presence of established processes and safety protocols to minimize work-related injuries and ill health.[40,41]

[32] Safaricom, "Annual Report and Financial Statements", (2024), at: https://www.safaricom.co.ke/images/Downloads/2024-Annual-Report-Update.pdf
[33] Ibid.
[34] Safaricom, "2024 Sustainable Business Report", at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Sustainable-Report-2024-compressed.pdf
[35] Safaricom, "Environment Policy", (2024), at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Enviroment-Policy-2024.pdf
[36] Safaricom, "Safaricom Plc Environmental, Social and Governance (ESG) Policy", (2023), at: https://www.safaricom.co.ke/images/Downloads/Safaricom-ESG-Policy.pdf
[37] Safaricom, "Safaricom Corporate Social Responsibility Policy", (2009), at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Corporate-Social-Responsibility-Policy.pdf
[38] Safaricom, "2024 Sustainable Business Report", at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Sustainable-Report-2024-compressed.pdf
[39] ISO, "ISO 14001:2015 – Environmental management systems", at: https://www.iso.org/standard/60857.html
[40] Safaricom, "2024 Sustainable Business Report", at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Sustainable-Report-2024-compressed.pdf
[41] ISO, "ISO 45001:2018 – Occupational health and safety management systems", at: https://www.iso.org/standard/63787.html

Additionally, Safaricom has in place a Health and Safety Policy Statement, which includes the following provisions: i) comply with all applicable national and international laws, standards and directives on health and safety; ii) eliminate hazards and reduce OH&S risks; iii) integrate health and safety objectives into individual business objectives at all levels; and iv) embed health and safety objectives requirements at every stage of engagement with suppliers and other stakeholders.[42]

- Safaricom manages risks related to emissions, effluents and waste – including electronic waste – through an approach aligned with Kenya's Sustainable Waste Management Act[43] and relevant environmental regulations. The Company applies a waste hierarchy approach, prioritizing waste prevention, minimization, reuse, recycling and recovery to reduce environmental impact. Safaricom's e-waste programme, launched in partnership with the Waste Electrical and Electronic Equipment (WEEE) Centre, enables customers to dispose of electronics such as phones and batteries at designated collection points to ensure proper disassembly and recycling. Non-recyclable materials are exported to specialized partners with advanced recycling capabilities.[44,45]
- To mitigate bribery and corruption-related issues, Safaricom's Anti-Corruption and Anti-Bribery Policy establishes a zero-tolerance approach towards bribery and corruption, mandating all employees and business partners to uphold integrity and transparency in all transactions.[46] The Code of Business Conduct extends these principles, outlining specific standards against bribery, corruption and conflicts of interest, ensuring that all business dealings are conducted ethically.[47] The Conflict of Interest Policy further safeguards against potential ethical dilemmas, requiring disclosures of any conflicts to maintain the integrity of business operations.[48] To mitigate money-laundering risks and ensure business ethics for both telecommunications and M-PESA services, Safaricom has in place an Anti-Money Laundering (AML), Combating Financing of Terrorism (CFT), and Countering Proliferation Financing (CPF) Policy, through which it commits to adhere to key Kenyan laws and international best practices.[49] For M-PESA operations in Ethiopia, Safaricom has adapted the policy to cover the local market regulatory requirements from the National Bank of Ethiopia. The policy aims to ensure compliance with anti-money-laundering and counter-terrorism laws through due diligence, transaction monitoring, training and regular audits to prevent misuse of its financial services.[50]
- To manage customer privacy and data security, the Company's Data Privacy Statement outlines the procedures for data collection, usage and sharing, ensuring customer data is handled securely and in compliance with privacy legislation. It focuses on consent-based collection, detailing the measures for data protection and rights of individuals.[51] The Company also has the Technology Governance Policy, describing the governance of technological resources and emphasizing security protocols, compliance with regulatory standards and risk management practices to protect against data breaches.[52] Additionally, Safaricom adheres to ISO 27701 on privacy information management. The British Standards Institution certified Safaricom to ISO 27701 on 16 October 2024, following an assessment of its implementation across key areas, including customer support, billing services, M-PESA and data centre operations.[53]

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[42] Safaricom, "Health and Safety Policy Statement, (2023), at: https://www.safaricom.co.ke/images/Downloads/Health-and-Safety-Policy.pdf
[43] Government of Kenya, "The Sustainable Waste Management Act", (2022), at: http://kenyalaw.org:8181/exist/rest/db/kenyalex/Kenya/Legislation/English/Acts%20and%20Regulations/S/Sustainable%20Waste%20Management%20Act%20-%20No.%2031%20of%202022/docs/SustainableWasteManagementAct31of2022.pdf
[44] Safaricom, "Safaricom Launches E-waste Recycling Programme", at: https://www.safaricom.co.ke/media-center-landing/press-releases/safaricom-launches-e-waste-recycling-programme
[45] Safaricom, "Sustainable Waste Management Policy", at: https://www.safaricom.co.ke/images/Downloads/SUSTAINABLE-WASTE-MANAGEMENT-POLICY-2024.pdf
[46] Safaricom, "Safaricom Anti-Corruption & Anti-Bribery Policy", (2021), at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Anti-Corruption-and-Anti-Bribery-Policy.pdf
[47] Safaricom, "Safaricom Conflict of Interest Policy Safaricom Code of Business Conduct", (2021), at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Code-of-Business-Conduct.pdf
[48] Safaricom, "Safaricom Conflict of Interest Policy", (2019), at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Conflict-of-Interest-Policy.pdf
[49] Safaricom, "Anti-Money Laundering (AML), Combating Financing of Terrorism (CFT), and Countering Proliferation Financing (CPF) Position Statement", at: https://www.safaricom.co.ke/images/Downloads/AML-CFT-CPF-Position-Statement-2024-Safaricom-PLC_final.pdf
[50] Safaricom has shared the Anti-Money Laundering and Counter Financing of Terrorism Policy directly with Sustainalytics.
[51] Safaricom, "Safaricom Data Privacy Statement", at: https://www.safaricom.co.ke/images/Downloads/Terms_and_Conditions/Safaricom-Data-Privacy-Statement-updated.pdf
[52] Safaricom, "Safaricom Technology Governance Policy", (2023), at: https://www.safaricom.co.ke/images/Downloads/Safaricom-Technology-Governance-Policy.pdf
[53] Safaricom, "Safaricom awarded the highest certification in Privacy Information System Management", (2024), at: https://www.safaricom.co.ke/media-center-landing/press-releases/safaricom-awarded-the-highest-certification-in-privacy-information-system-management

- Sustainalytics notes that Kenya and Ethiopia have faced controversies related to freedom of expression due to limitations and restrictions on network access. Safaricom has communicated to Sustainalytics that it is developing a Human Rights Policy in Kenya, and its operations in Ethiopia are guided by the internal Safaricom Telecommunications Ethiopia Human Rights Policy, complemented by a Data Protection Policy.[54] Additionally, Safaricom adheres to the Network Redundancy Resilience and Diversity guidelines issued by the Communications Authority of Kenya,[55] ensuring network redundancy, resilience and diversity in systems to maintain quality service and minimize disruptions. Furthermore, the company complies with the Kenya Information and Communications Act[56] and the Data Protection Act,[57] and all planned network maintenance activities that may affect network performance are communicated to the Communications Authority in advance.
- To manage supply chain risks, Safaricom requires its suppliers to adhere to its Supplier Code of Conduct,[58] which enforces standards for ethical behaviour, labour practices, environmental responsibility and business continuity. The code mandates that suppliers comply with anti-bribery laws, disclose conflicts of interest and meet health and safety requirements. It also emphasizes environmental responsibility, with suppliers expected to implement policies to reduce emissions, pollution and resource use, aligning with Safaricom's sustainability goals. Additionally, the Company requires suppliers to uphold data protection, ensure continuity in case of disruptions and adhere to anti-money-laundering and anti-terrorism-financing regulations.[59] Safaricom strengthens relationships with suppliers and dealers via regular forums and performance assessments to ensure alignment with its Supplier Code of Conduct, while aiming for 100% integration of the UN Guiding Principles and responsible sourcing throughout its value chain.[60]

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Safaricom has implemented adequate measures and is well positioned to manage and mitigate the environmental and social risks commonly associated with the eligible categories. Safaricom has communicated to Sustainalytics that it is in the process of developing the Safaricom Telecommunications Ethiopia Human Rights Policy, as well as a human rights policy for its operations in Kenya, and expects to publish them by the end of 2025. Sustainalytics encourages Safaricom to ensure that the policy for Kenya includes provisions to protect freedom of expression. Sustainalytics notes that Safaricom will finance projects in Kenya and Ethiopia, where, similar to patterns observed in some other parts of Africa, restrictions on network access and limitations on freedom of expression by authorities remain a prevalent issue.

Section 3: Impact of Use of Proceeds

All eight use of proceeds categories are aligned with those recognized by the GBP, SBP, GLP and SLP. Sustainalytics has focused on the one where the impact is specifically relevant in the local context.

Importance of energy efficiency in Kenya

Kenya is an emerging leader in the global clean energy landscape, as nearly 90% of energy generated and consumed came from renewable sources in 2021, up from 75% in 2017.[61] In 2022, 75% of the country had access to electricity,[62] with the IEA reporting that Kenya is on track to provide electricity to its entire population by 2030. The continued expansion of renewable energy generation requires complementary measures to ensure affordability, reliability and sustainability. Energy efficiency plays a critical role in enhancing the integration of renewable energy into the national grid by improving system stability, reducing peak demand and minimizing transmission losses. According to the IEA, energy efficiency measures contribute to reducing overall energy consumption, thereby decreasing reliance on fossil fuel-based backup generation and alleviating pressure on the electricity grid. Additionally, energy efficiency improvements have the potential to

[54] Safaricom has shared these documents directly with Sustainalytics.
[55] Communications Authority of Kenya, "Guidelines For Network Redundancy, Resilience And Diversity On Information And Communication Networks In Kenya", (2017), at: https://www.ca.go.ke/sites/default/files/2023-06/Guidelines-for-Network-RedundancyResilience-and-Diversity-for-ICT-Networks-in-Kenya-1.pdf
[56] National Council for Law Reporting, "Kenya Information and Communications Act", at: https://kenyalaw.org/kl/fileadmin/pdfdownloads/Acts/KenyaInformationandCommunicationsAct(No2of1998).pdf
[57] National Council for Law Reporting, "The Data Protection Act", (2019), at: https://www.kentrade.go.ke/wp-content/uploads/2022/09/Data-Protection-Act-1.pdf
[58] Safaricom, "Safaricom Supplier Code of Conduct", at: https://www.safaricom.co.ke/images/Downloads/Supplier-Code-of-Ethics.pdf
[59] Ibid.
[60] Safaricom, "Creating Sustainable and inclusive growth through the entire value chain", at: https://www.safaricom.co.ke/about/sustainability/our-purpose/shared-value/creating-sustainable-and-inclusive-growth-through-the-entire-value-chain
[61] IEA, "Energy Efficiency for Affordability", at: https://iea.blob.core.windows.net/assets/e283fa7f-9c09-4248-a4da-6b14124ded93/EnergyEfficiencyforAffordability.pdf
[62] Ibid.

create jobs, improve health and increase gender equality. By lowering energy costs and improving indoor air quality, these measures enhance living conditions and reduce health risks. They also create new employment opportunities in clean energy sectors while empowering women by reducing domestic labor burdens and increasing access to education and workforce participation.[63] In terms of targets, through its Nationally Determined Contribution to the Paris Agreement, Kenya commits to reduce its GHG emissions by 32% by 2030 relative to the business-as-usual scenario of 143 $MtCO_2e$. The estimated total cost of implementing mitigation and adaptation actions adds up to USD 62 billion, with Kenya planning to mobilize 13% of the required funds domestically while seeking international support for the remaining amount.[64]

A range of policies – to enhance energy security, reduce reliance on energy imports, alleviate pressure on the national grid and lower emissions – support the country's efforts in relation to energy efficiency, including the Sessional Paper No. 4 on Energy,[65] Vision 2030,[66] the Energy Act 2019[67] and the Sustainable Energy for All Initiative.[68] In 2020, the Ministry of Energy released the Kenya National Energy Efficiency and Conservation Strategy, establishing energy efficiency targets in the buildings, industry, agriculture, transport and power sectors to reduce the national energy intensity by 2.8% per year.[69] In terms of investments, in 2021, the Super Energy Service Company in Kenya was established with the support of the African Development Bank to develop and implement energy efficiency projects for the public and private sectors.[70]

Considering this context, Sustainalytics is of the opinion that the investments under the Framework will support in improving the energy efficiency in Kenya and contribute to overall efforts in GHG emissions reduction.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Safaricom Sustainable Finance Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement panning and management in all countries.

[63] Ibid.
[64] UNFCCC, "Kenya's Updated Nationally Determined Contribution (NDC)", (2020), at: https://unfccc.int/sites/default/files/NDC/2022-06/Kenya%27s%20First%20%20NDC%20%28updated%20version%29.pdf
[65] Government of Kenya, "Sessional Paper No. 4 on Energy", (2004), at: https://repository.kippra.or.ke/bitstream/handle/123456789/1371/SESSIONAL%20PAPER%204%20ON%20ENERGY%202004.pdf?sequence=3&isAllowed=y
[66] Government of Kenya, "Vision 2030 Delivery Secretariat Draft Strategic Plan 2023/24 – 2027/28", (2023), at: https://vision2030.go.ke/wp-content/uploads/2023/12/Vision-2030-Draft-Strategic-Plan-15-12-23-5.pdf
[67] Government of Kenya, "The Energy Act 2019", at: https://faolex.fao.org/docs/pdf/ken193499.pdf
[68] Sustainable Energy for All, "Country work – Kenya", at: https://www.seforall.org/impact-areas/country-engagement/country-work-kenya
[69] Government of Kenya, "Kenya National Energy Efficiency and Conservation Strategy", (2020), at: https://unepccc.org/wp-content/uploads/2020/09/kenya-national-energy-efficiency-and-conservation-strategy-2020-1.pdf
[70] UNEP, "Kenya kickstarts a Super ESCO for boosting energy efficiency", (2021), at: https://unepccc.org/kenya-kickstarts-a-super-esco-for-boosting-energy-efficiency/

Pollution Prevention and Control	12. Responsible Consumption and Production	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.
Environmentally Sustainable Management of Living Natural Resources and Land Use	14. Life Below Water	14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.
	15. Life on Land	15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
		15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.
Socio-economic Advancement and Empowerment	8. Decent Work and Economic Growth	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.
Access to Digital Services	7. Affordable and Clean Energy	7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support.
Access to Healthcare	3. Good Health and Well-Being	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.

Conclusion

Safaricom has developed the Safaricom Sustainable Finance Framework under which it intends to issue green, social and sustainability bonds or loans and use the proceeds to finance or refinance, in whole or in part, a portfolio of existing and future projects intended to contribute to decarbonization and socio-economic advancement in Kenya and Ethiopia. Sustainalytics considers that the projects are expected to provide positive environmental and social impacts.

The Framework outlines a process for the tracking, allocation and management of proceeds and makes commitments to report on allocation and impact. Sustainalytics considers that the Safaricom Sustainable Finance Framework is aligned with the overall sustainability strategy of Safaricom and that the use of proceeds will contribute to advancement of UN Sustainable Development Goals 3, 7, 8, 9, 11, 12, 14 and 15.

Additionally, Sustainalytics is of the opinion that Safaricom has adequate measures to identify, manage and mitigate the environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Safaricom is well positioned to issue green, social and sustainability bonds and that the Safaricom Sustainable Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023 and Social Loan Principles 2023.

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