

CREATING SHARED VALUE

Presentation by:

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Presentation Outline

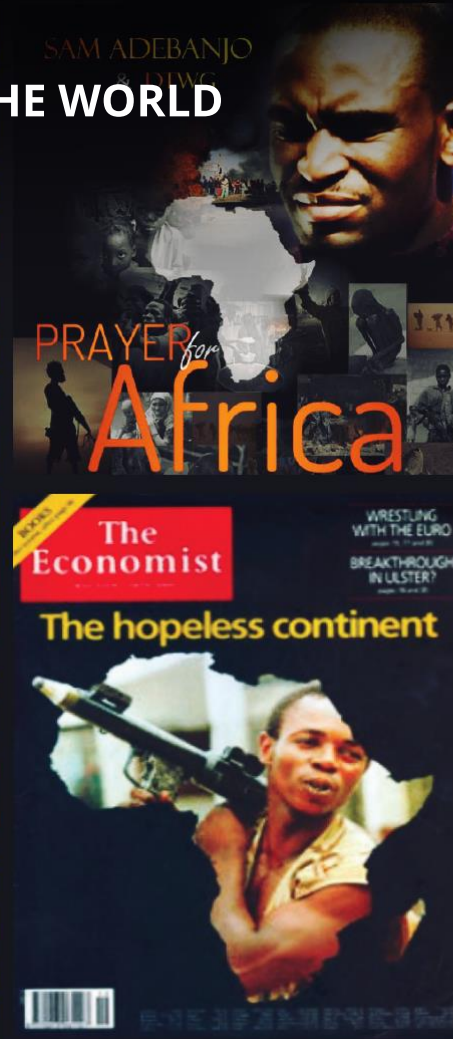
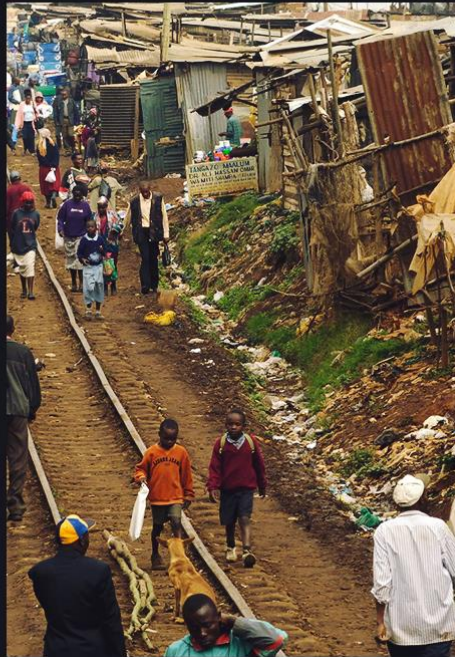


- ☐ Africa's Narrative
- ☐ Society's Expectations
- ☐ Evolution of Businesses
- ☐ Shared Value Defined
- ☐ Shared Value Proposition
- ☐ Shared Value in Action
- ☐ Critical Success Factors

Africa's Narrative



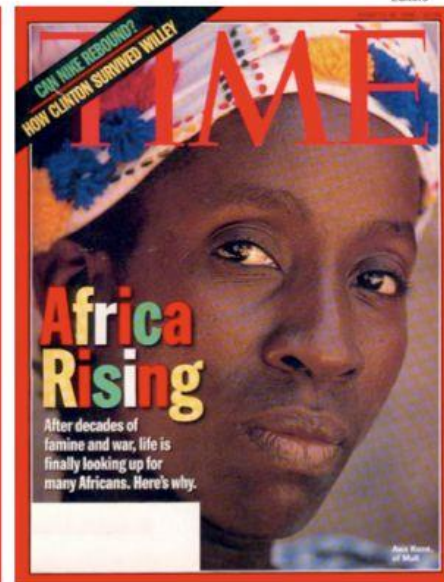
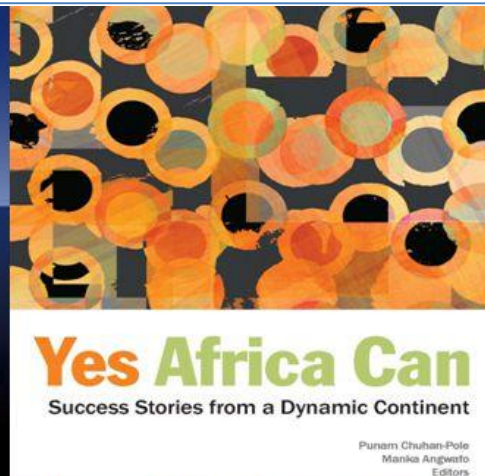
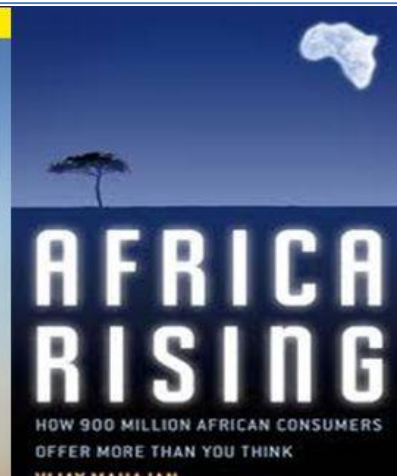
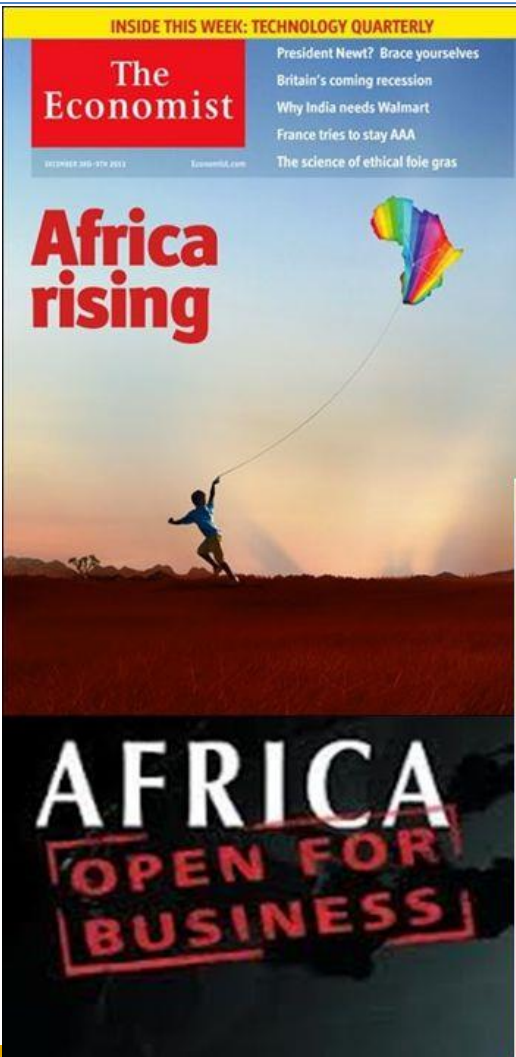
AFRICA'S NARRATIVE - AS TOLD BY THE WORLD



Africa



2013



Expectations from Society



“Society is demanding that companies, both public and private, **serve a social purpose**. Without a sense of purpose, no company, either public or private, can achieve its **full potential**. To prosper over time, every company must not only deliver financial performance, but also show how it makes a **positive contribution to society**”

Larry Fink, CEO BlackRock
Annual letter to CEOs, 2018

Companies' Approach to Engaging with Society Is Evolving



Traditional

Reputation-Led

Leveraged

Strategic

"It's not a problem"

- Let's ignore or understate the problem
- Let's minimize our responsibility
- Philanthropy is about personal values

"It is a problem"

- Let's minimize the problem and throw some money at it to show we're contributing
- CSR & Philanthropy is about corporate reputation

"Let's solve the problem"

- We need to add costs to fix the problem
- We need to report transparently on our results
- We can use our core business capabilities to find solutions

"It's an opportunity to create shared value"

- We can lower costs, grow revenues, or differentiate our value proposition by addressing social problems
- Even social problems we don't usually affect pose opportunities

Evolution

Shared Value



What is it?

Source: Porter
and Kramer
(2011). Harvard
Business Review



Shared Value



Shared Value



Creating Social Value

Investments that address social & environmental objectives

Creating Shared Value long-term business competitiveness simultaneously address social & environmental objectives

Creating Business Value Investments in long-term competitiveness

Companies can create shared value in three basic ways:

Reconceiving products and markets

Redefining value chains

Strengthening local clusters

Differences in CSR and Shared Value



CSR

Corporate values, citizenship and philanthropy: **sharing money the company has already made**

Risk management: changing business practices in response to external pressures

Contributions in-kind, pro-bono service and volunteerism: **sharing products, expertise, talent, time**

Creating Shared Value

New products/ services meeting social & environmental needs while simultaneously delivering financial return

Improve **capabilities** (skills, knowledge, productivity) of suppliers

Create local clusters to strengthen and capture economic and social benefits at the community level

Shared Value

What's the proposition?



Developing Shared Value



- ❑ STEP 1: Identify risks
- ❑ STEP 2:
Identify/validate
stakeholder needs
- ❑ STEP 3: Develop
shared value
proposition

Creating Shared Value Can Be Broken Out Into Ten Key Building Blocks

Engagement is seen as integral to strategy by board & senior leadership

VISION

An explicit **vision** of the company as an engine for creating shared value

Key issues of shared value are prioritized...

...for which ambitious shared value goals are set

STRATEGY

An robust **strategy** that identifies a clear focus and articulates ambitions goals

An array of **assets** are leveraged, including cash, goods, expertise, and influence

Efforts are **managed** holistically across the company

Partners are mobilized for information and action

DELIVERY

Effective **delivery** that leverages assets and expertise across functions and business units within the company as well as from external partners and stakeholders

Relevant results are actively **measured**

Learnings from engagement are used

Successful efforts are brought to **scale**

Progress is **communicated** internally and externally

PERFORMANCE

Management for **performance** that seeks to measure and learn from results, bring successful efforts to scale and communicate progress

Building Blocks

Shared value strategies require buy-in from every part of the company – making the case to internal decision-makers is critical

Shared Value in Action

Nestle
Yara
Safaricom



KENYA; OUR COUNTRY

75% of
population
is under the
age of 30

1 doctor
for every
16,000
patients

Agriculture
contributes
24% to
GDP

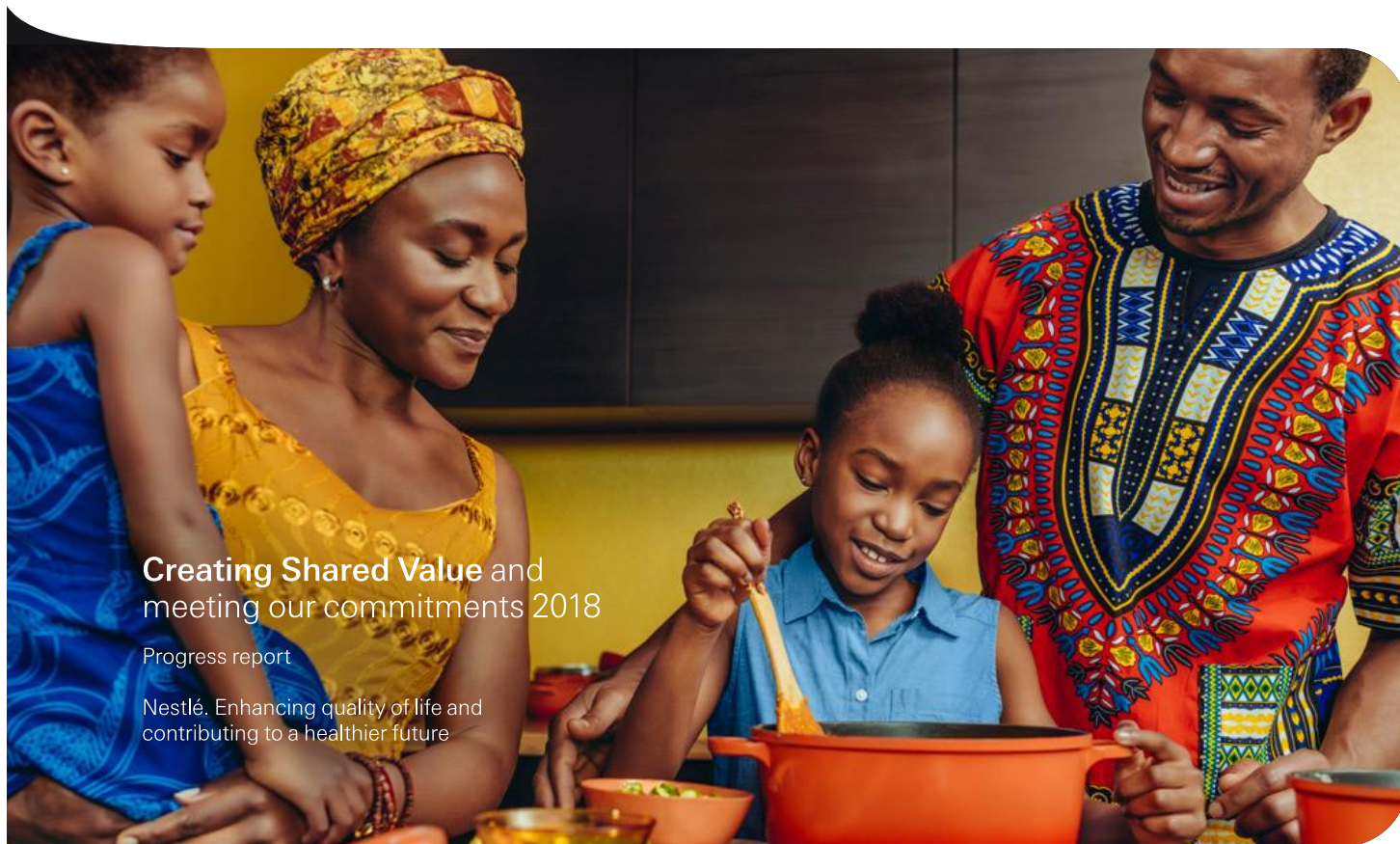
GDP at
\$70.5bn
Per Capita
\$1,100
(2016)

Population
of 46
Million

Nestle



Nestlé Good Food, Good Life



Creating Shared Value and meeting our commitments 2018

Progress report

Nestlé. Enhancing quality of life and contributing to a healthier future

Nestle 2020 Commitments



Our 2020 commitments and progress

Status of our commitments

●●○ New ●●○ In progress ●●● Achieved

 For individuals and families Enabling healthier and happier lives			 For our communities Helping develop thriving, resilient communities			 For the planet Stewarding resources for future generations		
Our 2030 ambition is to help 50 million children lead healthier lives			Our 2030 ambition is to improve 30 million livelihoods in communities directly connected to our business activities			Our 2030 ambition is to strive for zero environmental impact in our operations		
  			  			  		
Offering tastier and healthier choices			Enhancing rural development and livelihoods			Caring for water		
Inspiring people to lead healthier lives			Respecting and promoting human rights			Acting on climate change		
Building, sharing and applying nutrition knowledge			Promoting decent employment and diversity			Safeguarding the environment		
<ul style="list-style-type: none"> ●●○ Launch more foods and beverages that are nutritious, especially for mothers-to-be, new mothers, and infants and children ●●○ Further decrease sugars, sodium and saturated fat ●●○ Increase vegetables, fiber-rich grains, pulses, nuts and seeds in our foods and beverages ●●○ Simplify our ingredient lists and remove artificial colors ●●○ Address under-nutrition through micronutrient fortification 			<ul style="list-style-type: none"> ●●○ Improve farm economics among the farmers who supply us ●●○ Improve food availability and dietary diversity among the farmers who supply us ●●○ Implement responsible sourcing in our supply chain and promote animal welfare ●●○ Continuously improve our green coffee supply chain ●●○ Roll out the <i>Nestlé Cocoa Plan</i> with cocoa farmers 			<ul style="list-style-type: none"> ●●○ Work to achieve water efficiency and sustainability across our operations ●●○ Advocate for effective water policies and stewardship ●●○ Engage with suppliers, especially those in agriculture ●●○ Raise awareness on water conservation and improve access to water and sanitation across our value chain 		
<ul style="list-style-type: none"> ●●○ Apply and explain nutrition information on packs, at point-of-sale and online ●●○ Offer guidance on portions for our products ●●○ Leverage our marketing efforts to promote healthy cooking, eating and lifestyles ●●○ Empower parents, caregivers and teachers to foster healthy behaviors in children ●●○ Support breastfeeding and protect it by continuing to implement an industry-leading policy to market breast-milk substitutes responsibly ●●○ Inspire people to choose water to lead healthier lives ●●○ Partner for promoting healthy food environments 			<ul style="list-style-type: none"> ●●○ Assess and address human rights impacts across our business activities ●●○ Improve workers' livelihoods and protect children in our agricultural supply chain ●●○ Enhance a culture of integrity across the organization ●●○ Provide effective grievance mechanisms to employees and stakeholders 			<ul style="list-style-type: none"> ●●○ Provide climate change leadership ●●○ Promote transparency and proactive, long-term engagement in climate policy 		
<ul style="list-style-type: none"> ●●○ Build and share nutrition knowledge from the first 1000 days through to healthy aging ●●○ Build biomedical science leading to health-promoting products, personalized nutrition and digital solutions 			<ul style="list-style-type: none"> ●●○ Enhance gender balance in our workforce and empower women across the entire value chain ●●○ Advocate for healthy workplaces and healthier employees 			<ul style="list-style-type: none"> ●●○ Improve the environmental performance of our packaging ●●○ Reduce food loss and waste ●●○ Provide meaningful and accurate environmental information and dialogue ●●○ Preserve natural capital 		



Yara



Knowledge grows



Our Mission

*Responsibly feed the world
and protect the planet*

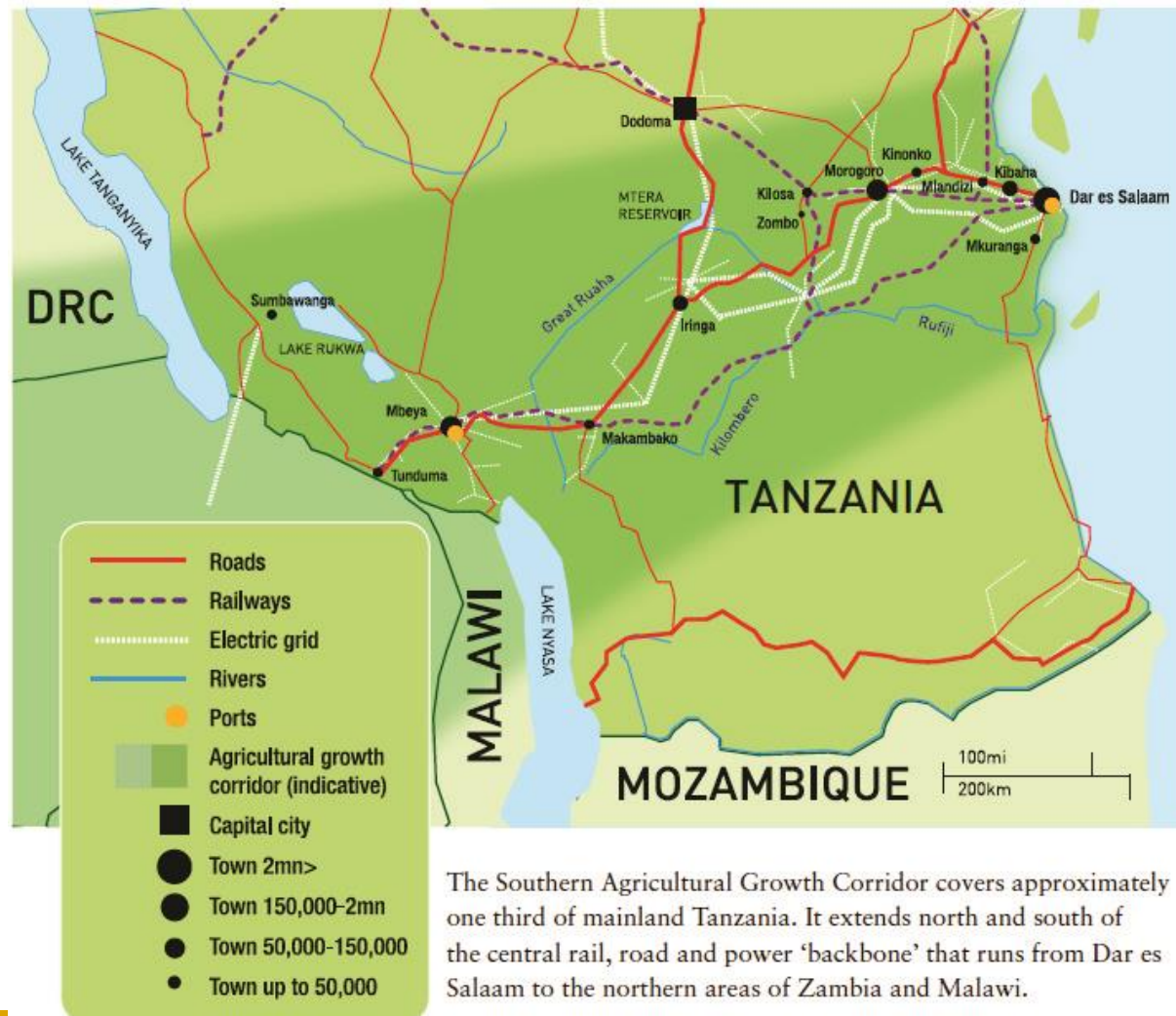
Our Vision

*A collaborative society;
a world without hunger;
a planet respected.*

Our Values

*Ambition
Curiosity
Collaboration
Accountability*

Yara



The Southern Agricultural Growth Corridor covers approximately one third of mainland Tanzania. It extends north and south of the central rail, road and power 'backbone' that runs from Dar es Salaam to the northern areas of Zambia and Malawi.



	Conceptualization	Promotion	Administration	Partnership Facilitation	Seed Funding	Implementation	Ownership in the Corridor
Yara							
AgDevCo							
Prorustica							
Government of Tanzania							
Agricultural Council of Tanzania (ACT)							
Confederation of Tanzania Industries (CTI)							
Tanzanian Sugarcane Growers' Association (TASGA)							
Unilever							
Norwegian Ministry of Foreign Affairs							
Irish Ministry of Foreign Affairs							
World Economic Forum							
Tanzania Agricultural Partnership (TAP)							
Syngenta							
US Agency for International Development (USAID)							
Alliance for a Green Revolution in Africa (AGRA)							
Dupont							
General Mills							
Monsanto							
National Microfinance Bank (NMB)							
Norfund							
SABMiller							
Standard Bank							
World Bank							

Source: Adapted from Beth Jenkins, "Mobilizing the Southern Agricultural Growth Corridor of Tanzania: A Case Study," Harvard Kennedy School, CSR Initiative, 2012, p. 12, http://www.hks.harvard.edu/mrcbg/CSRI/publications/report_48_SAGCOT.pdf, accessed July 2014.

Note: This chart is a distillation for analytical purposes, and does not capture all the contributions of all stakeholders involved in SAGCOT.

Yara Results



60 partners, 38 private sector companies

Trained 20,000 farmers on “Good Agriculture Practices”

Improved infrastructure in the Eastern and Western regions of the country

Yara had seen a 50% increase in fertilizer volumes in Tanzania

Safaricom



Purpose driven
Organisation
= Sustainable
Future

Simple
Transparent
Honest
FOR YOU

Sustainable
Development
Goals



Safaricom



over 30M
customers

300,000
touchpoints

M-
PESA
2007

\$12bn
Valuation

Started
18 years
ago



Shared Value Products & Services



Affordable Health Care



2 in every 5 Kenyans
lack access to healthcare

Enabling access
to quality
affordable healthcare
through the mobile
phone

Over 1m enrolled to M-TIBA

Over 400 medical facilities
on board as partners

Over \$2M spent in more than
100,000 healthcare visits



Efficient farming



60% of Kenyans depend on small-scale farming

90% of farmers have mobile phones

Empowering farmers to scale through mobile technology

Providing access to knowledge and information

Giving small-scale farmers access to credit and markets



Critical Success Factors



Invest in
knowledge
and
relationships

Develop a solid
Foundation

Technology
as an enabler

Align project
concept &
Vision

Partnerships
unusual

Questions?



Thank you



Safaricom's SDGs

