

# Safaricom Plc Supply Chain Management Policy

Issued by the Board of Directors

Effective Date: November 2023

## Background

We outline the standards of behavior, ethics and accountability required of our employees in addition to stating our commitment to fostering a procurement systems that is fair, equitable, transparent, competitive, ethical and cost effective.

## Purpose

The policy aims to:

- ✓ Create sourcing agility to support the internal customers and the procuring functions.
- ✓ To promote efficiency and effectiveness; transparency and accountability; fairness; equity and value for money in sourcing and asset disposal.
- ✓ Provide set standards for acceptable and unacceptable conduct by Safaricom staff, processes, and relationships.
- ✓ To ensure ethical practices and promote professionalism in sourcing and asset disposal system.
- ✓ To ensure the establishment of dispute resolution mechanisms in sourcing and asset disposal processes.
- ✓ To foster sustainable sourcing practices.
- ✓ To continuously improve the efficiency of supply chain management processes.
- ✓ Management of stock inventory to provide the best service to customers as well as manage working capital.

## Policy Application

The policy is applicable to Safaricom Plc and its subsidiaries and suppliers.



## Confidentiality & Declaration of Interest

All employees participating in any sourcing process must ensure that supplier information remains confidential and must not disclose any information to any individual who is not authorized to have access to such information.

Employees involved in the sourcing process are required to fully disclose their conflict interests and that of their extended family.



## Special Interest Group (SIG)

For purpose of diversity and inclusion, we have identified the following special group of suppliers, applicable to Kenyan companies/ citizens only:

- Youth
- Women
- Persons with Disability

We support the SIGs as an integral part of our overall business and supplier diversity and supply chain sustainability.

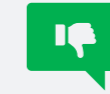
We agree on annual targets to be achieved as part of the mission. To promote and achieve these targets, we adopt margins of preference or reservations schemes targeting SIGs.



## Ethics in Procurement

It is our policy to conduct business in an ethical and transparent manner that encourages good supplier relations with an environment that promotes competition and in compliance with the Law.

We are committed to always meet our commitments to all suppliers and equally require that our suppliers meet all their contractual commitments to us.



## Handling Supplier Complaints

In line with our objectives around transparency, we encourage open dialogue with suppliers as key stakeholders in our business.

Suppliers may submit complaints which should be handled as follows:

- **Operational complaints:** addressed by functional HOD and escalated to functional Chief.
- **Appeals and protests regarding tender outcomes:** These should be clarified in the first instance by the Sourcing Lead. If not resolved, they should be escalated to HOD Supply Chain Management and HOD Ethics and Compliance as relevant.

All escalations should be made in writing and shall be reviewed and responded to within **72 hours**.



## Consequence Management for Non-Conformance

We are committed to enforcing compliance to this policy.

All employees in violation of the policy will be disciplined as stipulated in the policy and in alignment with our disciplinary policy.