

Safaricom Supplier Code of Conduct

Decision Point	Recommend 	Agree 	Performance 	Input 	Decide 
Decisions relating to Supplier code of Ethics	Sharon Holi HOD Customer Privacy	Patrick Kinoti HOD Ethics & Compliance	Ethics and Compliance team	Ethics and Compliance	Francis Murabula HOD Supply Chain Management
			Supply Chain team		
			Customer Privacy team		

Document Review

Next Review Date	Documentation will be reviewed on need be basis and/or in response to changes in our working arrangements, in line with integrated documented information procedure.
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Document and Version History

Date	Version	Reason for Change / Change Detail	Training/Awareness required? (Y/N)	If yes, specify if individual or group training
02.07.2020	2.2	Reviewed to include provisions of the Data Protection Act	Y	All staff and key suppliers

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1.0 General

This Code applies to all Safaricom suppliers (hereinafter "Supplier" or "Suppliers") and their employees (be they temporary, casual or permanent), agents and sub-contractors throughout the world. Safaricom requires all Suppliers to conduct their business dealings with Safaricom in compliance with this Code and in compliance with all laws applicable to the Supplier's' business, wherever conducted.

By entering into business transactions with Safaricom, the Supplier agrees to abide by the terms of this Code and acknowledges that compliance with this Code is required to maintain the Supplier's status as a Safaricom Supplier. Safaricom shall have the right to terminate any Supplier's contract for failure to comply with the provisions of this Code.

Safaricom recognizes that local laws may in some instances be less restrictive than the provisions of this Code. In such instances Suppliers are expected to comply with this Code. If local laws are more restrictive than the Code, then Suppliers are expected to comply with applicable local laws.

2.0 Provisions

In particular, Suppliers must comply with the following:

2.1 Relations with competitors

Suppliers will be required to comply with applicable antitrust or competition laws and will not engage in any restrictive trade practices. Suppliers will at all-times act in a manner that will uphold and encourage healthy competition.

The applicable anti-trust legislation with regard to Kenya operations is the Restrictive Trade Practices, Monopolies and Price Control Act (Cap 504 Laws of Kenya).

2.2 Bribes, Conflicts of Interest, Gifts and other Courtesies

2.2.1 Bribes

Suppliers shall not make or offer bribes or payments of money or anything of value to any Safaricom employee or any other person including officials, employees, or representatives of any government or public or international organization, or to any other third party for the purpose of obtaining or retaining business with Safaricom. For the avoidance of doubt Safaricom considers an act of bribery to include the giving of money , anything of value or advantage to anyone where It is known or believed that it will be passed on to a government official or Safaricom employee for this purpose. Suppliers are required to comply with all applicable local anti-bribery legislation.

Suppliers are expected to put in place organizational procedures appropriate to their size and scale and to the nature of their operation to ensure the prevention of bribery and corruption. Every person holding a position of authority in a Supplier company shall report to the Ethics and Anti -Corruption Commission within a period of twenty four (24) hours any knowledge or suspicion of instances of bribery.

2.2.2 Gifts and other business courtesies

Suppliers shall ensure that any expenditure incurred in relation to any particular Safaricom employee or government official is in the ordinary and proper course of business and cannot reasonably be construed as a bribe or so as to secure unfair preferential treatment. A general guideline for evaluating whether a business courtesy is appropriate is whether public disclosure would be embarrassing to the Supplier or Safaricom.

Safaricom employees may accept unsolicited gifts from Suppliers provided:

- (a) They are items of nominal value – KES 1500 or less, or
- (b) They are advertising or promotional materials having wide distribution e.g. calendars, stationary etc.; and
- (c) Acceptance of the gift does not violate any applicable law.

2.2.3 Conflicts of Interest

No supplier shall enter into a financial or any other relationship with a Safaricom employee that creates a conflict of interest for Safaricom. A conflict of interest arises when the material personal interests of the Safaricom employee are inconsistent with the responsibilities of his/her position with the company. All such conflicts must be disclosed and approval to the transaction given. Conflicts of interests should be disclosed via email to integrity@safaricom.co.ke.

2.3 Employment Relations

The Supplier will comply with all local laws relating to labour, employee health and safety and wages.

2.3.1 Child Labour

Safaricom suppliers and their subcontractors will not hire children, a child being any person below the age of 16 years unless in the case of Kenya operations under apprenticeship and, in a technical institution, unless authorized under the Industrial Training Act (Cap 237 Laws of Kenya) and supervised by a public authority.

2.3.2 Forced Labour and Disciplinary Practices

Suppliers will:

- Not use forced labour nor require any worker whether local or foreign to remain in employment for any period of time against his or her will.
- Treat workers with respect and dignity and ensure workers are not subjected to any form of physical, sexual, psychological or other form of harassment or abuse.
- Ensure that workers are free to express their views about their workplace conditions without fear of retribution or losing their jobs.

2.3.3 Freedom of Association

Suppliers will allow and respect their employees' right to form or join trade unions of their own choice and to bargain collectively.

2.3.4 Wages and benefits

Suppliers will meet minimum wage requirements and will ensure that all statutory deductions as required under any local laws from time to time are complied with.

Suppliers will ensure that working hours as provided for in any employment legislations or regulations in force from time to time or in any collective bargaining agreement entered into with the employee's trade union are observed.

Suppliers will furthermore ensure that workers are provided with at least one day off during any seven day working period.

2.3.5 Health and Safety

Suppliers will provide their workers with safe and healthy work environments, clothing and other protective gear which as a minimum standard are in compliance with any local health and safety laws and regulations.

2.4 Environmental Matters and the Community

Suppliers will comply with all local environmental laws in force from time to time. Safaricom encourages its Suppliers to play a role in improving the environment and in so doing Safaricom shall implement programs that promote a clean environment and reduce waste and seek ways to use and produce products that are environmentally friendly. Suppliers are required to establish effective communication systems on environmental matters through training and improved Environment Management System awareness. In addition Suppliers shall engage with communities and invest in society in a way that makes effective use of resources including the support for charitable organizations.

2.5 Compliance and implementation

2.5.1 Licenses and Returns

The Supplier will be required to obtain and renew, in accordance with any law or regulations all permits, licenses and authorizations required for it to carry out its business. In addition The Supplier will be required to prepare and file any returns that it may be required to file under its incorporation statute, the Companies Act (Cap 486 Laws of Kenya) or applicable local or Kenyan revenue legislation.

2.5.2 Taxation, Financial Integrity and Retention of Records

2.5.2.1 The Supplier will comply with all revenue laws and will not evade tax.

2.5.2.2 Suppliers will be required to maintain accurate and reliable financial and business records and shall not have any false or inaccurate accounting books or records related to Safaricom for any reason. Suppliers shall maintain all business records at the minimum in compliance with the provisions outlined by the Kenya Revenue Authority or local revenue authorities from time to time.

2.5.2.3 When any government investigation or audit is pending or ongoing then Suppliers will not destroy any relevant records until the matter has been investigated and closed.

2.6 Business Continuity Management

Safaricom is committed to delivering sustained, consistent and exceptional services to its customers and meeting the expectations of all stakeholders even in the event of any disruptions. In view of this; Safaricom has implemented a Business Continuity Management System (BCMS) according to the requirements of ISO 22301:2012. Safaricom recognizes the fact that our suppliers play critical roles in the success of our business continuity program.

Safaricom therefore requires its suppliers to develop and establish a robust framework for documenting, maintaining and testing business continuity and recovery procedures. Specifically the Supplier shall:

- Have its own business continuity management system, based on an accepted standard (e.g. ISO22301).
- Establish and maintain business continuity strategies and plans which ensure that the Supplier can continue to deliver its services to Safaricom in the event of any major incident or crisis, and

which are compliant with the agreed business continuity requirements and objectives of Safaricom.

- Provide Safaricom with a copy of Supplier's top level business continuity policy
- Review business continuity strategies and plans in the event Safaricom identifies a weakness or noncompliance and implements the agreed improvements within a reasonable timeframe.
- Directly support Safaricom's Crisis Management Team upon request by Safaricom.
- Promptly and accurately complete and return any Safaricom business continuity questionnaire whenever requested by Safaricom.
- Participate in Safaricom's managed business continuity exercises or audits as requested by Safaricom.
- Notify Safaricom in case of any incident that could disrupt provision of goods or services to Safaricom.

If the Supplier breaches the obligations in this policy or Safaricom identifies a weakness in the Supplier's business continuity management system, Safaricom has the right to audit the Supplier.

2.7 Information security

Despite the value delivered by suppliers in delivering crucial skills, services, products and resources, assets that are accessible by suppliers need to be protected.

In this regard Safaricom has implemented an information security management system that mandates Safaricom to comply with ISO 27001:2013 information security requirements. This entails maintaining an agreed level of information security and service delivery in line with supplier agreements.

Information security incidents such as inappropriate access to or disclosure of sensitive information, Loss of intellectual property or inability of the supplier to maintain the agreed level of information security and service delivery in line with the supplier agreement would potentially diminish the benefits obtained and negatively impact on the Information security position of the company.

In this regard, all Safaricom suppliers shall:

- Promptly and accurately complete and return any Safaricom Information Security Questionnaire whenever requested by Safaricom.
- Safeguard the security of all Safaricom Confidential Information using appropriate security systems and processes reasonably acceptable to Safaricom;
- Perform regular and full testing procedures on such security systems and processes;
- Permit Safaricom, upon reasonable notice to Supplier, to conduct security audits against such security systems and processes (including the right to test the security of any hardware and software used by the supplier in the performance of its obligations under the contract)
- Not reduce the security levels associated with such security systems and processes as defined within the Information Security Questionnaire without Safaricom's prior written consent;
- Advise Safaricom of changes to the security implementation via an update to the Information Security Questionnaire on an annual basis; and
- Notify Safaricom's 'Security Operations Centre' by email at cybersecurity@safaricom.co.ke immediately after becoming aware of an incident where any Safaricom Confidential

Information is at risk of unauthorized or unlawful disclosure, loss or damage.

2.8 Quality Assurance

To increase business efficiency and customer satisfaction, Safaricom has embedded a quality management system, in this regard, Safaricom requires all Suppliers to;

- Explicitly review and understand all requirements provided by Safaricom in relation to the product or service being offered.
- Ensure resources are available to participate in product quality planning, as requested and establish a change control system that reacts to changes in a timely and accurate fashion.
- In all cases, acquire written approval from Safaricom prior to implementing any change that may impact form, fit, function, quality, reliability, safety, delivery, service or its compliance with regulatory and statutory requirements. This shall include, but not limited to, manufacturing processes, quality standards for acceptance, and testing requirements.
- Have a documented process for managing quality including continual quality system development
- Measure own performance against all given Key Performance Indicators (KPI's) from Safaricom.
- Maintain process, product and service capabilities to fulfil Safaricom requirements and controls throughout the Supplier's entire supply chain for the respective Products.
- Possess expertise and resources to perform effective root cause analysis, and to take corrective and preventive actions.
- Notify Safaricom of any potential or actual non-conformance in Products supplied to Safaricom that may affect its form, fit, function, quality, reliability, safety, delivery, service or its compliance with regulatory and statutory requirements.
- Be responsible and accountable for the impact of poor Supplier Product quality on Safaricom, and Safaricom customers.
- Comply with all its obligations towards Safaricom, including, but not limited to:
 - Recognized and certified Quality Management System (QMS)
 - Safaricom' s Customer Specific Requirements (CSR)
 - Warranties

Any exception or deviation to the requirements, terms and conditions of this Supplier Quality policy, including, but not limited to exceptions or deviations to Safaricom expectations, requires Safaricom prior written approval.

2.9 Code of Ethics for Business in Kenya

Safaricom requires all its suppliers to sign up to the Code of Ethics for Business in Kenya at contract award.

<http://www.globalcompactkenya.org/index.php/en/about/code-of-ethics>

<http://www.globalcompactkenya.org/index.php/en/publications>

3.0 Whistle Blowing

If a supplier becomes aware of unethical acts either by Safaricom, its staff or other suppliers they should report all pertinent details via one of the following channels;

Toll free number; 0800 720 009
Email; safaricom@ethics-line.com
Website: www.safaricomethicsline.com

The channel allows for anonymous reporting. Safaricom will investigate the matter in confidence.

4.0 Data Protection

Suppliers will be required to comply with the Data Protection Act of Kenya, 2019. This section applies to all Suppliers who have access to any personal information (information that can identify a person either directly or indirectly such as name, identification number, date of birth, gender, transaction data, location data, call data records, MPESA transactions, an online identifier or to one or more factors specific to the physical, psychological, genetic, mental, economic, cultural or social identity of that Person.)

In respect of Personal Information supplied by Safaricom to you as a Supplier, you are required as a data processor to comply with the provisions of the Data Protection Act.

As the data controller we are obligated to set out the following requirements. You will be required to:

- a. retain the Personal Information for as long as is reasonably required to achieve your obligation under this agreement and in accordance with applicable laws and regulations;
- b. take all appropriate technical and organisational measures against unauthorised or unlawful processing of Personal Information and against accidental loss or destruction of, or damage to, Personal Information;
- c. not publish, transfer, distribute, sell, sub-license, disclose or otherwise part with the Personal Information, or permit any third party, including its Affiliates, to use or exploit the Personal Information without the express written consent of Safaricom;
- d. Not create copies or duplicates of the data without the knowledge of Safaricom;
- e. not transfer any Personal Information outside the Territory without Safaricom's prior written consent or where provided for in the contract with us;
- f. immediately inform Safaricom of any inspections and measures conducted by any supervisory authority, insofar as they relate to Personal Information shared by Safaricom, in such a case please dpo@safaricom.co.ke;
- g. respond to queries, complaints and other correspondence with any Regulatory Body in relation to the processing of Personal Information only after consultation with, and in accordance with the instructions of, Safaricom;
- h. without undue delay, assist Safaricom, where requested, in investigating queries or complaints about the Personal Information and the processing of the Personal Information or where Safaricom needs your cooperation in complying with any of the obligations under the Data Protection Regulations such as impact assessments;

- i. permit Safaricom access on reasonable notice to its premises, Systems, books and records and all information in relation to the processing of Personal Information as Safaricom may reasonably require to ensure compliance with data protection regulation and with the requirements outlined herein;
- j. within twenty-four (24) hours, notify Safaricom of any breach of this clause on Data Protection and provide Safaricom with such details regarding: the nature of the Personal Data Breach, any investigations into such Personal Data Breach and any measures taken, or that the Partner recommends, to address the Personal Data Breach.

5.0 Violations

Safaricom reserves the right at its discretion to terminate the contract where there is breach of the provisions of the code of conduct. In other instances Safaricom may require that corrective action is carried out before it continues partnership with the supplier.

6.0 Variation

Safaricom reserves the right to vary this Code at any time.

7.0. Effective Date

01 July 2020