

Safaricom Plc Enterprise Risk Management Policy

Issued by the Board of Directors

Effective Date: November 2023

Policy Statement

We are committed to ensuring that Enterprise Risk Management practices are entrenched into all business processes and operations to drive consistent, effective and accountable action, decision making and management practice.

We have designed our ERM System to allow us to be forward looking and manage the effect of uncertainties on objectives.

Rationale

Effective risk management is geared to:

- ✓ Integrate risk management process with business strategy, audit and compliance.
- ✓ Promote proactive recognition of external factors and anticipate uncertainties.
- ✓ Provide necessary foundations for managing risk in our operations.
- ✓ Provide appropriate, consistent and transparent ownership and accountability around risk mitigation.
- ✓ Recognize that timely and accurate monitoring and reporting of risk provides an early warning mechanism and assurance to our management, Board and shareholders.
- ✓ Enhance our reputation as a purpose driven and risk-informed organization.
- ✓ Promote risk awareness in the organization through risk assessments and proactive risk management culture.

Scope

The policy is applicable to employees of Safaricom Plc, its subsidiaries and specified business partners..

Risk management responsibilities of stakeholders



Board & Board Risk and ESG Committee

Our Board has the ultimate responsibility for overseeing the monitoring of risk management programs and internal control systems, a role it has delegated to the Risk and ESG Committee.

The Committee is responsible for:

- Maintaining and overseeing a sound system of internal controls.
- Reviewing and approving our Risk Management Policy and Framework.
- Ensuring the integration of risk management into the organization-wide decision-making process.



Chief Corporate Security Officer

The Chief Corporate Security Officer (CCSO) is the policy owner responsible for its implementation across the company.

CCSO ensures adequate resources are in place, controls are implemented and acts as an escalation point when and where necessary.



Enterprise Risk Management

Our ERM team:

- Provides necessary training.
- Meets with all HODs once a year to provide them with an overview of risks identified in their area of responsibility.
- Ensures that key risks and controls are continually monitored and where necessary, appropriate risk responses implemented.
- Ensures that operational risk assessments are updated twice a year in accordance with the ERM Framework.
- Submits weekly management reports, quarterly board reports and ad hoc submissions to regulators.



Internal Audit

In the context of this policy, the Internal Audit is responsible for:

- Developing and implementing an annual audit plan having regard to the company's material risks.
- Reviewing the effectiveness of Safaricom PLC's risk management policy and risk management processes.
- Notifying new and emerging risks identified while implementing the audit plan and, wherever necessary, modifying the audit plan to take account of the impact of new risk.



All Employees

It is the responsibility of our employees to:

- Report to their immediate business head or supervisor, any real or perceived risks that become apparent and may significantly affect our operations.
- Report to their immediate business head or supervisor, any real or perceived risks that the company's operations may significantly affect the broader environment and/or community.
- Look for opportunities to improve operational efficiencies and optimize outcomes.