



Supply Chain Management Statement

OUR APPROACH

Introduction

Our business relies on suppliers, contractors and other third parties; building strong relationships with these partners, and maintaining a robust and effective management of our supply chain are vital to our success.

We work with companies who share our approach to compliance with legal requirements and our commitment to maintaining high standards in safety, ethical business practices and mitigation of social and environmental risks.

As detailed in the results of our 2020 sustainability materiality assessment, having a 'safe and responsible supply chain' is a significant material issue for Helios Towers. It is a priority for us to continually increase standards and mitigate risks in this area.

Helios Towers supports the employment of approximately 9,000 contractors and partner staff who build, maintain and secure our sites, and 87% of our procurement spend is with local¹ suppliers (figure as at end 2020). Our product procurement typically comprises generators, rectifiers, solar and hybrid power units, telecom towers and fuel. In terms of services, we engage contractors in site and tower maintenance, civil construction, power management and security arrangements.

Our 'one team, one business' approach means that we build true partnerships with third parties, support learning activities and the development of Lean Six Sigma skills, share workspaces and hold regular planning and debriefing meetings with our partners.

Governance

Our Group Head of Supply Chain has managerial responsibility for the supply chain function and is overseen by the Director of Delivery and Technology. The Board, through the Chief Operating Officer, has ultimate responsibility. Supply chain activities are regularly discussed at board meetings.

Management processes

We follow a defined selection, screening and monitoring process as part of our supply chain management programme:

Selection and screening of suppliers and partners take the following into account:

- The expectation to adhere to HT's Code of Conduct, Third Party Code of Conduct and other relevant policies and standards is clearly communicated to suppliers and partners, and is clearly stated in invitations to tender, where applicable.
- Terms and conditions of agreements with business partners and service providers are approved by the group legal function overseen by the Group General Counsel.
- Helios Towers has a screening process in place, to assess new suppliers and partners for their ability to operate within or above our standards and for commercial factors such as quality, cost and ability to deliver, where relevant. They are also screened for compliance, environmental and social risks.

- New operational and strategic material partners are requested to provide evidence of and adherence to their own health & safety and environmental policies as well as certain recognised certifications.
- We use a third party screening tool to screen all new high- and medium-risk suppliers against sanctions, enforcement and politically exposed persons (PEPs) watch lists.
- Periodic ongoing monitoring of existing partners includes: health and safety assessments, performance reviews, desktop compliance review questionnaires, on-site visits, and virtual, online assessment visits.
- As part of our Sustainable Business Strategy, launched in Q3 2020, Helios Towers has set itself the target to assess all key suppliers on a range of sustainability criteria. To help achieve this target, a new third party risk management platform is being implemented in 2021.

Grievance mechanism

We operate a confidential and, if desired, anonymous reporting hotline and web portal - EthicsPoint® - where anyone, internal or external, can raise concerns about any actual or potential, ethical issues or other non-compliance with our policies and standards.

The Group's General Counsel and Head of Compliance receive the details of all incidents reported via the hotline. The Audit Committee has oversight of all reported concerns.

Responses to concerns and incidents

All concerns raised through EthicsPoint® are reviewed, investigated as necessary and resolved. Any non-compliance resulting from supplier audits and any incidents that may occur, will trigger an investigative follow-up process, and will usually involve engagement with the relevant supplier to reach compliance. Where relevant, lessons learned are incorporated into our management systems, and communication, training and setting of objectives with partners are enhanced, to strengthen management and oversight and mitigate the risk of re-occurrence.

Education and training

Our 'one team, one business' approach translates to a collaborative approach with business partners, working together towards our common goals to raise standards and mitigate risk. We regularly undertake training programmes with our partners' staff as well as our own, particularly in the areas of health and safety. Third party code of conduct training is also provided to third party representatives and materials are shared so they can be distributed to staff.