



2024

# KEPSA SUPPLIER CODE OF CONDUCT

## 1.0 General

This Code applies to all KEPSA suppliers (hereinafter “Supplier” or “Suppliers”) and their employees (be they temporary, casual, or permanent), agents and sub-contractors. KEPSA requires all Suppliers to conduct their business dealings with KEPSA 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 KEPSA, 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 KEPSA Supplier. KEPSA shall have the right to terminate any Supplier’s contract for failure to comply with the provisions of this Code.

KEPSA 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 Bribes, Conflicts of Interest, Gifts and other Courtesies

#### 2.1.1 Bribes

Suppliers shall not make or offer bribes or payments of money or anything of value to any KEPSA 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 KEPSA. For the avoidance of doubt KEPSA 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 KEPSA 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.

#### 2.0.1 Gifts and other business courtesies

It is KEPSA’s policy that all staff should not accept gifts or favors from a customer, potential customer, supplier or potential supplier of goods or services to the company irrespective of the value of the gift.

Suppliers shall ensure that any expenditure incurred in relation to any KEPSA employee in the ordinary and proper course of business and cannot reasonably be construed as a bribe or so as to secure unfair preferential treatment.

## 2.0.2 Conflicts of Interest

No supplier shall enter into a financial or any other relationship with a KEPSA employee that creates a conflict of interest for KEPSA. A conflict of interest arises when the material personal interests of the KEPSA 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.

## 2.1 Employment Relations

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

### 2.1.1 Child Labour

KEPSA 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.

### 2.1.2 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.

### 2.1.3 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.

### 2.1.4 Wages and benefit

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 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.

## 2.1.5 Health and Safety

Suppliers will assess the risks posed by their activities through a risk assessment in relation to the safety and health of their workers, visitors or any other person exposed to their activities, and put in place appropriate control measures to ensure a safe and healthy work environment. In addition, suppliers are expected to comply with any local laws and regulations relating to Occupational Safety and Health.

## 2.2 Environmental Matters and the Community

At KEPSA, environmental responsibility is an issue that continues to grow in importance. We remain committed to operating in an environmentally sound and sustainable way, managing, and reporting our environmental performance openly and transparently and we have established structures and functions responsible for driving environmental management. Integrating the United Nations Sustainable Development Goals (UN SDGs) and proactively implementing various green initiatives across the business, further affirms KEPSA's commitment to address climate change and the preservation of natural resources.

This Environmental Responsibility sets forth the minimum standards of business conduct that we expect from all our suppliers:

1. Compliance with laws: All suppliers shall comply fully with all laws, standards, and regulations applicable to them.
2. Environmental sustainability: KEPSA expects its suppliers to demonstrate a clear understanding of the environmental risks, impacts and responsibilities associated with the products and services they provide:
  - Suppliers should have in place an effective environmental policy, statement, or program to mitigate environmental risks, the implementation of which should be evident throughout all levels of the company.
  - Suppliers to refrain from harmful changes to the soil, water and air pollution, harmful noise emissions, and excess water consumption that significantly impair the natural ecosystems.
  - Suppliers should have processes in place to ensure that their operations conform to all applicable environmental legislation. All required environmental permits, approvals and registrations are to be obtained, maintained, and complied with in accordance with the conditions and requirements defined therein.
3. KEPSA requires that the supplier shall also make continuous efforts to reduce their environmental pollution and risks and improve environmental protection within their own sphere of influence on an ongoing basis. The use of resources (energy, water, raw materials and/or (primary) materials) and the environmental impacts (emissions, pollutants, waste) are to be consistently minimized.
4. KEPSA is cognizant of impacts of climate change to planet, businesses and people. Subsequently, KEPSA requires suppliers to implement measures to reduce their direct and indirect CO<sub>2</sub> emissions (including in its upstream value chain).
5. We expect our suppliers to protect natural ecosystems and not to contribute to the changing, deforestation, or damage of natural woodland and other natural ecosystems.

## **2.3 Compliance and implementation**

### **2.3.1 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.

### **2.3.2 Taxation, Financial Integrity, and Retention of Records**

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

2.3.2.2 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 KEPSA 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.

2.3.2.3 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.

## **2.4 Business Continuity Management**

KEPSA 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. KEPSA therefore requires its suppliers to develop and establish a robust framework for documenting, maintaining, and testing business continuity and recovery procedures. As part of this the supplier should notify KEPSA in case of any incident that could disrupt provision of goods or services to KEPSA.

## **2.5 Information security**

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. Every supplier will safeguard the security of all KEPSA Confidential Information using appropriate security systems and processes reasonably acceptable to KEPSA.

## **2.6 Quality Assurance**

To increase business efficiency and customer satisfaction, KEPSA has embedded a quality management system, in this regard, KEPSA requires all Suppliers to; acquire written approval from KEPSA 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. Any exception or deviation to the requirements, terms, and conditions of this Supplier Quality policy, including, but not limited to exceptions or deviations to KEPSA expectations, requires KEPSA prior written approval.

### 3.0 Whistle Blowing

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

[feedback@kepsa.or.ke](mailto:feedback@kepsa.or.ke)

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

### 3.1 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 KEPSA 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 organizational measures against unauthorized 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 KEPSA;
- d. Not create copies or duplicates of the data without the knowledge of KEPSA;
- e. not transfer any Personal Information outside the Territory without KEPSA's prior written consent or where provided for in the contract with us;
- f. 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, KEPSA
- g. without undue delay, assist KEPSA, where requested, in investigating queries or complaints about

the Personal Information and the processing of the Personal Information or where KEPSA needs your cooperation in complying with any of the obligations under the Data Protection Regulations such as impact assessments;

- h. permit KEPSA access on reasonable notice to its premises, Systems, books and records and all information in relation to the processing of Personal Information as KEPSA may reasonably require to ensure compliance with data protection regulation and with the requirements outlined herein;
- i. within twenty-four (24) hours, notify KEPSA of any breach of this clause on Data Protection and provide KEPSA 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.

### **3.2 Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT) and Countering Proliferation Financing (CPF)**

All suppliers, their employees, agents, and sub-contractors will be required to comply with KEPSA PLC internal policies and procedures which makes reference to local and international Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) and Combating Proliferation Financing (CPF) Regulations. This involves complying with the AML/CFT (Amendment) Act 2023, the Proceeds of Crime and Anti-Money Laundering Act and its Regulations, Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on the Prevention and Suppression of Terrorism) Regulations 2023, The Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on Prevention and Suppression and Disruption of Proliferation Financing) Regulations, 2023 and any other relevant laws and regulations applicable in the different jurisdictions of incorporation.

Suppliers shall, in the context of the Agreement:

- a) comply with all Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing laws and regulations enacted or enforced by Regulatory Authorities and other Supervisory bodies and any other AML/CFT/CPF regulations applicable in other jurisdictions, where the Suppliers are incorporated or have operations;
- b) not knowingly do anything which may cause a breach in Anti-Money Laundering Combating the Financing of Terrorism and Countering Proliferation Financing laws;
- c) cease from entering into arrangements or transactions, directly or indirectly, (i) in violation of any Kenyan, international, or other Anti-Money Laundering and Combating the Financing of Terrorism and Countering Proliferation Financing law or (ii) with persons or entities whose names appear on international sanctions lists of designated entities, Kenyan sanctions list or any other state list, restricting or prohibiting transactions with such persons or entities;
- d) not finance terrorists or those engaged in illicit activities including money launderers, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction;
- e) train its employees, agents and sub-contractors in all applicable laws against inadequate internal controls, money-laundering, financing of terrorism and proliferation financing;
- f) provide such assistance, documentation and information to the other party as that Party may reasonably request, including but not limited to, written policies and procedures relating to relevant compliance laws including but not limited to enforcing the laws relating to detection and prevention of money laundering, Financing of Terrorism and Proliferation Financing law;

- g) notify KEPSA PLC in writing as soon as it becomes aware of an actual or potential suspicious activity/investigation/breach in relation to the Applicable Laws or any material change in status, in relation to this agreement, in respect of money laundering, financing of terrorism or proliferation financing;
- h) be advised that KEPSA shall terminate this agreement if any of the provisions of this clauses are breached;
- i) KEPSA shall seek indemnities from the Supplier which has breached the relevant provisions for any direct losses incurred.

#### **4.0 Violations**

KEPSA 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, KEPSA may require that corrective action is carried out before it continues partnership with the supplier.

#### **5.0 Variation**

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