



2024

KEPSA SUPPLIER CODE OF CONDUCT

1.0 General

This Code, a cornerstone of our business relationships, applies to all KEPSA suppliers (from now on, "Supplier" or "Suppliers") and their employees (be they temporary, casual, or permanent), agents, and subcontractors. It is of utmost importance that all suppliers conduct their business dealings with KEPSA in strict compliance with this Code and with all laws applicable to the Supplier's business, wherever they are 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 not just a requirement but a condition of maintaining 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, a measure we take very seriously.

KEPSA recognizes that local laws may be less restrictive than the provisions of this Code in some instances. However, we expect our suppliers to prioritize compliance with this Code. If local laws are more restrictive than the Code, Suppliers are expected to comply with applicable local laws, but the overarching expectation is always compliance with our Code.

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 to obtain or retain business with KEPSA. To avoid doubt, KEPSA considers an act of bribery to include the giving of money or 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 the nature of their operation to prevent bribery and corruption.

2.0.1 Gifts and other business courtesies

KEPSA's policy is that all staff should not accept gifts or customers, potential customers, suppliers, or suppliers of goods or services, regardless of the value of the gift.

Suppliers shall ensure that any expenditure incurred about any KEPSA employee in the ordinary and proper course of business cannot reasonably be construed as a bribe or 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 KEPSA employee's material personal interests are inconsistent with the responsibilities of their position with the company. All such conflicts must be disclosed, and approval of the transaction must be given.

2.1 Employment Relations

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

2.1.1 Child Labour

KEPSA suppliers and their subcontractors will not hire children; a child is any person below the age of 16 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:

- Do not use forced labor nor require any local or foreign worker to remain employed for any period against their will.
- Treat workers with respect and dignity and ensure workers are not subjected to any form of physical, sexual, psychological, or other forms of harassment or abuse.
- Ensure workers can express their views about 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 and bargain collectively.

2.1.4 Wages and benefit

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

Suppliers will ensure that working hours are observed occasionally in any employment legislation, regulations in force, or any collective bargaining agreement entered with the employee's trade union.

Suppliers will ensure workers receive 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 about the safety and health of their workers, visitors, or any other person exposed to them and implement appropriate control measures to ensure a safe and healthy work environment. In addition, suppliers are expected to comply with local laws and regulations relating to occupational safety and health.

2.2 Environmental Matters and the Community

At KEPSA, environmental responsibility is an important issue that continues to grow. We remain committed to operating environmentally sound and sustainably, managing and reporting our environmental performance openly and transparently, and establishing 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 affirms KEPSA's commitment to addressing climate change and preserving 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 applicable laws, standards, and regulations.
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 an effective environmental policy, statement, or program to mitigate environmental risks, the implementation of which should be evident throughout all company levels.
 - Suppliers should refrain from harmful changes to the soil, water, and air pollution, harmful noise emissions, and excess water consumption that significantly impair natural ecosystems.
 - Suppliers should have processes to ensure their operations conform to all applicable environmental legislation. All required environmental permits, approvals, and registrations must be obtained, maintained, and complied with by the conditions and requirements.
3. KEPSA requires that the Supplier make continuous efforts to reduce their environmental pollution and risks and improve environmental protection within their sphere of influence on an ongoing basis. The use of resources (energy, water, raw materials, and (primary materials) and the environmental impacts (emissions, pollutants, waste) are to be consistently minimized.
4. KEPSA is cognizant of climate change's impacts on the planet, businesses, and people. Subsequently, KEPSA requires suppliers to implement measures to reduce their direct and indirect CO₂ emissions (including in their upstream value chain).
5. We expect our suppliers to protect natural ecosystems and not contribute to the change, deforestation, or damage of woodlands and other ecosystems.

2.3 Compliance and implementation

2.3.1 Licenses and Returns

The Supplier must obtain and renew all permits, licenses, and authorizations required to carry out its business per any law or regulations. In addition, the Supplier will 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 must 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, Suppliers will only destroy relevant records once 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 disruptions. Therefore, KEPSA requires 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 of any incident that could disrupt the 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 the 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 the company's Information security position. 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 before implementing any change that may impact form, fit, function, quality, reliability, safety, delivery, service or its compliance with regulatory and statutory requirements. This includes, but is 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.

2.7 Code of Ethics for Business in Kenya

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

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 the following channel;

feedback@kepsa.or.ke

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

3.1 Data Protection

Suppliers must 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 Personal.)

About personal information provided by KEPSA to you as a support 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 meet 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 by 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 about the processing of Personal Information only after consultation with and by 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 about 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 internal policies and procedures, which refer 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 Anti-Money Laundering (AML)/ Combating Financing of Terrorism (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 the detection and prevention of money laundering, Financing of Terrorism and Proliferation Financing law;
- g) notify KEPSA in writing as soon as it becomes aware of an actual or potential suspicious activity/investigation/breach about the Applicable Laws or any material change in status of 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 these clauses are breached;
- i) KEPSA shall seek indemnities from the Supplier which has breached the relevant provisions for any direct losses incurred.

3.0 Violations

KEPSA reserves the right to terminate the contract at its discretion if the provisions of the Code of Conduct are breached. In other instances, KEPSA may require corrective actions to be carried out before continuing its partnership with the Supplier.

4.0 Variation

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