

SUPPLIERS CODE OF CONDUCT

1. General

This Code is applicable to suppliers of Kenya Airways (hereinafter called “KQ”) and their employees (be they temporary, casual or permanent), agents and subcontractors.

By entering into business transactions with KQ, 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. KQ shall have the right to terminate any supplier’s contract for failure to comply with the provisions of this Code.

It is expected that where local laws are less restrictive than the provisions of this Code, the suppliers will be expected to comply with this Code. On the other hand, where local laws are more restrictive than the Code, then suppliers would be expected to comply with applicable local laws.

2. Purpose

This Code defines the standards of conduct that our suppliers should observe and adhere to in doing business with KQ. These are aimed at promoting ethical, safe and fair working conditions in KQ’s supply chain.

3. Awareness and communication

Suppliers are encouraged to make reasonable effort in creating awareness of the Code and communicating its requirements to their employees, suppliers, agents and subcontractors.

4. Implementation and enforcement

- The implementation of this Code may include joint audits and site visits to assess and continuously review performance and compliance status.
- Suppliers may from time to time be requested to provide KQ with reasonable access to relevant information and premises for the purposes of assessing performance against the Code.
- Suppliers are expected to identify, correct and monitor the continued compliance of any activities that fall below the standards of the Code.
- Suppliers shall be required to report to KQ any breaches of the Code.

5. Provisions

KQ suppliers must comply with the following:

5.1. Relations with competitors

- Suppliers will be required to comply with applicable antitrust or competition laws and will not engage in any restrictive trade practices as defined in the Restrictive, Monopolies and Price Control Act (Cap 504, Laws of Kenya).
- Suppliers will at all times act in a manner that will uphold and encourage healthy competition.

5.2. Bribes, Conflict of interest, Gifts and other courtesies

5.2.1. Bribes

Suppliers shall not make or offer bribes or payments of money or anything of value to any KQ employee or any other third party for the purpose of obtaining or retaining business with KQ. As for KQ an act of bribery includes the giving of money or anything of value where there is belief that it will be passed on to a third party or KQ employee for this purpose. Suppliers are required to comply with all applicable local anti-bribery and anti-corruption laws.

5.2.2. Conflict of interest

No supplier shall enter into a financial or any other relationship with a KQ employee that creates a conflict of interest for KQ. A conflict of interest arises when a KQ employee's own personal (financial, social, political or other) interest or other activity or relationship interferes or has the potential to interfere with the interest of KQ and the employment responsibilities. This is the case when an employee's own interest, relationship or circumstance is likely to influence or could appear to influence a business decision. Suppliers have an obligation to report any conflict of interest to the KQ Group MD and CEO for approval of the transaction.

5.2.3. Gifts and other business courtesies

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

A supplier may give unsolicited gifts to KQ employees provided that:

- The gifts are small, occasional, customary and usual e.g. advertising and promotional materials having a wide distribution such as calendars, t-shirts.
- The gifts have a monetary value of not more than Kshs 5,000 or USD 50 (equivalent).
- The gifts are moderate in terms of frequency and quantity.
- Acceptance of the gift does not violate any applicable law.

Gifts should never be given in cash or cash equivalents.

5.3. Employment relations

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

5.3.1. Child labour

KQ suppliers and their sub-contractors will not hire children; a child being any person below the age of 16 years, unless as provided for under Kenyan laws.

5.3.2. Forced labour, disciplinary practices and elimination of discrimination

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.
- Not negatively discriminate against any employees, for example, based on race, tribe, colour, sex, marital status, pregnancy and any other characteristic protected by Kenyan law.

5.3.3. 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.

5.3.4. Wages and benefits

Suppliers will:

- Meet minimum wage requirements and will ensure that all statutory deductions as required under any Kenyan laws from time to time are complied with.
- 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 employees' trade union are observed.
- Ensure that workers are provided at least one day off during any seven-day working period.

5.3.5. Health and safety

Suppliers will provide their workers with a safe and healthy work environment; clothing and other protective gear in compliance with any Kenya health and safety laws and regulations.

5.4. Environmental matters and the community

Suppliers will comply with all Kenya environmental laws in force from time to time. KQ encourages its suppliers to play a role in improving the environment, comply with applicable environmental standards and seek ways to use and produce products that are environmentally friendly.

5.5. Compliance and implementation

5.5.1. Licences and returns

Suppliers will be required to obtain and renew, in accordance with any law or regulations all permits, licences and authorizations required for it to carry out its business. In addition, suppliers will be required to prepare and file returns as required under the law.

5.5.2. Taxation, financial integrity and retention of records

- Suppliers will comply with all revenue laws and will not evade tax.
- 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 relating to KQ for any reason. Suppliers shall maintain all business records in compliance with the law and regulations applicable.
- When any government investigation or audit is pending or ongoing, suppliers will not destroy any relevant records until the matter has been investigated and closed.

5.6. Signing of the Code

The Suppliers Code of Conduct shall be signed by all suppliers upon contract award. On an annual basis, all suppliers will be required to reconfirm adherence to the Code in writing.

5.7. Duty to report

Suppliers, contractors and employees who become aware of any unethical conduct (dishonesty, corruption, fraud, labour and human rights violations, environmental damage etc.) should report pertinent details through the following whistleblowing channels:

<https://wrs.expolink.co.uk/kenyaairways>

All matters reported will be investigated in confidence.