



**KENYA HIGHLANDS SAVINGS AND CREDIT  
CO-OPERATIVE SOCIETY LIMITED**

**BUSINESS CODE OF CONDUCT AND ETHICS**

2018

## **1.0 INTRODUCTION**

This code reaffirms the importance of high standards of business conduct. Adherence to this Business code of conduct and Ethics by all employees is a sure way we to merit the confidence and support of the Members, stakeholders and public.

This code has been prepared as a working guide and not as a technical legal document. Thus, emphasis is on brevity and readability rather than providing an all-inclusive answer to specific questions.

In observance of this code, as in other business conduct, there is no substitute for common sense. Each staff should apply this code with common sense and the attitude of seeking full compliance with the letter and spirit of the rules presented. It is incumbent upon every staff of the Society, to perform satisfactorily and to follow the Society's policies and comply with the Society's rules, procedures and guidelines as they are issued or modified from time to time.

Staff should familiarize themselves with this code so that they may readily distinguish any proposal or act that would constitute a violation. Each staff is responsible for his or her actions. Violations can result in disciplinary action. There will be no reprisal against an employee, because the employee in good faith reported a violation or suspected violation.

The absence of a specific guideline, practice or instruction covering a particular situation does not relieve an employee from exercising the highest ethical standards applicable to the circumstances. If any employee has doubts regarding a questionable situation that may arise, that employee should immediately consult his or her supervisor or higher level.

The basic principles discussed in this Code are subject to any Society policies covering the same issues.

## **2.0 Compliance with Laws, Rules and Regulations**

Obeying the law, both in letter and in spirit, is the foundation on which this Society's ethical standards are built.

Each employee is charged with the responsibility of acquiring sufficient knowledge of the laws and orders relating to his or her duties in order to recognize potential dangers and to know when to seek legal advice. In particular, when dealing with public officials, employees must adhere to the highest ethical standards of business conduct.

When we seek the resolution of regulatory or political issues affecting the Society's interests, we must do so solely on the basis of the merits and pursuant to proper procedures in dealing with such officials.

### **3.0 Conflict of Interest**

A “conflict of interest” exists when a person’s private interest interferes in any way - or even appears to interfere - with the interests of the Society.

A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her Society’s work objectively and effectively. Conflicts of interest and in certain circumstances are prohibited as provided for in the Public Officers Ethics Act 2003.

It is a conflict of interest for a Society employee to work for a competitor, customer or supplier. Members of staff should avoid any direct or indirect business connection with our customers, suppliers or competitors, except as required on behalf of the Society.

Any employee who becomes aware of a conflict or potential conflict should bring it to the attention of the manager or other appropriate personnel or consult the procedures provided in this Code.

### **4.0 Outside Employment**

Employees must not be employed outside the Society (1) in any business that competes with or provides services to the Society or its subsidiaries, and/or (2) in a manner which would affect their objectivity in carrying out their Society responsibilities and/or (3) where the outside employment would conflict with scheduled hours, including overtime, or performance of the Society assignments.

Employees must not use Society time, materials, information, or other assets in connection with outside employment.

### **5.0 Corporate Opportunities**

Employees are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Management Committee/ Board of Directors.

No employee may use corporate property, information, or position for personal gain, and no employee or officer may compete with the Society directly or indirectly. Employees and officers owe a duty to the Society to advance the Society’s interests when the opportunity to do so arises.

### **6.0 Competition and Fair Dealing**

We seek to outperform our competition fairly and honestly.

We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner’s consent, or inducing such disclosures by past or present employees of other companies is prohibited.

Each employee should endeavor to respect the rights of and deal fairly with the Society's Members, customers, suppliers, competitors and other employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal trade practice.

No employee is permitted to engage in price fixing, bid rigging, allocation of markets or customers, or similar illegal anti-competitive activities.

To maintain the Society's valuable reputation, compliance with our quality processes and safety requirements is essential. All inspection and testing documents must be handled in accordance with all applicable specifications and requirements.

### **7.0 Business entertainment and gifts**

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Society employee or officer, family member of an employee or officer, or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is reasonable in value and consistent with the Public Officers Ethics Act 2003, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws, regulations or applicable policies of the other party's organization.

Employees may not offer, provide or solicit, directly or indirectly, any special treatment or favor in return for anything of economic value or the promise or expectation of future value or gain.

### **8.0 Discrimination and Harassment**

The diversity of the Society's employees is a tremendous asset. The Society is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any discrimination or harassment based on race, color, religion, sex, national origin or any other protected class.

### **9.0 Health and Safety**

The Society strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted.

Employees are expected to perform Society related work in a safe manner, free of the influences of alcohol, illegal drugs or controlled substances. The use of illegal drugs in the workplace will not be tolerated.

## **10.0 Environmental Safety**

The Society expects its employees to follow all applicable environmental laws and regulations. If a staff member is uncertain about his/her responsibility or obligation they should check with the Manager for further guidance.

## **11.0 Record-Keeping, Financial Controls and Disclosures**

The Society requires honest, accurate and timely recording and reporting of information in order to make responsible business decisions.

All business expense accounts must be documented and recorded accurately in a timely manner. If a staff is not sure whether a certain expense is legitimate, then ask the manager.

All of the Society's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Society's transactions, must be promptly disclosed in accordance with any applicable laws or regulations and must conform both to applicable legal requirements and to the Society's system of internal controls.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that may be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Society's record retention policies.

## **12.0 Confidentiality**

Employees must maintain the confidentiality of proprietary information entrusted to them by the Society or its customers or suppliers, except when disclosure is authorized in writing by the Manager, Board or required by laws or regulations.

Proprietary information includes all non-public information that might be of use to competitors or harmful to the Society or its customers or suppliers if disclosed. It includes information that suppliers and customers have entrusted to us. The obligation to preserve proprietary information continues even after employment ends.

## **13.0 Protection and Proper Use of Society Assets and Transactions**

All employees should protect the Society's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the society's profitability.

All Society assets are to be used for legitimate Society purposes. Any suspected incident of fraud or theft should be immediately reported to the Manager or Board for investigation.

The obligation of employees to protect the Society's assets includes the Society's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and

service plans, designs, databases, records, salary information and any unpublished financial data and reports.

Unauthorized use or distribution of this information is a violation of the Society's confidentiality policy. It could also be illegal and result in civil or criminal penalties.

#### **14.0 Society Assets and Transactions**

Compliance with prescribed policies, accounting procedures, operating manuals and controls is required at all times.

Employees having control over Society assets and transactions are expected to handle them with the strictest integrity and ensure that all transactions are executed in accordance with management's authorization. All transactions shall be accurately and fairly recorded in reasonable detail in the Society's accounting records.

Employees are personally accountable for Society funds over which they have control. Employees who spend Society funds should ensure the Society receives good value in return and must maintain accurate records of such expenditures.

Employees who approve or certify the correctness of a bill, or payment instruments should ensure that the amounts are proper and correct. Obtaining or creating "false" payment instruments or other misleading documentation or the invention or use of fictitious/fraudulent payment instruments, sales, purchases, services, loans, entities or other financial arrangements is prohibited.

#### **15.0 Software and Computers**

Computerized information and computer software appear intangible, but they are valuable assets of the Society and must be protected from misuse, theft, fraud, loss and unauthorized use or disposal, just as with any other Society property.

Use of computers must be for customer service or job related. Employees may not access Society's records of any kind for their personal use. Misappropriation of computer space, time or software includes, but is not limited to, using a computer to create or run unauthorized jobs, operating a computer in an unauthorized mode or intentionally causing any kind of operational failure.

#### **16.0 Reporting any Illegal or Unethical Behavior**

Employees are encouraged to talk to the Manager or Board of Directors about observed behavior, which they believe may be illegal or a violation of this Code of Conduct or any other Society policy or when in doubt about the best course of action in a particular situation.

It is the policy of the Society not to allow retaliation for reports made in good faith by employees of misconduct by others. Employees are expected to cooperate in internal investigations of misconduct.

### **17.0 Compliance Procedures**

We must all work to ensure prompt and consistent action against violations of this Business Code of Conduct and Ethics. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- a) Make sure you have all the facts: In order to reach the right solutions, we must be as fully informed as possible.
- b) Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- c) Discuss the problem with the Manager: This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is Manager's responsibility to help solve problems. If you are uncomfortable discussing the problem with the Manager you can talk to the management.
- d) You may report violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Society does not permit retaliation of any kind against employees or officers for good faith reports of suspected violations.
- e) Always ask first, act later: If you are unsure of what to do in any situation, seek guidance before you act.
- f) All employees and officers are subject to the Society's business Code of conduct and ethics, which describes procedures for the internal reporting of violations of the Code. All employees must comply with those reporting requirements and promote compliance with them by others. Failure to adhere to this Code of conduct by any employee will result in disciplinary action.

### **18.0 Waivers of the Business Code of Conduct and Ethics**

Any waiver of this Code of conduct may be made only by the Board of directors and will be disclosed.

### **19.0 Acknowledgement**

To ensure compliance with this Business Code of Conduct and Ethics, the Society requires that all staff acknowledge their understanding and adherence to the Business Code of Conduct and Ethics in writing during employment and when the need arises on the attached form.

Your Personal Commitment to Kenya Highlands Savings and Credit Co-operative Society Limited

**Code of Business Conduct and ethics**

I .....acknowledge that I received a copy of the Society’s Business Code of Conduct and Ethics dated June 2018 (“the Code”), that I have read the Code and that I understand it. I will comply with the Business Code of Conduct and Ethics of Kenya Highlands Savings and Credit Co-operative Society Limited.

Date: \_\_\_\_\_

Signature

20.0

**ADOPTION OF THE POLICY**

We, the undersigned, individually and collectively, give commitment to the implementation of the Business Code of Conduct and Ethics Policy by appending our signatures.

Board of Directors

No	Name	Position	Signature
1			
2			
3			
4			
5			
6			
7			
8			
9			

Witness: Alice Kosgei CEO      Signature.....Date.....