

Kenya Pipeline Company Ltd.



Code of Conduct and Ethics

(Approved, 2016)

TABLE OF CONTENT

PART I: PRELIMINARY.....	2
KPC CODE OF CONDUCT AND ETHICS.....	2
ESTABLISHING KPC CODE.....	2
THE COMPANY.....	2
OUR VISION.....	3
OUR MISSION.....	3
OUR CORE VALUES.....	3
OUR MOTTO.....	3
 PART II: GENERAL CODE OF CONDUCT AND ETHICS.....	 4
COMPLIANCE WITH GENERAL CODE.....	4
RULE OF LAW.....	4
PUBLIC TRUST.....	4
RESPONSIBILITY AND PERFORMANCE OF DUTIES.....	4
PROFESSIONALISM.....	5
FINANCIAL INTEGRITY.....	5
GIFTS OR BENEFITS IN KIND.....	6
ACQUISITION OF PROPERTY.....	7
CONFLICT OF INTEREST.....	7
PARTICIPATION IN TENDERS.....	8
PUBLIC COLLECTIONS.....	8
BANK ACCOUNTS OUTSIDE KENYA.....	8
ACTING FOR FOREIGNERS.....	8
CARE OF PROPERTY.....	9
MISUSE OF OFFICIAL INFORMATION.....	9
POLITICAL NEUTRALITY.....	9
IMPARTIALITY.....	10
GIVING OF ADVICE.....	10
GAINFUL EMPLOYMENT.....	10
OFFERS OF FUTURE EMPLOYMENT.....	10
ACTING IN A COMPANY MATTER.....	11
MISLEADING THE PUBLIC.....	11
FALSIFICATION OF RECORDS.....	11
CONDUCT OF PRIVATE AFFAIRS.....	11
TAX, FINANCIAL AND LEGAL OBLIGATIONS.....	11
BULLYING.....	11
SEXUAL HARASSMENT.....	11
ACTING THROUGH OTHERS.....	12
CONFIDENTIALITY.....	12
PRESS STATEMENTS.....	12
INTEGRITY.....	12
REPORTING IMPROPER ORDERS.....	13
CANVASSING FOR FAVORS IN THE COMPANY.....	13
SELECTION, PROMOTION, PLACEMENT, DEPLOYMENT, TRANSFERS AND ASSIGNMENTS OF EMPLOYEES.....	13
HEALTH, SAFETY, & ENVIRONMENT COMPLIANCE.....	13
ALCOHOL, DRUGS AND SUBSTANCE ABUSE.....	13
DISCRIMINATION AGAINST PERSONS WITH DISABILITIES.....	14
DRESSING.....	14
PROTECTION OF EMPLOYEES.....	14
SUBMISSION OF WEALTH DECLARATIONS.....	14
LODGING OF COMPLAINTS AND INVESTIGATIONS.....	15
ENFORCEMENT OF THE CODE.....	15
BREACH OF CODE.....	15
REVIEW OF CODE.....	16

PART I: PRELIMINARY

KPC Code of Conduct and Ethics

This Code of Conduct and Ethics is a set of rules and guidelines that will regulate behavior, relationships and actions of the members of staff of Kenya Pipeline Company Limited in making choices, decisions and in exercising judgment that is consistent with ethical values. The Code is intended to establish and enhance the standards of ethical conduct or behavior of all staff and also serve as a tool for reinforcing the Company Rules and Regulations.

Rules of Conduct and Ethics contained in this Code are to be observed by all employees so as to maintain high integrity and enhance efficiency in service delivery and to deter bringing the Company into disrepute. The Code does not in any way replace the Company's Rules and Regulations which must be obeyed in addition to all other applicable laws.

In this code, the term 'he' is used to connote both male and female gender.

Establishing KPC Code

Under the Public Officer Ethics Act, 2003, the Public Service Commission is the responsible body for establishing a Code of Conduct and Ethics for employees of State Corporations. The Public Service Commission established a specific Code of Conduct and Ethics which Kenya Pipeline Company Limited subsequently adopted and customized.

Following the promulgation of the new Constitution in 2010 and enactment of the Leadership and Integrity Act, 2012, KPC has taken steps to align the existing approved Code of Conduct with the provisions of the new Act under Section 37 (1) of the Leadership and Integrity Act 2012. Every public entity is required to ascribe to all the provisions of Part II of the Act.

The Company

Kenya Pipeline Company Limited is a wholly owned Government Corporation under the Ministry of Energy and Petroleum, incorporated in 1973 under the Companies Act Cap 486. The core mandate is to transport, store and dispense petroleum products safely and efficiently from Mombasa to the hinterland through a pipeline system.

The employees of KPC discharge their respective duties at various points of operations and service delivery along the pipeline system, spanning from Mombasa to Western Kenya. The Managing Director of KPC is the responsible and authorized Officer for all Company employees in respect of which, he exercises disciplinary control, delegation of any disciplinary powers notwithstanding.

KPC is committed to serving all her stakeholders with loyalty, courtesy, impartiality, honesty and integrity and facilitating the objective of enhancing socio-economic growth through optimization of shareholder value. It is the Company's intention that, the conduct, demeanor and actions of the employees are consistent with core values of the organization within and outside the work environment, and in dealing with all the stakeholders.

Our Vision

"Africa's premier oil and gas Company"

Our Mission

"Transforming lives through safe and efficient delivery of quality oil and gas from source to customer"

Our Core Values

- I. Integrity;
- II. Transparency;
- III. Accountability;
- IV. Diligence
- V. Team spirit;
- VI. Loyalty; and,
- VII. Care for the environment

Our Motto

"To do our best always"

PART II: GENERAL CODE OF CONDUCT AND ETHICS

Compliance with General Code

All KPC employees shall comply with: -

1. All the provisions of the Public Officer Ethics Act, 2003 (No. 3 of 2003)
2. All the requirements in the General Leadership and Integrity Code under Part II of the Leadership and Integrity Act 2012
3. The provisions of Chapter six of the Constitution

Rule of Law

Every employee shall:-

1. Respect and abide by the Constitution and the law
2. Carry out the duties of the office in accordance with the law
3. In carrying out the duties of the office, not violate the rights and fundamental freedoms of any person unless otherwise expressly provided for in the law in accordance with Article 24 of the constitution

Public Trust

All employees shall exercise authority and responsibility vested in their respective office in the best interest of the public

Responsibility and performance of Duties

Every employee shall, to the best of his ability:-

1. Carry out his duties efficiently, honestly, transparently and in an accountable manner
2. Keep accurate records and documents relating to the functions of his office
3. Report truthfully on all matters of the Company
4. Endeavour to give clear and actionable instructions where possible. Where instructions are verbal, they shall be formalized within a reasonable time

5. In carrying out duties of the office, every employee shall take personal responsibility for the reasonably foreseeable consequences of any actions or omissions arising from the discharge of his duties

Professionalism

1. Every employee shall carry out their duties in a manner that maintains confidence in the integrity of the office
2. Treat all employees and members of the public with courtesy and respect
3. Employees should not discriminate against any person except as is expressly provided by the law
4. To the extent appropriate to the office, maintain high standards of performance and level of professionalism within the organization
5. If the staff is a member of a professional body, observe and subscribe to the ethical and professional requirements of that body, in so far as the requirements do not contravene the Constitution or the Leadership and Integrity Act
6. Adhere to all Company circulars, guidelines, Policies, rules and regulations issued from time to time
7. Observe E-mail and internet etiquette as outlined in the ICT policy

Financial Integrity

An employee shall:-

1. Not unlawfully or wrongfully enrich himself/herself or any other person
2. Not accept a personal loan or benefit which may compromise an employee in carrying out their duties
3. Ensure that he borrows only when capable of servicing the loan without any form of financial hardship or embarrassment to himself
4. Live within his means and avoid incurring any financial liability that he cannot satisfy
5. Not be subject of orders of warrant of arrest or attachment of salary issued in execution of a judgment against him
6. Not be declared bankrupt or be subject of a bankruptcy order

Gifts or Benefits in Kind

1. A gift or a donation given to an employee on a public or official occasion shall be treated as a gift or donation to the Company
2. Notwithstanding subsection (1), an employee may receive a gift given to them in an official capacity provided that:-
 - a) A gift is within the ordinary bounds of propriety (not exaggerated), usual expression of courtesy or protocol and within the ordinary standards of hospitality
 - b) The gift is not monetary
 - c) The gift does not exceed such value as may be prescribed by Management
3. Without limiting the generality of subsection 2, an employee shall not:-
 - a) Accept or solicit gifts, hospitality or other benefits from a person who:-
 - i. Has an interest that may be achieved by the carrying or not carrying out the Company duties
 - ii. Caries out regulated activities with respect to which KPC has a role
 - iii. Has a contractual or legal relationship with KPC
 - b) Accept gifts of jewellery or other gifts comprising of precious metals or stones, ivory or any other animal part protected under the convention on International Trade in Endangered Species of Wild Fauna and Flora
 - c) Any other type of gifts specified by the Company:-
 - i. An employee shall not receive a gift that is given with the intention of compromising their integrity, objectivity, or impartiality;
 - ii. Subject to subsection (2), an employee who receives a gift or donation shall declare it to the Managing Director through the Official gift registers provided at all Stations
 - iii. The Company has developed a Policy regarding Receipt and Disposal of Gifts which appears as an Appendix to this Code.

Acquisition of Property

An employee shall not use the office to wrongfully or unlawfully influence the acquisition of property.

Conflict of Interest

1. An employee shall use the best efforts to avoid being in a situation where personal interests conflict or appear to conflict with his official duties
2. Without limiting the generality of subsection (1), an employee
3. Shall not hold shares or have any other interest in a corporation, partnership of other body, directly or through another person, if holding those shares or having that interest would result in the employee's personal interests conflicting with his official duties
4. An employee whose personal interest's conflict with his official duties shall :-
 - a) Declare the personal interests to the Company through the Conflict of Interest Registers provided in all the Stations and comply with any directions given to avoid the conflict;
 - b) Refrain from participating in any deliberations with respect to the matter
5. Notwithstanding any directions to the contrary under subsection (4)
 - (a), an employee shall not award, or influence the award of a contract, to: –
 - a) Himself;
 - b) A spouse, child or relatives;
 - c) A business associate or agent; or
 - d) A corporation, private company, partnership or other body in which the employee has a substantial or controlling interest
6. Where an employee is present at a meeting where an issue which is likely to result in a conflict of interest is to be discussed:
 - a) The employee shall declare the interest at the beginning of the meeting or before the issue is to be deliberated upon;
 - b) A declaration of a conflict of interest shall be recorded in the minutes of the meetings

7. An employee shall ensure that an entry of registrable interest is updated and to notify the Company of any changes within one month of the change
8. In this section, "personal interest" includes the interest of a spouse, relative, business associate, or agent or any other matter in which the employee has a direct or indirect pecuniary or non-pecuniary interest

Participation in Tenders

1. An employee shall not participate in a tender for the supply of goods or services to the Company;
2. Holding of shares in a company by an employee shall not be construed as participating in tender of the Company unless the employee has a controlling shareholding in the company

Public Collections

1. An employee shall not solicit for contributions from the public for a public purpose unless by a gazette notice, a national disaster is declared and allowed in accordance to the law
2. An employee shall not participate in a public collection of funds in a way that reflects adversely on his integrity, impartiality or interferes with the performance of the official duties

Bank Accounts outside Kenya

An employee shall not open or continue to operate a bank account outside Kenya without the approval of the Ethics and Anti-Corruption Commission

Acting for Foreigners

1. An employee shall not be an agent or further the interests of a foreign government, organization or individual in a manner that may be detrimental to the security interests of Kenya
2. For purposes of this section :-
 - a) An individual is foreign if the individual is not a citizen of Kenya;
 - b) An organization is foreign if it is established outside Kenya or if it is owned or controlled by foreign governments, organizations or individuals

Care of Property

1. An employee shall take all reasonable steps to ensure that property that is entrusted to his care is adequately protected, is in good repair and condition and not misused
2. An employee shall return to the Company all the property in their custody, possession, or control at the end of their appointment
3. An employee who contravenes subsection (1) and (2) shall, be personally liable for losses resulting from the contravention as provided under the law and the Company regulations

Misuse of Official Information

1. An employee shall not directly, or indirectly use or allow any staff under their authority to use any information obtained through or in connection with the office which is not available in public domain for the furthering of any private interest whether financial or otherwise
2. The provisions of subsection (1) shall not apply where the information is to be used for the purposes of:-
 - a) Furthering the interests of the Leadership and Integrity Act
 - b) Educational, research, literary, scientific or other purposes not prohibited by law

Political Neutrality

1. An employee shall not engage in any political activity that may compromise or be seen to compromise the political neutrality of their office
2. Without prejudice to the generality of subsection (1), an employee shall not:-
 - a) Engage in any activity of any political party or candidate, or act as an agent of a political party or candidate in an election
 - b) Publicly indicate support for or opposition against any political party or candidate participating in an election

Impartiality

1. An employee shall at all times carry out the duties of the office with impartiality and objectivity in accordance with the National values outlined in the Constitution which include:-
 - a) Patriotism, national unity, sharing and devolution of power, rule of law, democracy, participation of the people,
 - b) Human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, protection of marginalized,
 - c) Good governance, integrity, transparency, accountability, and
 - d) Sustainable development
2. An employee shall not practice favoritism, nepotism, tribalism, cronyism, religious bias, or engage in corrupt or unethical practices

Giving of Advice

An employee who has a duty to give advice shall give honest and impartial advice without fear or favor

Gainful Employment

1. An employee serving on a full-time basis shall not participate in any other gainful employment
2. Gainful employment means work:-
 - a) That an employee can pursue and perform for money, other form of compensation, or remuneration which is inherently incompatible with their responsibilities;
 - b) Which results in the impairment of the judgement of the employee in the execution of the functions of the Company or
 - c) Results in a conflict of interest in terms of Section 9 of this Leadership & Integrity Code

Offers of Future Employment

1. An employee shall not allow himself to be influenced in the performance of their duties by plans or expectations for or offers of future employment or benefits
2. An employee shall disclose in writing to the Company all offers of future employment or benefits that could place them in a situation of conflict of interest

Acting in a Company Matter

A former employee shall not be engaged by or act for a person or entity in a matter in which he was originally engaged as an employee for at least two years after leaving the Company.

Misleading the Public

An employee shall not:

1. Knowingly give false or misleading information to any person;
2. Publicly comment, except in furtherance of his official duties, on matters in relation to which he has been professionally involved, without the express authority of the Managing Director;
3. Expressly or by implication, represent that any public comments he makes reflect the views or opinions of Kenya Pipeline Company Limited.

Falsification of Records

An employee shall not falsify any records or misrepresent information to the public

Conduct of Private Affairs

An employee shall conduct private affairs in a manner that maintains public confidence in the integrity of the office

Tax, Financial and Legal Obligations

1. An employee shall pay any taxes due from him within the prescribed period
2. An employee shall not neglect their financial or legal obligations

Bullying

1. An employee shall not bully another
2. Bullying includes repeated offensive behavior which is vindictive, cruel, malicious, or humiliating and is intended to undermine a person

Sexual Harassment

1. An employee shall not sexually harass a member of the public or a fellow employee

2. In Subsection (1), “ sexually harassment” includes doing any of the following, if the person doing it knows or ought to know that it is unwelcome :-

- a) making a request or exerting pressure for sexual activity or favors;
- b) Making intentional or careless physical contact that is sexual in nature; and making gestures, noises, jokes or comments, including innuendoes, regarding another person’s sexuality

Acting through others

1. An employee contravenes the code if he:-

- a) Causes anything to be done through another person that would constitute a contravention of the code if done by the employee
- b) Allows or directs a person under their supervision or control to do anything that is in contravention of the code

2. An employee who acts under an unlawful direction shall be responsible for his action

Confidentiality

An employee shall ensure that confidential or secret information or documents entrusted to his care are adequately protected from improper or inadvertent disclosure

Press Statements

An employee shall not issue or make press statements or communicate any information to the press on any matter under jurisdiction of the Company without the express authority of the Managing Director

Integrity

An employee shall:-

- 1. Not engage in any activities involving dishonesty, fraud or moral depravity
- 2. Be of good moral standing both within and outside working environment
- 3. Not practice tribalism and/or favoritism

Reporting Improper Orders

1. If an employee considers that anything required of him is a contravention of the Code or is otherwise improper or unethical, he shall report the matter to the Managing Director.
2. The Managing Director shall cause an investigation to be conducted and an appropriate action taken within thirty days
3. If no action is taken after 30 days, the employee may escalate the matter to the Commission

Canvassing for favors in the Company

1. An employee shall not canvass or lobby, either directly or indirectly, for any favors in the Company
2. Any employee found to have canvassed for any favor shall be disqualified and further disciplined in accordance with the Staff Rules and Regulations

Selection, Promotion, Placement, Deployment, Transfers and Assignments of Employees

1. An employee shall be:-
 - a) Selected on the basis of integrity, competence and suitability;
 - b) Promoted on the basis of qualifications, experience and merit
 - c) Placed, deployed and transferred on the basis of inclusivity, consultation and in accordance with the organization structure
2. Assignment of work outside duty stations shall be done on the basis of fairness, equity and on rotation

Health, Safety, & Environment Compliance

Every employee shall:-

1. Familiarize with the requirements of the Health, Safety and Environment (HSE) policy
2. Endeavor to observe and adhere to the HSE policy
3. Be in suitable personal protective clothing when required

Alcohol, Drugs and Substance Abuse

All employees shall:-

1. Ensure that their work place is free from alcohol, drugs, and substance abuse
2. Not report to work while intoxicated
3. Be subjected to the monitoring of the intoxication levels through the Breathalyzer (Alco-blow)

Discrimination against Persons with Disabilities

An employee shall not discriminate against another on the basis of disabilities

Dressing

Every employee shall be neat, decent and maintain an appropriate standard of dress and hygiene

Protection of Employees

An employee shall not:-

1. Victimize or discriminate against another for:-
 - a) Having performed the functions of office in accordance with the Constitution or any other law
 - b) Whistleblowing
2. Dismiss, deploy, transfer, demote in rank or otherwise subject an employee to disciplinary action without due process of law
3. Reveal/Expose the identity of an employee who whistle-blows

Submission of Wealth Declarations

1. Every employee shall submit a declaration of wealth as required under the Leadership and Integrity Act, S.6 (3) as follows:-
 - a) Initial – 30 days after employment;
 - b) Biennially – by 31st December of the relevant year
 - c) Final – 30 days after separation
2. Failure to submit declaration of wealth within the set deadlines attracts punitive measures

Lodging of Complaints and Investigations

An employee who alleges a colleague has committed a breach of the code, shall lodge a complaint with the relevant office and the complaint shall be registered and investigated.

Enforcement of the Code

1. Every employee shall:-
 - a) Receive a copy of the approved code and acknowledge receipt by signing
 - b) Commit to adherence of the tenets of the code
 - c) Familiarize with the tenets
2. The Managing Director shall ensure the compliance of the code by all employees

Breach of Code

1. Where an employee has committed, whether directly or by an agent, a breach of this Code, appropriate action will be taken generally in accordance with KPC Staff Rules and Regulations and/or other applicable laws
2. Any act of gross misconduct involving an employee shall be referred to the Disciplinary Committee which shall fully inquire into the matter and make appropriate recommendations to the Managing Director

Review of Code

This Code shall be reviewed at such intervals as dictated by the circumstances, but not later than three years.

Issued this *May 20 16* Day of 20.....

Signed: *AK Sang*
Managing Director

Joe Sang

Managing Director,
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