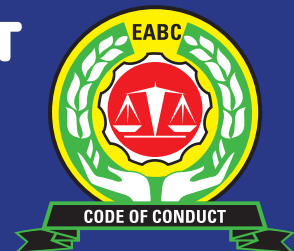


Burundi | Kenya | Tanzania | Rwanda | Uganda



EABC CODE OF CONDUCT FOR BUSINESS IN THE EAST AFRICAN COMMUNITY





Code of Conduct for Business in the East African Community



Preamble

We, the private sector of the East African Community, have developed this Code of Conduct for Business in the East African Community together with its Rules & Procedures as an initiative aimed at enhancing ethical business practices in the areas of Human Rights, Labour Standards, Environment, and Anti-corruption.

We, the members, encourage our peers to join the initiative by signing up to the Code together with its Rules & Procedures. It does not replace, but complements individual company's Codes of Ethics and other existing national and international level codes.

Our commitment to these ethical standards, guides our interaction with our stakeholders, that is, our employees; our shareholders and investors; users of our products and services; our suppliers, contractors and agents; our societies; our competitors and our national states and governments; the East African Community; and the environment.

We reaffirm that the private sector is the engine of growth and socio-economic development for the EAC. This Code provides common values to support regional economic integration and trade for prosperity in the EAC.





The Code

By committing to this Code, we pledge to treat our stakeholders with respect, to run our businesses responsibly, to act in compliance with applicable laws and regulations, and to be actively involved in promoting integrity and corruption prevention.

East African Community

- **Respect:** We respect the EAC, all its organs, and the common vision and values it represents.
- **Responsibility:** We commit to promoting the East African Community's goals by applying the highest ethical standards to our business operations and relations.
- **Compliance:** We comply with all laws and regulations of the EAC and its individual member states, whether doing business at national level or across the EAC.
- **Integrity and anti-corruption:** We do not participate in, or induce any unethical practice while doing business in the member states and across the region. We collaborate and support the EAC in promoting ethics and anti-corruption.

Our Workplace

- **Respect:** We respect the human rights and dignity of all our employees and do not tolerate unfair discrimination, exploitation or favoritism.
- **Responsibility:** We take responsibility for providing decent, safe and healthy work environments for our employees, and for developing their talent.
- **Compliance:** We commit to complying with prevailing legislation, good governance, industrial guidelines and international standards.
- **Integrity and anti-corruption:** We uphold ethical behavior and commit to institute internal control systems and build a culture of corruption-free business practices.

Our Shareholders and Investors

- **Respect:** We hold our shareholders and investors in high esteem and value their contribution to our business.
- **Responsibility:** We strive to give our shareholders and investors a fair return on their investments and protect their investments as entrusted to us. We will avoid using insider information in a manner that is detrimental to other stakeholders.
- **Compliance:** We comply with principles of good corporate governance.
- **Integrity and anti-corruption:** We uphold integrity and refrain from unethical practices that compromise the investments made by our shareholders and other investors.

Our Consumers

- **Respect:** We recognise our consumers as stakeholders, value their feedback and refrain from misleading or exploiting them.
- **Responsibility:** We aim to provide products and services that meet high standards of safety, quality and reliability, and build trust in our brands. We take full responsibility for products that fail to meet the required standards.
- **Compliance:** We comply with consumer protection laws and standards applicable in the EAC member states, and ensure that our products and services observe health, environmental and safety requirements.
- **Integrity and anti-corruption:** We strive to uphold the highest standards of ethics and professionalism in the provision of goods and services.

Our Suppliers, Contractors and Agents

- **Respect:** We value our suppliers, contractors and agents as partners and will engage in fair operating practices that will promote mutual respect.
- **Responsibility:** We uphold good corporate governance to promote equity and fair competition. We will ensure that the securing of services is done with high ethical standard and results to good quality end products / services
- **Compliance:** We comply with all legal and contractual obligations and uphold high ethical standards in procurement and other processes. We insist on the same commitment from our suppliers and agents.
- **Integrity and anti-corruption:** We commit to refrain from corrupt practices that can harm relationships with our business partners. We actively encourage our suppliers, contractors and agents to adopt ethical business practices.

Our Competitors

- **Respect:** We treat our competitors respectfully recognising their contribution to the industry.
- **Responsibility:** We commit to engage in fair competition practices within our particular industries and sectors.
- **Compliance:** We comply with competition laws and regulations.
- **Integrity and anti-corruption:** We commit to avoid behavior that undermines fair competition rules.

Our Community

- **Respect:** We recognise and respect cultural and social norms of the communities in which we operate and embrace diversity.
- **Responsibility:** We strive to serve in the public's best interest and hold ourselves accountable for the impact of our operations on local communities.
- **Compliance:** We observe the ethical norms of the communities affected by our operations.
- **Integrity and anti-corruption:** We engage with communities and other stakeholders in creating a corruption-free society.

Our Governments

- **Respect:** We respect our elected governments, all organs of the member states and the rule of law.
- **Responsibility:** We do not participate in, or induce public officers to engage in any unethical practice.
- **Compliance:** We comply with all laws and regulations within the EAC and in the individual member states.
- **Integrity and anti-corruption:** We collaborate and support our governments in promoting ethics and anti-corruption.



Environment

- **Respect:** We respect our natural environment, ecosystems and biodiversity and acknowledge their importance for society and their value to our businesses.
- **Responsibility:** We make responsible use of natural resources and strive to minimize the adverse ecological impacts of all business activities to achieve environmental sustainability.
- **Compliance:** We comply with environmental laws and regulations and implement environmentally sustainable practices. We commit to sustainable development and full life cycle responsibility for our products / services.
- **Integrity and anti-corruption:** We refrain from unethical practices that can degrade our natural environment and promote environmental protection throughout our value chain.

Implementation

We demonstrate our commitment by creating policies, procedures and structures to implement the values and obligations of this Code in our companies, and by reporting annually on our implementation of this Code. It is the company management's responsibility to ensure that employees understand and comply with the Code.



Code of Conduct for Business in the East African Community



Rules & Procedures

1. Membership to the EABC Code of Conduct for Business

Companies commit to the Code by signing a letter of commitment and engagement. There are two membership levels:

The Silver Level - Commitment Status

Silver members have committed to the EABC Code of Conduct for Business. The commitment requires the following actions:

1. Announce their commitment to the Code publicly (e.g. on their website, in annual reports)
2. Assess gaps in ethics management structures within the company
3. Develop a strategy on how to address the gaps identified. The report shall be submitted to EABC
4. Develop relevant policies, procedures and internal structures that promote integrity and ethical conduct within their company
5. Participate in trainings, seminars and workshops relevant for the promotion of the objectives of the Code offered by EABC or other providers (to build capacity for ethics management and peer learning)
6. Advance to Gold Level within two years after signing of the Code

The Gold Level – Full Implementation Status

Companies in this level will actively implement the provisions of the EABC Code of Conduct for Business. They will do so by initiating the following actions:

1. Visibly promote responsible business conduct and influence other companies to also commit to the Code
2. Conduct a self-assessment on the implementation progress
3. Publicly report on the Code's implementation progress. A reporting template will be provided for this purpose. The company will make its report available to the EABC Secretariat

4. Participate in trainings, seminars and workshops relevant for the promotion of the objectives of the Code offered by EABC or other providers (to build capacity for ethics management and peer learning)

Ethics Champions

In addition, member companies with an outstanding commitment and track-record of promoting the EABC Code of Ethics for Business can be appointed "Ethics Champions". These are Code members actively motivating other companies to sign and implement the Code. These companies will have to:

1. Fulfil all requirements for Gold Level status
2. Have the progress report in implementation externally/independently assessed
3. Actively motivate additional companies to sign and implement the Code
4. Play an advisory role to new signatories and share their experiences and best practices in implementing the Code

2. Relation to existing national level Codes of Conduct for Business

Companies that are signatories to other National Level codes can apply to be members of this Code at any level. Membership will be granted provided that compliance with the national level Code is equivalent to compliance with the EABC Code of Conduct for Business, and proof of compliance is provided. Fulfilment of these criteria will be ascertained by the Code committee at the EABC.

3. Benefits for Code members

Signatories to the Code accrue the following benefits:

- Use of the Code logo in company publications, flyers, brochures and adverts
- Access to trainings and workshops organized by the EABC and the national level business



member organisations. This will include general ethics management and sensitisation trainings, as well as specialised trainings

- Enhanced reputation within the business community, consumers and investors
- Preferential business relations with key national, regional and international companies and institutions that sign on as collaborators to the Code

Note that additional benefits will be continuously developed by EABC/the Code secretariat

4. Management structure for the Code

The EABC Code of Conduct for Business will be managed by a Code secretariat, hosted by EABC. The Code secretariat will have the following duties:

- Promoting business ethics and motivating companies to become Code members
- Reviewing and approving membership applications
- Maintaining and updating the register of members
- Receiving and verifying implementation progress reports as sent in by members
- Facilitating trainings, workshops and seminars relevant for the promotion of the objectives of the Code offered by EABC or other providers (to build capacity for ethics management and peer learning)
- Preparing tools and materials to support members internal assessments and implementation of the Code
- Receiving reports of about transgression of Code by members and submitting them to the Code committee
- Develop and maintain a website portal providing information on business ethics, the Code of Conduct and its membership

The secretariat will appoint a Code committee consisting of representatives of selected member companies and other stakeholders which will have the following duties:

- Reviewing, investigating and resolving reports of transgression of code by members submitted by the secretariat
- Approving promotion of members to Gold level based on recommendation from the secretariat
- Deciding on suspension and exclusion of members in non-compliance with obligations
- Appointing "Ethics Champions" on recommendation from the secretariat

5. Non-Compliance to the Code

There are two types of non-compliance with the EABC Code of Conduct for Business. Member companies can either transgress the Code principles, or fail to comply with the membership obligations.

Non-compliance with membership obligation

- A company remaining a Silver Member for more than two years will receive a notification from the EABC code secretariat. Support is offered to fulfil the obligations for advancing to Gold Level
- If a company remains in Silver Level for three consecutive years, the company's membership to the Code is publicly suspended for one year
- If no progress is made within the suspension period, the company is excluded from the Code

Transgressions of the Code principles

Should a signatory company transgress this Code, the Code committee, taking cognisance of the particulars of the case, will institute the following steps:

- Immediately after the incidence is registered, the code committee will discuss the transgression with the company at the highest level (Board of Directors, CEO) to ensure that measures are put in place to avoid a recurrence. Companies are given three (3) months to take appropriate action.
- After three (3) months, if the company has not taken appropriate remedial or preventive action, the EABC Code committee will release a public statement expressing disapproval of the transgression.
- After another one (1) month after issuance of the public statement, if the company has still not responded appropriately to the transgression, it will be publicly excluded from the Code for one (1) year.
- Resuming membership after 1 year suspension will be decided on a case by case basis on the condition that the company corrects the transgression, puts appropriate preventive measures in place, and demonstrates commitment to the Code.

Companies are given the opportunity self-report transgressions or non-compliance with membership obligations. This will prevent investigation by the Code management structure and companies will receive support in resuming to compliance. The Code Secretariat and Code committee will consider the following factors in its assessment and handling of the case:

- Severity of the transgression
- Self-reporting of the transgression by the company
- Nature and reliability of the source reporting the incident
- Previous reports of transgressions by the company
- Cooperation of the company with the committee in resolving the issue



Information on EABC



The East African Business Council

The East African Business Council (EABC) is the apex body of the Private Sector in the 5 East African Countries. It was established in 1997 to foster the interests of the Private Sector in the integration process of the East African Community. Originally comprising members from Kenya, Tanzania and Uganda, its membership was expanded after 2007 to include private sector from Burundi and Rwanda.

EABC's raison d'être is to seek change in public policy in order to promote a business environment conducive to business formation and growth. EABC therefore provides a regional platform through which the business community can present their concerns at the EAC policy level, with the overall aim of creating a more conducive business environment through targeted policy reforms. Additionally, EABC also works towards promoting private sector's regional & global competitiveness in trade and investment through addressing challenges experienced by EABC members at organizational and firm level and through provision of tailored market intelligence.

EABC's key stakeholders are primarily the EAC Business Community as represented through Members and their affiliates, the EAC Secretariat and EAC organs and institutions, National Policy Makers and other key national and regional organizations working towards enhancing private sector participation in the EAC and global integration.

EABC has an "Observer Status" at the EAC, which enables us to attend and participate in all relevant EAC activities and deliberations, not only at the Secretariat but also in other organs and institutions.

VISION: EABC's vision is to be the dynamic voice of the private sector in the East African Community, in fostering sustained economic growth and prosperity in the region.

MISSION: Our mission is to represent and promote the interests of the EAC business community; provide value added services that create new business opportunities, enhance global competitiveness of EAC businesses, and actively influence government policies to improve the enabling business environment.

OUR VALUES: In all its operations, EABC is guided by the following principles, which shape the internal culture:

- **Accountability:** We are accountable to our members and stakeholders. We manage our resources responsibly and use them efficiently to provide value for money. We commit to being held responsible for all our actions and track all we do with appropriate documentation.
- **Balanced:** We value fair balance and seek to arrive at win-win positions that are fair to all parties involved. We are driven by the economic ideals of the EAC Integration and are not influenced by political or national agendas. Rather, we are guided by our vision of fostering sustained economic growth and prosperity in the region and by our mission to the EAC business community.
- **Integrity:** We value ethical behaviour and operate with transparency and lack of ambiguity. Our actions are clear, consistent, honest and truthful.
- **Innovation:** We value the creation of new solutions to existing and new challenges. We are dedicated to creating new policy advocacy approaches and place a premium on designing innovative solutions for the EAC business community.





For more information on the Code of Ethics for Business in EAC or to become a Member, please contact the EABC Secretariat:

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