

# TOYOTA KENYA LIMITED

## SUPPLIERS' CODE OF CONDUCT

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This Code is applicable to suppliers of Toyota Kenya Limited (hereinafter called "TKEN") and their employees (be they permanent, temporary or casual) and subcontractors. This Code sets out the standard we wish to see achieved by TKEN and our suppliers over time. This Code will be updated from time to time to improve in all aspects of our dealings. The implementation of this Code may include joint audits and site visits to assess and continuously review performance and compliance status.

### **1**     *Purpose*

This Code sets forth the guidelines our suppliers should observe and adhere to in doing business with TKEN.

### **2**     *Communication and awareness*

Suppliers are encouraged to take all reasonable endeavours to promote the Code to their employees, suppliers and subcontractors. In addition TKEN and its suppliers will ensure that all the relevant people are provided with appropriate guidance to support the Code.

### **3**     *Application*

- Suppliers applying the Code are expected to comply with the relevant laws, regulations and standards in Kenya and applicable international laws
- The Code is applied for the purposes of promoting safe and fair working conditions and management of the environment and social issues in TKEN's supply chain
- TKEN will work jointly with its suppliers in the implementation of the Code, which may include audits and site visits to assess performance against the code
- Suppliers will be requested to provide TKEN with reasonable access to all relevant information and premises for the purposes of assessing performance against the Code

### **4**     *Corrective action*

- Suppliers are expected to identify, correct and monitor the continued compliance of any activities that fall below the standards of the Code
- Suppliers shall immediately report to TKEN any serious breaches of the Code and together agree on a schedule for corrective action
- Any violations of the Code that indicate fraudulent, corrupt or illegal activity on the part of our suppliers will result in the termination of their contracts with TKEN
- Where serious breaches of the Code are identified and persist, TKEN will consider termination of the business relationship with the supplier concerned

## 5 *Monitoring and reporting*

- TKEN will use a risk-based approach to monitor implementation of and adherence to the Code and will report the progress in the appropriate forum
- TKEN and its suppliers will use reasonable endeavours to provide employees and other stakeholders with a confidential means to report any actual or potential breach of the Code

## 6 *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

## 7 *Bribes, Conflict of Interest, Gifts and other Courtesies*

### **7.1 Bribes**

Suppliers shall not make or offer bribes or payments of money or anything of value to any TKEN employee or any other third party for the purpose of obtaining or retaining business with TKEN. As for TKEN 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 TKEN employee for this purpose. Suppliers are required to comply with all applicable local anti-bribery and anti-corruption laws.

### **7.2 Conflicts of interest**

No supplier shall enter into a financial or any other relationship with a TKEN employee that creates a conflict of interest for TKEN. A conflict of interest arises when a TKEN 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 TKEN 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 TKEN MD for approval of the transaction.

### **7.3 Gifts and other business courtesies**

Suppliers shall ensure that any expenditure incurred in relation to any particular TKEN 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 TKEN.

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

- (i) The gifts are small, occasional, customary and usual e.g. advertising and promotional materials having a wide distribution such as calendars, t-shirts
- (ii) The gifts have a monetary value of not more than Kshs 6,000
- (iii) The gifts are moderate in terms of frequency and quantity
- (iv) Acceptance of the gift does not violate any applicable law

Gifts should never be given in cash or cash equivalents.

## 8 *Employment relations*

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

### 8.1 *Child labour*

TKEN 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.

### 8.2 *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, discrimination based on race, tribe, colour, sex, marital status, pregnancy and any other characteristic protected by Kenyan law

### 8.3 *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.

### 8.4 *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
- Suppliers will 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
- Suppliers will also ensure that workers are provided at least one day off during any seven day working period

### 8.5 *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.

## 9 *Environmental matters and the community*

Suppliers will comply with all Kenya environmental laws in force from time to time. TKEN encourages its suppliers to play a role in improving the environment, comply with applicable environmental, health and safety Standards and seek ways to use and produce products that are environmentally friendly. In addition suppliers are encouraged to engage with communities and invest in society in a way that makes effective use of resources including the support for charitable organizations.

**10 Compliance and implementation**

**10.1 Licences and returns**

The supplier 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 the supplier will be required to prepare and file any returns that shall be required under the law.

**10.2 Taxation, Financial integrity and Retention of records**

- The supplier 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 TKEN 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 then suppliers will not destroy any relevant records until the matter has been investigated and closed.

**11 Duty to report**

It is the duty of our suppliers, contractors and employees to report dishonesty, corruption, fraud, labour and human rights concerns, environmental damage or any other unethical behavior. All pertinent details should be reported in confidence to the Managing Director of TKEN.

Contact	Details
Report to the Managing Director of TKEN	Managing Director Toyota Kenya Limited Toyota Building, Uhuru Highway, Opposite Nyayo Stadium, Nairobi P.O. Box 3391 - 00506 Phone No:+254 (20) 6967555 Email: <a href="mailto:sachio.yotsukura@toyotakenya.com">sachio.yotsukura@toyotakenya.com</a> or Email: <a href="mailto:concerns@toyotakenya.com">concerns@toyotakenya.com</a>

**12 Variation**

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

**This code should be signed by an authorized signatory of the supplier.**

Received by: \_\_\_\_\_

Designation: \_\_\_\_\_

Signature: \_\_\_\_\_

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

**Please include your company stamp**