



NEW KENYA PLANTERS COOPERATIVE UNION PLC

FARMER CENTRIC, TRANSPARENT, ACCOUNTABLE

New Kenya Planters Cooperative Union Public Limited Company Supplier Code of Conduct

1. Introduction and Purpose

New Kenya Planters Cooperative Union PLC (New KPCU) is committed to a farmer-centric, transparent, accountable, and sustainable coffee value chain. This Supplier Code of Conduct (the "Code") establishes the minimum standards that all suppliers, contractors, service providers, transporters, consultants, and their subcontractors must meet when doing business with New KPCU.

The Code is grounded in:

- Article 227 of the Constitution of Kenya, 2010 (fair, equitable, transparent, competitive, cost-effective, and sustainable public procurement that protects the environment and promotes socio-economic factors).
- Public Procurement and Asset Disposal Act, 2015 (PPADA) and Regulations, 2020 (PPADR) — including supplier compliance obligations (Section 72) and debarment provisions.
- Public Finance Management Act, 2012 (PFMA) — value for money and fiscal discipline.
- Anti-Corruption and Economic Crimes Act, 2003, Bribery Act, 2016, and related laws (zero tolerance for corruption).
- Conflict of Interest Act, 2025 and Leadership and Integrity Act, 2012.
- Data Protection Act, 2019.
- Crops Act, 2013 and Crops (Coffee) (General) Regulations, 2019 (quality, grading, traceability).
- Warehouse Receipt System Act, 2019, EU Deforestation Regulation (EUDR), and international standards referenced in the New KPCU Supply Chain Management Policy (October 2025), including ISO 20400:2017 (Sustainable Procurement), ISO 14001:2015, and ISO 9001:2015.

This Code forms part of all contracts and agreements with New KPCU. Suppliers must comply fully and ensure their subcontractors do the same.

New KPCU is committed to continuous improvement of this Code and will provide reasonable support (training, templates) to help suppliers comply, especially with EUDR requirements.

2. Scope and Applicability

This Code applies to all suppliers, contractors, service providers, transporters, consultants, and their subcontractors (direct and indirect) engaged with New KPCU. New KPCU may apply additional requirements to high-risk categories (e.g., coffee inputs, logistics, packaging) based on a risk assessment.

3. Core Principles

Suppliers shall uphold New KPCU's values: Integrity, Traceability, Farmer Centric, Professionalism, Teamwork, Transparency, and Accountability.

All activities must deliver value for money, promote sustainable development, and support farmer livelihoods, market access (especially EUDR-compliant exports), and national goals (Vision 2030, BETA, SDGs).

4. Legal and Regulatory Compliance

- Comply with all applicable Kenyan laws, regulations, and international obligations (including EUDR for relevant supplies).
- Maintain valid registrations (eGP, KRA PIN, KEBS/ISO certifications where required, business licenses).
- For coffee-related supplies (inputs, packaging, equipment, services): adhere to Crops (Coffee) Regulations on quality, safety, and traceability.
- Immediately notify New KPCU of any regulatory breaches, investigations, or debarment risks.

5. Ethical Conduct and Anti-Corruption

- Zero tolerance for bribery, corruption, fraud, collusion, extortion, or facilitation payments.
- Prohibit offering or accepting improper advantages (gifts, hospitality, favors) that could influence decisions. Modest, culturally appropriate gifts may be accepted only if disclosed and approved.
- Suppliers shall not make political contributions intended to influence New KPCU decisions or public procurement processes.

- Report any suspected corruption via designated whistleblower channels (protected under law).

6. Conflict of Interest

- Disclose immediately (and annually) any actual, potential, or perceived conflict of interest involving New KPCU staff, Board members, or their relatives (Conflict of Interest Act, 2025).
- Avoid situations where personal interests could compromise impartiality.

7. Human Rights, Labor Standards, and Social Responsibility

- Respect internationally recognized human rights and ILO core conventions.
- Prohibit child labor, forced labor, modern slavery, and discrimination.
- Provide fair wages, reasonable working hours, safe working conditions, and freedom of association.
- Promote inclusion: support opportunities for youth, women, persons with disabilities (PWD), and local communities (aligning with PPADA preference and reservation schemes).
- Support living incomes for smallholder farmers in the supply chain where applicable.

8. Health, Safety, and Environment (HSE)

- Comply with Occupational Safety and Health Act and related regulations.
- Implement appropriate HSE management systems.
- Minimize environmental impact: reduce waste, emissions, and resource use; prioritize low-carbon logistics and circular practices.
- For coffee value chain activities: support zero post-2020 deforestation, climate resilience, and regenerative practices (EUDR, ICO, Rainforest Alliance/SCA standards).
- Comply with the Environmental Management and Coordination Act (EMCA), 2015, including requirements on waste management, pollution control, and environmental impact assessments where applicable.

9. Quality, Traceability, and Sustainability (Coffee-Specific)

- Deliver goods/services meeting or exceeding specified quality standards, with full traceability.
- For EUDR-relevant supplies: provide verifiable farm-level geolocation data (polygons), due diligence evidence, and proof of no deforestation after 31 December 2020.
- Support digital traceability systems (ERP, WMS, TMS, e-WRs) and sustainability reporting (ESG metrics for contracts > KSh 5 million).
- Innovate for cost efficiency, quality preservation, and farmer benefit.
- Suppliers involved in the coffee value chain shall support New KPCU's digital traceability initiatives (e.g., providing necessary farm/plot data, geolocation coordinates in polygon format, and due diligence evidence) and cooperate on EUDR Due Diligence Statements.

10. Data Protection and Confidentiality

- Handle all personal and commercial data in strict compliance with the Data Protection Act, 2019 (and GDPR where applicable for EU exports).
- Implement appropriate technical and organizational measures to protect data.
- Use data only for the agreed purpose and delete/return it upon contract end or request.
- Suppliers must notify New KPCU within 48–72 hours of any actual or suspected personal data breach.

11. Performance, Reporting, and Cooperation

- Meet delivery timelines, quality, and quantity requirements.
- Provide timely invoices, accurate documentation, and early warnings of potential issues (within 24 hours).
- Submit required reports (e.g., ESG, sustainability metrics) and participate in performance evaluations and audits.
- Cooperate fully with New KPCU audits, inspections, and investigations.

12. Monitoring, Compliance, and Continuous Improvement

New KPCU will:

- Evaluate supplier performance quarterly using scorecards (KPIs may include on-time delivery $\geq 95\%$, quality $\geq 98\%$, sustainability compliance $\geq 90\%$, etc.).
- Conduct risk-based audits and site visits.
- Support capacity building (training on EUDR, sustainability, etc.).

Monitoring intensity will be risk-based. High-risk suppliers (e.g., those providing coffee inputs, transportation, or services directly impacting traceability) may face more frequent audits and reporting. Suppliers must implement corrective actions for identified gaps.

13. Violations and Consequences

Breaches of this Code may result in:

- Written warning and mandatory improvement plan.
- Suspension of business.
- Contract termination.
- Debarment from future tenders (PPADA).
- Reporting to relevant authorities (e.g., PPRA, EACC, DCI, WRSC) for criminal or administrative action.
- Recovery of losses and legal costs.

Serious violations (e.g., corruption, modern slavery, EUDR non-compliance) will lead to immediate termination and potential blacklisting.

Suppliers will be given written notice of alleged breaches and a reasonable opportunity (normally 14–30 days) to respond and implement corrective actions before escalation to termination or debarment. An appeal mechanism will be available for material decisions, per the company policies and procedures.

14. Code Review and Updates

New KPCU will review this Code annually or as required by law/changing standards. Suppliers will be notified of material changes and must confirm continued compliance.

15. Acknowledgment and Commitment

Acceptance of a purchase order, contract award, contract signature, or supplier registration constitutes formal acknowledgment and commitment. Suppliers must also ensure equivalent commitments from their subcontractors and agents.