



BUSINESS INTEGRITY AND ETHICAL PRINCIPLES FOR MEMBERS OF THE SHIPPERS COUNCIL OF EASTERN AFRICA

PREAMBLE

All partners of the Shippers Council of Eastern Africa (SCEA), including its members, Board of Directors, the Secretariat, donor partners, government agencies and suppliers, among others are all recognized as important entities in contributing to the success of SCEA. Our goal is to build a strong and reputable representative body for shippers in East Africa by developing relationships with business partners who share our common goal of reducing the cost of transport and logistics services, improving supply chain efficiency and enhancing the competitiveness for shippers in this region.

SCEA, having committed to the Code of Ethics for Business in Kenya on 16th March 2012, takes into account internationally recognized standards and best practises in business ethics in the following key areas:

- a) Transport and logistics services
- b) Customs clearance procedures
- c) Rules, regulations and procedures for international trade

SCEA Vision

An Efficient Logistics Chain that Enhances the Competitiveness of Cargo Owners in Eastern Africa

SCEA Mission

To Offer Proficient, Research Based Advocacy and Value-add Services to Cargo Owners

SCEA Core Values

- a) Customer Focus
- b) Innovation and Continuous Improvement
- c) Integrity
- d) Teamwork and partnership

PURPOSE OF THE CODE

This is a voluntary, principles-based code of conduct for the members and partners of SCEA. It seeks to establish a consensus of what constitutes good practice in businesses across the logistics chain so that businesses can align their processes with emerging good practice and form the foundation for the development of indicators of compliance. This code does not replace, but complements the code of ethics for business in Kenya and all other individual company codes of ethics. The membership of SCEA commits to treating all the stakeholders with respect, to run their businesses with responsibility, to act in compliance with all laws and to be incorruptible by upholding the highest ethical, transparent and professional standards, treating all stakeholders with integrity and thus earning their trust.

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By promoting and enforcing this business code of ethics, SCEA aims to:

- a) Promote integrity and best practices in the manner with which members conduct their businesses
- b) Reduce the cost of transport and logistics by discouraging corruption and the payment of facilitation fee
- c) Protect the public interest by enhancing the sustainability agenda
- d) Improve the trade logistics environment by enhancing transparency and accountability
- e) Handle irresponsible behaviour through self-regulation

GENERAL PROVISIONS OF THE SCEA BUSINESS CODE OF ETHICS

In order to demonstrate commitment to this code of ethics, SCEA members shall govern their business operations by observing to the letter the spirit of this code and also affirm their source of pride as members of SCEA by ensuring that they do following:

- a) Aspire to live up to this code and adhere to the requirements as set out general and specific provisions of this code
- b) Demonstrate visible and active commitment to the implementation of this code including assigning responsibilities to an individual to monitor the adherence to the code
- c) Base all company policies on this code and provide leadership, resources and active support for implementation of this code
- d) Put in place a company code of ethics, ethical policy and internal control mechanisms that will strengthen this code across all subsidiaries, joint ventures and branches
- e) Make known their ethics and anti – corruption policy to all contractors and suppliers
- f) All known instances of unethical practises will be reported to the relevant authorities responsible for ethical and anti – corruption reporting
- g) To avoid conflict of interest, SCEA members commit to declare ones interest in an issue, before taking action on the same to ensure one does not obtain unfair advantage over the others
- h) Commit to act with honesty in all professional and business relationships
- i) Commit to comply with the laws of the land
- j) Make it public that they have committed to the code through the annual reports, company websites and other forums
- k) Participate in seminars and workshops organized by SCEA in relation to the objectives of this code

SPECIFIC PROVISIONS OF THE SCEA BUSINESS CODE

As a company doing business in Kenya, this code identifies top areas within the logistics chain that SCEA members will on a day to day basis seek to reduce unethical practices. SCEA members will therefore commit to undertake the following:

1. Dealing with Customs Authorities and Related Trade Facilitation Agencies

- a) Each member of SCEA commits to always deal with customs and related Trade facilitation institutions and individuals with professionalism and integrity
- b) Each member of SCEA commits not to engage in any corrupt practices during the customs clearance process

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- c) Each member of the SCEA undertakes to refrain from wilfully engaging in illegal trade activities such as fraud, trading in contraband and illegal goods, mis-declaration of goods to reduce the tax burden, mis-coding and wilful attempts to evade taxation
- d) Each member of SCEA commits to refrain from payment of facilitation fee to facilitate faster processing of their documentation

2. Interaction with Logistics Service Providers Including Port Operators, Road Transporters, Rail Transporters, Maritime Transporters and Container Freight Station Operators, Airline Carriers and Transit Shed Operators

- a) Each members of the SCEA commit to observe all the Government rules and regulations related to transportation and warehousing including but not limited to axle load control regulations, the Traffic Act and all the legal provisions in the logistics industry; and not to collude with logistics service providers to break the law
- b) SCEA members shall at all times be fair in their dealings with logistics service providers and avoid mis-declaring the nature and quantity of goods for purposes of personal gain and/or reducing the tax burden or otherwise
- c) Specifically SCEA members will desist from colluding with road transporters to overload trucks; giving bribes at police check points and weighbridge stations; and colluding with airline operators to hoard cargo space in airlines

3. Interaction with Regulatory Authorities and Compliance to Trade Rules and Regulations

- a) SCEA members shall at all times commit to full compliance with all Government laws, rules and regulations governing their business activities
- b) SCEA members commit not to engage in any illegal activity, including fraud and corrupt practices including trade in illegal or sub-standard goods
- c) SCEA members shall commit to comply to all relevant licensing regimes, global best practices and standards
- d) SCEA members shall continuously endeavour to familiarize themselves of all the rules, regulations and procedures of international trade through relevant training and other avenues

4. Internal Reporting, Motivation and Results Based Management

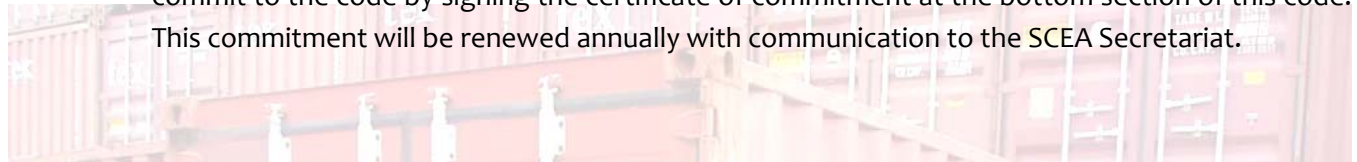
- a) Each SCEA member will endeavour to participate in a vibrant internal reporting model by forwarding any of their concerns and or knowledge of a potential breach of this code of ethics to the SCEA Secretariat or the relevant national authorities
- b) The members of the SCEA that will have been deemed to have effectively integrated the principles and instruments of this code will benefit from incentives to motivate participation and reward compliance and SCEA will give preference for business opportunities to complying members
- c) Each member of the SCEA will institutionalize an innovative results based management culture within their organization to enhance delivery on this code of ethics.

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- d) Members are required to establish effective internal and external communication of the code, publicly disclose its program for countering bribery and open to receiving communications from relevant interested parties with respect to compliance

5. Enforcement and Implementation

- a) This is a voluntary code and leaders in the SCEA member institutions will commit to set the ethical tone in their organizations. Members will commit to ethical business practises that shall be proved through structures and strategies to implement the values and commitments in this code and by reporting annually on their adherence to this code. A company shall be deemed to commit to the code by signing the certificate of commitment at the bottom section of this code. This commitment will be renewed annually with communication to the SCEA Secretariat.



CERTIFICATE OF COMMITMENT

_____	_____	_____
Full Name	Designation	Signature
Name of Company/Organization	_____	
Company Seal/Stamp	_____	Date _____
Witnessed by		
Name _____	Signature _____	

