



THE KENYA POWER AND LIGHTING COMPANY PLC

WHISTLEBLOWING POLICY

Part A - Document Control Sheet			
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Complementary Documents	<ol style="list-style-type: none"> 1. Memorandum and Articles of Association 2. Capital Markets Authority Act, Code of Corporate Governance 3. Mwongozo Code of Governance for State Corporations, 2015 4. KPLC Board Charter 5. Board Diversity and Inclusion Policy 		

WHISTLEBLOWING POLICY

Part B – Definitions and Abbreviations

Confidential Information	Includes Information about the identity, occupation, residential address, work address or whereabouts of: (i) A Whistleblower (ii) A person against whom a Whistleblower has made a disclosure of improper conduct, Information disclosed by a Whistleblower and Information that, if disclosed, may cause detriment to any person.
Corruption	Means the misuse or abuse of the Company's office for private gain
Good Faith	Means honestly intended action based on a reasonable belief and is evident when the report is made without malice and the individual has a reasonable basis to believe that the report is substantially true
Malpractice	Means improper, illegal or negligent professional activity or treatment
Whistleblower	Means an employee or any stakeholder making a protected disclosure under this Policy
Whistleblowing	Means making a disclosure in public interest or exposing alleged misconduct, dishonest and illegal activities occurring in the Company.

Part C – Introduction

The Kenya Power and Lighting Company PLC (The Company) is incorporated in Kenya under the Companies Act, 2015, (previously Chapter 486, laws of Kenya) and listed on the Nairobi Securities Exchange. The Company recognizes that an important aspect of accountability is to have a mechanism to enable all individuals to voice their concerns internally in a responsible and effective manner when they discover information which they believe shows serious Malpractice. To this end, this Policy demonstrates the Company's commitment to recognize and take action in respect of Malpractice, illegal acts or omissions by its employees.

It is the responsibility of all staff to ensure that if they become aware that actions of other customers or officers might compromise this objective, they will be expected to report the matter in the safe knowledge that this will be treated seriously and sensitively.

Noting that the Witness Protection (Amendment) Act, 2020, was enacted by the Parliament of Kenya to protect Whistleblowers, it is important to develop a Whistleblowing Policy and its procedures to protect staff who acting in Good Faith, disclose information about the Company and its activities or those of any of its customers or relevant employees which might be considered as fraudulent or corrupt behaviour.

This Policy and its procedures have been developed to support and assist staff in bringing genuine concerns to the attention of appropriate people within the Company who can initiate an investigation into matters raised. Where this Policy conflicts with an Act enacted by the Parliament of Kenya, then the Act will take precedence over this Policy. If a complainant requires further protection beyond this Policy, the provisions of the Witness Protection Act, 2010, shall apply.

Part D – Policy Purpose

This Policy is designed to: -

1. Support the Company's values of Customer First, One Team, Passion, Integrity and Excellence

2. Ensure all employees feel supported in speaking up in confidence and reporting matters they suspect may involve anything improper, unethical or inappropriate
3. Provide clear procedures for reporting and managing all disclosures in a timely, consistent and professional manner
4. Provide assurance that all disclosures shall be taken seriously, treated as confidential and managed without fear of retaliation
5. Encourage all improper, unethical or inappropriate behaviour to be identified and challenged at all levels in the Company.
6. To foster a culture of transparency, accountability and integrity.

Part E - Policy Statements

The Company embraces Good Faith Whistleblowing. The Whistleblower will suffer no adverse repercussions as a result of making a disclosure of Corruption or Malpractice. Any person who has reason to believe that a Board member or employee has not acted in accordance with the Code of Conduct and Ethics should bring the matter to the attention of the relevant or the appropriate government agency.

In furtherance of these, this Policy is guided by five key principles: -

1. **Fairness.** All concerns raised will be treated fairly and properly
2. **Protection.** The Company will not tolerate any form of harassment or victimization of anyone raising a genuine concern
3. **Confidentiality.** Any individual making a disclosure will retain his /her anonymity unless he/she agrees otherwise
4. **Transparency and Feedback to Whistleblower.** The Company will ensure that any individual raising a concern is aware of who is handling the matter and that feedback is provided as appropriate
5. **Legitimacy of Concern.** The Company will ensure that no one is at risk of suffering some form of retaliation because of raising concern. However, this assurance would not be extended to someone who maliciously raises a matter that is known to be untrue.

Part F – Features of Policy

1. Protection

- 1.1 The Company is committed to good practice and high standards and wants to be supportive of all Stakeholders and Employees. The Company will not tolerate any harassment or victimization of Whistleblowers and will protect persons who raise concern in Good Faith. However, if the Company finds out that false or malicious allegations have been made, appropriate remedial action will be taken as guided by the disciplinary procedures for members of staff or other appropriate action in case of Board members or other stakeholders in accordance with the Code of Conduct and Ethics Policy.
- 1.2 The Company will not victimize or discriminate against a genuine Whistleblower and neither will it allow any such discrimination or victimization by any of its staff or Board members. Specifically, the Company will not discharge, demote, suspend, threaten, harass or in any other manner discriminate or penalize any employee or stakeholder who lawfully provides information to the authorities regarding any misconduct which the Whistleblower reasonably believes constitutes a violation of any law.
- 1.3 The Company will take steps to minimize difficulties that the Whistleblower may experience with regard to protected disclosure. Thus, where the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive relevant advice about the procedure and other appropriate support.
- 1.4 A Whistleblower may report any violations to the Board Chairperson, Managing Director & Chief Executive Officer (MD&CEO) or General Manager, Internal Audit. The Managing Director shall constitute a committee to investigate the same and recommend suitable action to the MD&CEO for appropriate action. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Any stakeholder or Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

2. Anonymity and Confidentiality

- 2.1 All matters raised by concerned employees will be treated with the utmost confidentiality.

- 2.2 All correspondence entered into during the Whistleblowing process is absolutely confidential whether a person making the disclosure wishes to remain anonymous or not.
- 2.3 The substance of an investigation including the identities of the parties to it will remain confidential and may only be disclosed with the consent of the complainant.

3. **Anonymous Allegations**

- 3.1 All complaints must contain as much information as possible to allow for proper assessment. Anonymous allegations will be considered based on the following factors: -
 - 3.1.1 The seriousness of the issues raised
 - 3.1.2 The credibility of the concerns
 - 3.1.3 The likelihood of confirming the allegations from attributable source
 - 3.1.4 To the extent possible, any complaint should be factual rather than speculative or conclusory
 - 3.1.5 This Policy encourages one to put their contact information to the allegations whenever possible.

4. **Untrue Allegations**

- 4.1 Disciplinary action will be taken against employees who make allegations frivolously, maliciously or for personal gain.

5. **Whistleblowing Procedure**

5.1 **Procedure for Staff**

- 5.1.1 When one has a complaint, an issue or a concern to raise, they may utilize the following reporting procedure: -
 - a) Report to your immediate supervisor
 - b) If the discussions with the immediate supervisor are fruitful the case shall be investigated and resolved forthwith
 - c) If the discussions with the immediate supervisor are not fruitful or if inappropriate or highly confidential, one may report directly using the confidential channels in this Policy
- 5.1.2 The Board & Regulatory Affairs will provide regular feedback on the progress of the case until closure

5.1.3 One may wish to forward their complaint/issue/concern directly to external agencies as outlined further in this Policy under Whistleblower's Recourse

5.1.4 The **summarized flowchart** of the Whistleblowing procedure is attached in **Appendix 1**.

5.2 Procedure for Board Members

5.2.1 When a Board member has a complaint, an issue or concern to raise, the Board member may utilize the following reporting procedure: -

- a) When a Board member becomes aware of or has reasonable Good Faith, or believes that the Company may be involved in illegal activity, fraud or violation of this Policy or if the Board member suspects any impropriety regarding the Company's accounting methods, internal controls, audit processes or any other financial matter, the Board member should immediately report such concern ("suspected wrongful act") to the Chairman of Audit Committee
- b) If it is impractical or inappropriate for the Board member to notify the Chair of the Audit Committee, the Board member should notify the Chairman of the Board and if impractical or inappropriate for the Board member to notify the Chairman of the Board, the Board member should notify the Company Secretary
- c) Reports may be submitted in writing or verbally and should contain as much detail as possible to allow an appropriate investigation to begin. The submission should be made within two years of the suspected wrongful act. The Board member should retain all documents that could be relevant to an investigation of the matter
- d) All reports received would be acted upon in confidence to the maximum extent possible given legal requirements and the need to gather facts, conduct an effective investigation and take the necessary corrective action
- e) No adverse action including but not limited to intimidation, harassment, discrimination or other retaliation may be taken

against a Board member for reporting in Good Faith allegations of improprieties or illegal activities which the Board member reasonably believes to be true or for assisting in the investigation of a reported incident

- f) The improprieties covered by this Policy include but are not limited to the following: -
 - (i.) Supplying false or misleading information on the Company's financial documents
 - (ii.) Providing false or misleading or withholding material information from the Company's auditors
 - (iii.) Violation of the Company's Policies such as Code of Conduct and Ethics, Conflict of Interest Policy, Board Remuneration Policy, Gift Policy among others
 - (iv.) Company assets being used for personal gain or benefit
 - (v.) Payment for services or goods that are not rendered or delivered
 - (vi.) Embezzlement, or
 - (vii.) Planning, facilitating or concealing any of the above.

5.3 Procedure for Other Stakeholders

5.3.1 If any other stakeholder who is neither staff nor Board member wishes to report any suspected impropriety or misconduct he/she can utilize the anonymous reporting method or through the confidential reporting hotline www.kplc.co.ke/integrity.

5.4 Whistleblower's Recourse

5.4.1 The ideal situation is to give everyone an effective way to raise concerns within the Company (if possible, resolve it internally). However, this procedure clause is meant to give a Whistleblower an alternative justice mechanism if they are not satisfied with the Company's decision. These include: -

- a) The Office of the Auditor General, Kenya
- b) A relevant professional or regulatory body
- c) Government of Kenya's Efficiency Monitoring Unit
- d) Ethics and Anti-Corruption Commission

- e) Directorate of Criminal Investigations
- f) The Witness Protection Agency
- g) Commission on Administrative Justice (Office of the Ombudsman)

5.5 Response to the Whistleblower

5.5.1 The Whistleblower will be contacted within ten (10) working days detailing the following: -

- a) Acknowledgement that the concern has been received
- b) Indication of how the Company intends to deal with the matter
- c) Provision of an estimate of how long it will take to provide a final response
- d) Provision of feedback on the preliminary findings and response
- e) Provision of feedback of the findings and decision.

Part G - Scope

1. This Policy applies to all the staff members of the Company including permanent and temporary staff. It also applies to contractors, suppliers, customers, Board members, shareholders, members of the public and any other stakeholder parties.
2. This Policy also covers such reportable incidents which include inter alia: -
 - 2.1 Suspected fraud or Corruption
 - 2.2 Criminal offence
 - 2.3 Bribery
 - 2.4 Embezzlement
 - 2.5 Misappropriation or diversion of public property and public funds
 - 2.6 Disregard for legislation e.g., Public Officers Ethics Act, 2003
 - 2.7 A breach of the Code of Ethics
 - 2.8 Damage to the environment
 - 2.9 Breach of the standing financial rules and regulations
 - 2.10 Showing undue favour over a contractual matter or to a job applicant
 - 2.11 Failure to comply with legal or regulatory obligations
 - 2.12 Irregularities in the hiring or promotion of staff
 - 2.13 Inversion and distortion of social values including soliciting for and giving

- sexual and assorted favours
- 2.14 Professional Malpractice
- 2.15 Practicing of nepotism, tribalism and clannism
- 2.16 Irregular procurement of goods and services
- 2.17 Falsification of data and documents
- 2.18 Concealment of any of the above.
- 3. The list in 2 above is not exhaustive.

Part H - Responsibility for Implementation of the Policy

1. **Board of Directors**
 - 1.1 Approval and adoption of this Policy
 - 1.2 Provide oversight on implementation of this Policy.
2. **Corporate Governance Committee & Managing Director and Chief Executive Officer**
 - 2.1 Ensure accountability for successful implementation of this Policy.
3. **General Manager, Legal, Regulatory Affairs & Company Secretary**
 - 3.1 Monitor the implementation of this Policy
 - 3.2 Initiate the changes to the Policy when it is due for review or when there are legislative changes.
4. **Staff in General of KPLC**
 - 4.1 All staff are duty-bound to ensure that the best possible standards of care is achieved and to act in accordance with their professional codes of conduct.
 - 4.2 Staff are encouraged to: -
 - 4.2.1 Report any form of unethical behaviour, a contravention of the Company's Code of Conduct and Ethics or raise any concerns that something happening is unethical or improper and might compromise the provisions of the Code of Ethics
 - 4.2.2 Raise concerns in Good Faith with the true belief that Malpractice has occurred
 - 4.2.3 Not raise concerns with any malicious intent or vexatious nature

- 4.2.4 Raise concerns with an appropriate officer as per this Policy.
- 4.3 Staff members may report suspected cases of fraud and Corruption to the following: -
 - 4.3.1 Board of Directors
 - 4.3.2 Managing Director and Chief Executive Officer
 - 4.3.3 General Manager, Legal, Regulatory Affairs and Company Secretary
 - 4.3.4 General Manager, Internal Audit
 - 4.3.5 All General Managers
 - 4.3.6 Regional Managers
 - 4.3.7 Manager, Security Services
 - 4.3.8 Departmental Managers and Supervisors
 - 4.3.9 Board and Regulatory Affairs Department
 - 4.3.10 Corruption Prevention Committees
 - 4.3.11 Integrity Champions
- 4.4 If the staff member prefers to remain anonymous, then they can report through the confidential reporting hotline integrity@kplc.co.ke.

5. **General**

- 5.1 All Persons who are the first recipients of reports, have a duty to: -
 - 5.1.1 Treat concerns in a confidential manner
 - 5.1.2 Take staff concerns seriously
 - 5.1.3 Carefully consider the concerns including undertaking an investigation
 - 5.1.4 Establish an enabling environment that ensures that corrective measures are taken to address any operating procedures that may contribute to such violations
 - 5.1.5 Seek appropriate advice
 - 5.1.6 Take appropriate action to resolve the concern or refer it to an appropriate person
 - 5.1.7 Keep the member of staff informed of the progress, monitor and review the situation
 - 5.1.8 Ensure that those who in Good Faith report suspected violations or misconduct are not penalized.

Part I - Triggers for Policy Review

This Policy will undergo a review under any of the following circumstances:-

1. Legal and regulatory changes
2. Changes in business environment
3. After three years.

The Board of Directors of Kenya Power and Lightning Company Plc will approve any revisions to the Policy.

Part J - Statutory and Regulatory Compliance Requirements

This Policy is guided by legal and policy instruments that include: -

1. Constitution of Kenya, 2010
2. Anti-Corruption and Economic Crimes Act, 2003
3. Commission on Administrative Justice Act, 2011
4. Ethics and Anti-Corruption Commission Act, 2011
5. Fair Administrative Action Act, 2015
6. Leadership and Integrity Act, 2012
7. Official Secrets Act, Chapter 187 of the laws of Kenya
8. Penal Code Chapter 63 of the laws of Kenya
9. Proceeds of Crime and Anti-Money Laundering Act, 2009
10. Public Officer Ethics Act, 2003
11. Public Procurement and Asset Disposal Act, 2015
12. Witness Protection Act, 2010
13. Leadership and Integrity Code
14. Mwongozo Code of Governance for State Corporations, 2015

Part K - Distribution List

This Policy shall be distributed to all employees and Board members.

SIGNED BY:-

JOY BRENDA MASINDE
CHAIRMAN, BOARD OF DIRECTORS

Signature Date: