

The 2021 BCKK Integrity Index

#committedtobusinessintegrity



Table of Contents

1. Introduction	3
2. Progress Against the Six Key Integrity Principles	4
Proportionate Policies	4
Risk Assessment	5
Due Diligence	6
Top-Level Commitment	7
Communication and Training	7
Monitoring and Review	8
3. The Impact of COVID-19	9
4. Innovation and Digitisation	10
5. Integrity and Economic Recovery	12
6. How the Index is Built	13
7. 2022 BCCK Integrity Index	14

1. Introduction

Welcome to the BCKK Business Integrity Index 2021. We are delighted to support our members and other businesses who have chosen to operate with integrity. Index companies have developed deliberate strategies supporting this choice. They undergo further assessments on their regulatory compliance, track record and rules-based policies covering bribery, embezzlement, corruption and money laundering. BCKK and our partners are committed to helping businesses in Kenya embed integrity best practices in their operations.

Farida Abbas, CEO, BCKK



We have designed the 2021 BCKK Integrity Index programme in response to the priority action areas identified at the Public-Private Dialogue on Integrity held in March 2021. Firstly, we are developing assessment tools for companies to evaluate and strengthen their anti-corruption policies and practices. Secondly, we are helping them comply with the relevant UK and Kenya anti-bribery regulations. Thirdly, we will be generating and sharing more in-depth analysis of the barriers to integrity facing the private sector in Kenya. We will continue to show that ethical business pays, by signposting index companies to our members and inbound investors looking for local partners.

Sonal Sejpal, Chairperson, BCKK



Integrity remains a key pillar in building mutual prosperity for the UK and Kenya. I was delighted to meet many of the Index companies when I was in Nairobi. Operating with integrity is vital as we rebuild our economies together following the COVID-19 pandemic and, through COP26, accelerate action against climate change. The UK Government will continue to support the BCKK, and our partners in the Government of Kenya, to ensure the long-term success of this important initiative.

Theo Clarke MP, The UK's Prime Minister's Trade Envoy to Kenya



2. Progress Against the Six Key Integrity Principles



Priority Action for 2022 Integrity Programme

Strengthen Business Integrity Frameworks

- BCKK to organise a workshop for Index companies to share knowledge and tools to strengthen their integrity policies and processes.
- Enable and support peer-to-peer networks for like-minded business leaders to consult and problem-solve on bribery and corruption issues.

Proportionate Policies

Clear policies around ethics and transparency create an environment of trust and accountability. All the companies in the Index have well defined integrity policies and implementation plans. These range from 'zero-tolerance' rules-based policies to wider frameworks for personal behaviour.

Christine Kimathi, Business Development Manager at Anjarwalla & Khanna LLP, describes the firm's policy on bribery and corruption, "Breach of this policy is treated as a serious disciplinary offence. The anti-bribery and corruption laws also apply to any entity or person that is engaged by the firm in whatever capacity."

GSK Pharmaceutical Kenya also has a wider conduct policy for staff and partners. "Through annual Code of Conduct training, all employees are made aware of best practice, and our third parties are contractually obliged to train their staff on GSK's ABAC requirements." Compliance Manager, Maria Leshamta.



Anjarwalla & Khanna recognise reputation is vital to success and should be committed to the highest standards of integrity.

Risk Assessment

COVID-19 has meant that Index companies have had to deal with many new regulations and restrictions on business operations. This has put significant additional pressure on risk managers.

Farida Abbas says, "Index companies have had to beef up their risk management capacity over the last couple of years. This has been driven by continual risk assessments around COVID-19. The silver lining is that many companies have become much more adept at managing acceptable safe practices and legal requirements."

Catherine Kinyua, Managing Director at Leah and Gibson says, "We hire experts and professionals to help us assess compliance risks around legal requirements and regulations. Our employees are encouraged to report any non-compliance cases on a hotline monitored by the CEO."

Most of the Index companies have mapped out potential risk areas and developed preventative measures. Risk assessment policies also verify third party entities, like suppliers and potential partners.

Lady Askari Limited, a security risk management company, conducts risk assessment checks on potential customers for potential violations of national and international standards of integrity.



James Finlay continues to maintain a strong focus on sustainability to add value to their stakeholders, the local community, and the economy of Kenya.

Due Diligence

Third-party relationship risks continue to be a focus for Index companies. Catherine Kinyua explains, "We engage various tools to research on the reputation of the company and key individuals. We give our clients an opportunity to respond to unresolved issues and make an assessment based on their response."

David Kariuki, Managing Director, Metrocart Ltd, adds, "We conduct factory visits on new suppliers to verify their credibility and product quality. We also ensure they are approved for importation."



By operating with integrity, Metrocart provides solutions that give clients value for money and compensate for short-term losses in the long run.

Companies operating in Kenya are now required to maintain a register of their beneficial owners, and the Beneficial Ownership Information (BOI) e-register was operationalised on 13 October 2020. In November 2021, Kenyan media was [reporting](#) that more than 2,000 companies were closed down by the Attorney-General in the year ended June 2021 for failing to disclose their owners.

“The BOI register is an important tool for companies conducting due diligence. Despite initial system teething problems, our members report that they are increasingly using it for know your customer (KYC) and supplier checks.”

Farida Abbas, CEO, BCKK

Top-Level Commitment

Index companies all recognise that an integrity culture needs the right tone at the top. At GSK Pharmaceutical Kenya, leadership are required to hold annual open integrity conversations with their teams, in which they brainstorm ethical dilemmas and the best way to deal with them.

At Lady Askari, they recognised the need for up-skilling their company leadership to drive their integrity agenda. "We hold an ethics and anti-corruption training for our company officers. They are now much better equipped to lead integrity discussions in our online toolbox talks," says Administration Manager, Barbara Okumu.

Having direct lines of communication on integrity for leaders is important. Most Index companies have a channel for people to flag issues directly with an independent board member or senior leader.

Asim Shah, Director at Tarpo Industries, says, "Operating with integrity is about consistently doing the right thing ethically. Being recognised on the Index is external recognition of our culture of integrity and lays a foundation of trust and credibility for anyone who wishes to do business with us."

Communication and Training

Integrity briefings for new joiners are a minimum entry requirement for the Index. Many companies have continued to innovate around how they deliver communications and training.

Bolloré Transport & Logistics Kenya conducts an annual World Anti-Bribery Day townhall meeting, led by the CEO. This is on top of the mandatory e-learning training on ethics and compliance. Easton Electric Ltd takes a business school approach by working through case studies to better understand hidden integrity loopholes and how to respond.

Amos Mbugua, Director at BlueWave International Services Ltd, says, "We focus on integrity issues during quarterly appraisal forums and departmental review meetings. Specific integrity cases are tackled during these sessions."



A reputation for integrity, transparency and fair business practices in Kenya has enabled Bolloré Transport & Logistics to become a trusted supply chain partner for many like-minded companies.

Monitoring and Review

Several companies on the 2021 Index reported new evidence-based programming and measurement of progress toward integrity objectives. This includes qualitative and quantitative data collection and analysis, as well as impact and process evaluations.

Farida Abbas says, “Index companies with professional monitoring and evaluation teams have developed some groundbreaking tools for monitoring and evaluation of integrity. We will be working collaboratively with them to share these tools with smaller Index companies and BCCK members.”

“This is the real benefit of the Integrity Index. We are developing a platform for knowledge sharing between like-minded businesses that are facing the same issues.”



Another delivery from Greenspoon, the online food company concentrating on integrity of supply.

Priority Action for 2022 Integrity Programme

Build the evidence base

- Launch a detailed market study on business integrity, developed by BCCK.
- An assessment tool for companies to evaluate anti-corruption policies and practices.
- Identify policy gaps and promote compliance.

3. The Impact of COVID-19

COVID-19 has highlighted the important position and relationship between businesses and society in Kenya. Businesses have had to act repeatedly with speed and agility to protect employee health and livelihoods.

Without a state-sponsored wage subsidy or furlough scheme, the responsibility was on business continuity to ensure that millions of Kenyans were able to maintain a living. The pandemic was a true test for leadership and business culture.

Mick Svinos, Managing Director at Sentinal Group Limited says, “We plan for the worst and hope for the best. We kept afloat thanks to a steady increase in available cash flow over the preceding few years. During COVID-19, we were able to quickly invest in a locally assembled product, which helped us secure new sales and maintain margins.”

A company integrity framework can also serve as a compass for leaders, managers and employees, to navigate the unexpected and unfamiliar. LRN's [2021 Ethics & Compliance Program Effectiveness Report](#) found that 80% of global company bosses said ethics and compliance considerations played a key role in shaping their organization's response to COVID-19.

Linda Koyonzo, Sales and Marketing Manager at SGS Kenya, confirms this, “We plotted business continuity by focusing on key programmes and services that aligned to our global policy on integrity and sustainability.”

The private sector in Kenya is taking an active role in supporting and implementing the government's COVID-19 mitigation strategies. In September 2021, the Kenya Private Sector Alliance (KEPSA), together with the Ministry of Health, rolled out the first phase of its vaccination programme. This involved companies funding and hosting vaccination clinics for employees, their families, and neighbouring communities.

Many companies were already taking active steps to help employees with benefits and new working arrangements. When essential industries and workers were unable to work remotely, the focus was predominantly on education around personal integrity and compliance with COVID-19 protocols.

Finlays Kenya Managing Director, Simeon Hutchinson, maintains that several decades of Environmental, Social and Governance (ESG) policy experience, meant the company understood how to support essential workers. “From the outset, we delivered intensive training and communications to all employees about COVID-19 protocols to keep themselves, their colleagues and their dependants safe.”



The production line at Tarpo Industries, the tent and shelter manufacturer, which joined the Index in 2021.

Priority Action for 2022 Integrity Programme

Public-Private Dialogue 2022

- BCK's annual dialogue meeting to include idea exchange on digitisation.
- Analyse opportunities to promote integrity through digitisation and mitigate against data integrity threats.

4. Innovation and Digitisation

Technology is increasingly becoming a critical integrity tool. In Figure 1 below, the World Economic Forum's Tech for Integrity programme outlined the key touchpoints where systems are most vulnerable to corruption – and where digitisation could provide a solution.

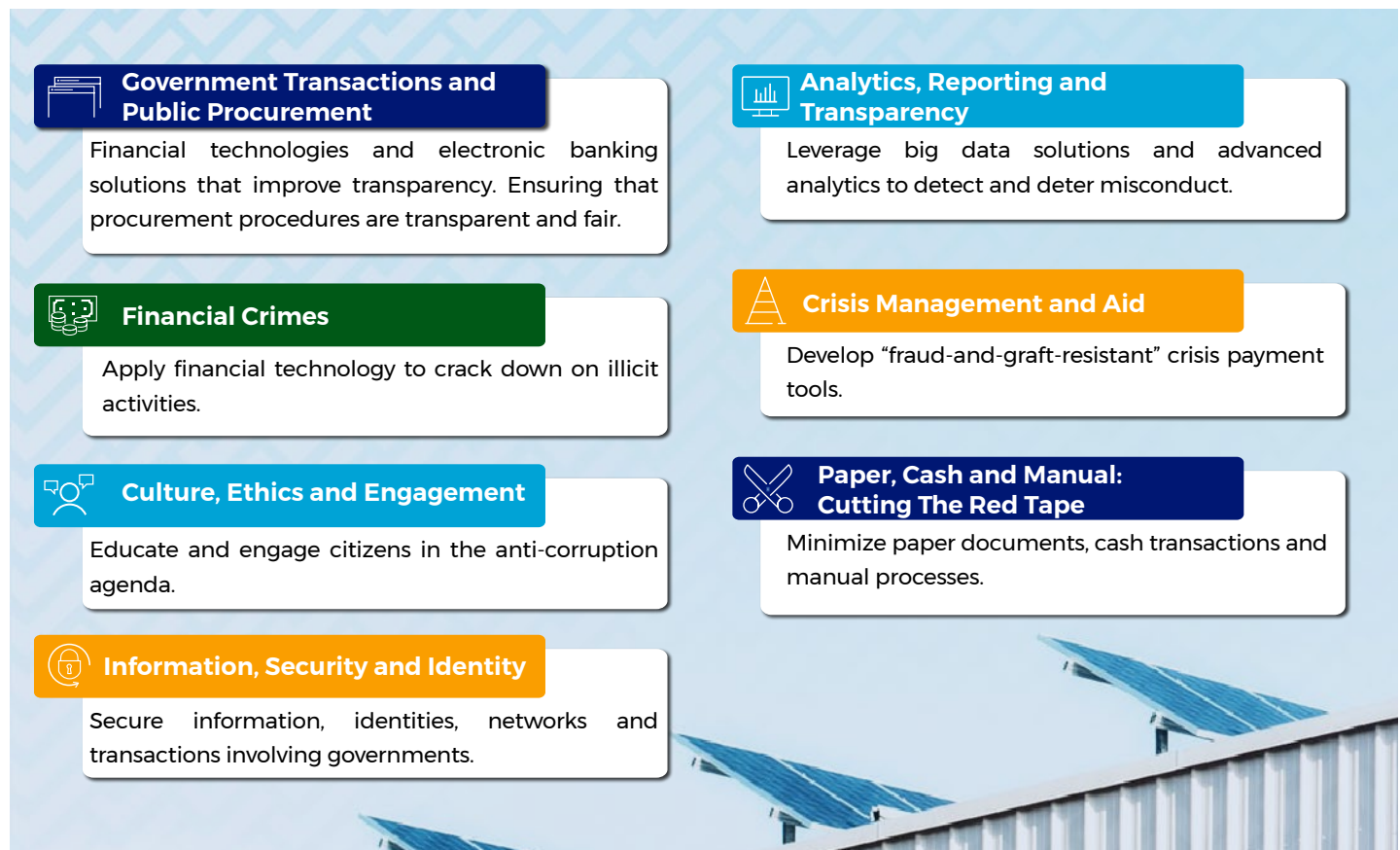
BCKK and KPC Director, Rita Okuthe, spent over a decade in senior roles with the region's leading technology company, Safaricom.

“There have been incredible strides in digital payments, connectivity and access in Kenya over the last 15 years. As a country, we're uniquely positioned to leverage this infrastructure to improve transparency and curb corruption. But we're not there yet. We need to apply the same level of focus and investment to integrity that we did to financial inclusion. Public sector digitization plays an integral role in driving business integrity, transparency and improving the ease of doing business.”

Fintechs and digital disruptors have mushroomed on the back of this change. In other sectors, COVID-19 has accelerated the adoption of digital business models by over a decade. E-commerce, private healthcare and retail insurance have all made substantive digital investments and progress over the pandemic period. This is driving increased transparency, more equitable access and is bringing down the cost of service.

In the public sector, there has been some progress on digitising services through initiatives like the e-Citizen portal, the integrated financial management information system (IFMIS) and its e-procurement platform. However, the experience on the ground is still patchy.

Figure 1



Speaking anonymously, the managing director of one of Kenya's leading tea producers, identified issues with the user experience. "Some public sector portals – such as KRA iTax – are reasonably efficient and easy to use. Others, like the business registration service and immigration, require a lot of improvement before they can add any value."

A report from the [University of Oxford's Pathways for Prosperity Commission](#) points out that, where underlying administrative procedures don't change, the benefits of e-government could be undermined, "Some e-government services may be offered online, but the full processes to obtain certain services may still require citizens to meet with government officials in person."

This appears to be the situation in public procurement – where Integrity Index companies perceive they struggle most with integrity barriers. Evidence would suggest that a significant number of public procurement projects are not finding their way onto the relevant digital procurement platform.

Ian Makgill, the co-founder of Spend Network, spoke at the 2021 Public-Private Integrity Dialogue organised by BCKK. His firm's analysis of public procurement opportunities being published, finds that Kenya is second only to South Africa for publication in Africa.

“ This rate of more than 1,200 notices per annum is excellent for Africa, but low by global standards. It is not to say that any unpublished public procurement is corrupt – capacity constraints and security concerns can affect publication. However, we also see a correlation between high rates of publishing and better value for money, low perceptions of corruption and positive economic growth. ”

Ian Makgill, co-founder, Spend Network



With integrity as one of their core values, Exotic EPZ process their nuts under the guidelines of FSSC 22000 food safety systems and quality management principles.

Priority Action for 2022 Integrity Programme

Public Procurement Workshop

- BCKK to organise workshop for Index companies to share knowledge and tools around public sector procurement.

5. Integrity and Economic Recovery

On September 22, 2021, HE President Uhuru Kenyatta addressed the UN General Assembly on building back better. His key themes of vaccine equity, increased investment and climate action were all underpinned by a call to action for countries to do so in a way that strengthens trust between citizens and public institutions as well as citizens and their leaders.

This is echoed by Mick Svinos from Sentinel Group, who believes that trust and integrity have a direct impact on business regrowth. “Business integrity is essential for ensuring that employees have total confidence in the company which, in turn, reflects how they deal with clients. If they have lost trust as a business, they are not going to come back.”

EY's 2020 Global Integrity Report makes the case for business ethics helping companies to “thrive financially and deliver long-term value for their stakeholders. For example, Ethisphere research found that the world's most ethical organizations outperformed the US Large Cap Index by 13.5% over a five-year period.”

Global CEOs, in the same survey, defined the top three benefits of business integrity as strong corporate reputation (50%), attracting new customers (41%) and retaining talented employees (40%). These are all factors of perception and user experience, whereas minimising risks of regulatory and legal action came in at only 31%.

“ Kenya has seen a steady improvement on the Transparency International Perception Index since 2018. We know there is work to be done. Through the BCCK Integrity Initiative, we see first-hand proof that people, policy and prosecutions can come together to effectively address corruption.

There is an increase in companies appearing on the Integrity Index, who are committed to show that ethical business pays. We call on investors who are looking to build back in Kenya to partner with these companies who are putting integrity at the heart of what they do. ”

Farida Abbas, CEO, BCCK



Turner and Townsend has participated in both editions of the Integrity Index and expanded to its new Nairobi campus in 2021.

Priority Action for 2022 Integrity Programme

Business Development

- BCCK workshop to study the challenges and opportunities for Index companies to access UK businesses.
- Build capacity through training modules for Index companies to pursue high-value, complex sales opportunities.

6. How the Index is Built

The Index features companies across a range of sectors, mirroring Kenya's diversified economy. Companies range in size from three to 3,000 plus employees.

The process for nominating and assessing the companies is rigorous but manageable. All the companies in the Index have completed a self-assessment based on BII's integrity principles. They have demonstrated that these principles are given serious consideration and implemented in a variety of ways. Forty-six new nominations were received, and twenty-four out of the twenty-six companies in the 2020 index submitted a self-assessment. Fifty made it all the way through to the final index.



Summit Recruitment & Search Africa use their Career Clinic Days to advise their candidates on how they can land their dream jobs, ethically and fairly.

The four-stage process is as follows

1. Nominations are made by BCK members and other UK government missions operating in Kenya. Companies are also able to self-nominate.
2. Based on BII's integrity principles, nominees complete a self-assessment.
3. Self-assessment forms for new nominations are evaluated and scored.
4. Self-assessment forms for returning Index companies are evaluated and scored.
5. Non-Index companies (rated between 23.80 and 28.00) and returning Index companies (rated between 5.00 and 6.00) are invited to join the Index.

7. 2022 BCCK Integrity Index

Company Name	Sector
4G Capital	Financial services and business tools
Adili Corporate Services	Corporate secretarial, administration and outsourcing services
Adpak International	Manufacturing
* Adrian Kenya	Systems integration
ALN Kenya Anjarwalla & Khanna LLP	Legal services
Bluewave International Services	HR consultancy and training
Bollore Transport and Logistics Kenya	Logistics
Castor Vila Africa	Corporate security and risk management
Cellsoft Technologies	Software and application development
CrossBoundary East Africa	Investment and transaction advisory
CrossBoundary Energy Kenya	Energy
Davis & Shirtliff	Water and energy equipment
Eaton Electric	Power and management support
Enviroserve Recycling and Services	Recycling
Environnementalistes Sans Frontiers (ESF) Consultants	Environmental and social management
Exotic EPZ	Agribusiness
Farwell Innovations	Software development and consultancy
FBW Kenya	Architectural and building consultancy Services
German Imaging Technologies	ICT
GPA plc (Calla Ltd)	Real estate
Green Spoon	Online artisan food
GSK Pharmaceutical Kenya	Pharmaceuticals
* ION Kenya/MYDAWA	Healthcare
* Ishida East Africa	Precision products manufacturer
James Finlay Kenya	Agribusiness
JMiles&Co.	Legal services
Kenbright Actuarial and Financial Services Ltd	Actuarial, insurance, risk, & regulatory consulting services
Kenton College	Education
Kieti Law LLP	Legal services
KK Security	Security
KPMG Advisory Services	Audit, tax & consulting
JW Seagon & Co. Insurance Brokers (K)	Insurance
Lady Askari	Security risk management
Leah and Gibson	Gourmet food products and catering
Leleshwa Pharmacy	Healthcare
* Lifecare International Insurance Brokers	Insurance
Metrocart Ltd	Energy
Turner & Townsend	Project and programme management
Olea Kenya Insurance Brokers	Insurance
Onyango & Tarus Advocates	Legal services
Pathcare Laboratories	Healthcare
Polucon Services Kenya	Inspection and verification
Ramani Geosystems	GIS mapping and surveying
Salama Fikira International Kenya	Risk management, security, logistics and emergency solution support
Scribe Services Registrars	Immigration and support services
Sentinel Group	Security
SGS Kenya	Quality assurance
Summit Recruitment and Search	HR consultancy and training
Tarpo Industries	Manufacturing
Traction School of Governance and Business	Education

* Participated in the Business Integrity Initiative Pilot.



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