



**THE REMARKS OF MR.GEOFFREY O.ODUNDO,  
CHIEF EXECUTIVE, NAIROBI SECURITIES EXCHANGE,  
DURING THE CEREMONY TO SIGN THE CODE OF ETHICS FOR BUSINESS IN KENYA  
ON 30<sup>th</sup> MAY 2016**

Mr. Eddy Njoroge, Chairman, Nairobi Securities Exchange;  
Mr. Paul Muthaura, Chief Executive, Capital Markets Authority;  
Ms. Phyllis Wakiaga, Chief Executive, Kenya Association of Manufactures;  
Members of the Board of UN Global Compact present;  
Trading Participants Chief Executives present;  
Members of the Board of the Nairobi Securities Exchange present;  
Members of the Media;  
Distinguished guests;  
Ladies and Gentlemen.

Good Morning and welcome to the Exchange.

Ethics in business is the key to unlocking the full potential and long term sustainability of every business. Corruption undermines governance, democracy and the rule of law while destroying investor confidence, raising the costs of doing business, driving investors and employers away and reducing economic growth.

Our markets continue to become increasingly dynamic, in order to enhance economic growth; companies must therefore constantly ensure that they are best equipped to respond to changing market needs and trends.

A survey carried out in 2012 showed that 72% of managers in the private sector saw corruption as a major concern and that the transport and telecommunication sector was seen as the most prone to this vice. Poor pay was identified as a key factor that encourages workers to engage in unethical behaviour.

A World Bank report estimates that over US\$1 trillion is spent on bribes worldwide and 25 % of Africa's GDP is lost through corruption annually. This year, the Global Competitiveness Report ranked corruption as the leading problematic factor to doing business in Kenya

**Ladies and Gentlemen**

Strengthening of consumer protection and enhancing investor confidence is paramount to our Capital Markets. Today we take the first step towards enhancing Ethics in our market by signing the Code of Ethics for businesses in Kenya.

The code which is based on the ten principles of the UN Global Compact, derives from the areas of; human rights, Labour Standards, Environment and Anti-corruption, will foster cohesive understanding within the Exchange and most importantly improve the standard set for interacting with our stakeholders.

The code of ethics for businesses in Kenya resonates with our commitment to enhancing environmental social governance (ESG) in our Capital Markets in line with the Sustainable Development Goals (SDGs).

The Exchange commits to cultivate a culture of governance and transparency amongst our listed companies, safeguarding the interests of our investors.

**Ladies and Gentlemen;**

We are happy to note that the code of Ethics for Business in Kenya is gaining considerable prominence in our country. I would like to recognize the great work being done by the UN Global Compact Kenya team, Kenya Association of Manufacturers and Kenya Private Sector Alliance.

As a listed company, we aspire to live up to the code and adhere to its requirements, basing our company policies on the code and dedicating resources towards achieving aspirations of the code.

**Conclusion**

Before I conclude allow me to recognize listed companies that have already signed the code of ethics for businesses in Kenya; Bamburi Cement and Athi River mining. Congratulations for breaking the ground for us.

I urge other Capital Market players to lead by example by signing the Ethics for Business in Kenya and push for action and implementation of Ethics within our organizations; especially as we look to enhance shareholder value.

In conclusion I would like to take this opportunity once again congratulate UN Global Compact for promoting such a great initiative. Let's all join fight unethical activities in our market.

With this few remarks allow me to invite Philips Wakianga Kenya Association of Manufactures CEO.

Thank you.

**MR.GEOFFREY ODUNDO**

**CHIEF EXECUTIVE**