KENYA BUSINESS CHANNEL

The Voice of KEPSA

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LEVERAGING ESG PRACTICES IN BUSINESSES

Business Climate Action & Climate Risk Assessment
Navigating Trade Competitiveness and Climate Financing Solutions

Path to Sustainability and Resilience
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> *"Good ESG performance is not just a moral imperative but is positively correlated with financial success."*

The private sector in Kenya is at a pivotal juncture, standing on the cusp of a transformative journey towards enhanced sustainability and global competitiveness. The adoption of Environmental, Social, and Governance (ESG) practices is emerging as a strategic imperative for businesses seeking long-term success and international recognition.

The essence of ESG integration lies in aligning business practices with principles that encompass environmental stewardship, social responsibility, and robust governance. In Kenya, where the private sector plays a crucial role in economic development, embracing ESG practices is not just a responsible choice but a strategic necessity. The nexus between ESG and business sustainability is increasingly evident, with a direct correlation between good ESG performance and financial success. As articulated in the ESG Guidance Manual by the Nairobi Securities Exchange (NSE), the private sector in Kenya, both listed and non-listed entities, now has a structured framework to guide the incorporation of ESG criteria. This manual is a significant milestone, responding to the growing demand for comprehensive ESG disclosures, and it provides a roadmap for businesses to navigate the integration process effectively.

The opportunities stemming from ESG integration in Kenya are multifaceted. There is a heightened demand for ESG reporting, transparency, and dialogue, particularly among listed entities. Notably, good ESG performance is not just a moral imperative but is positively correlated with financial success. Kenya, spearheading the integration of ESG into its long-term goals, has positioned itself as a regional leader, laying the foundation for sustainable finance initiatives through initiatives like Vision 2030.

However, the journey towards ESG maturity is not without challenges. The landscape in Kenya is still in its early stages, necessitating a concerted effort from businesses to formulate and implement robust ESG policies. The need for constant monitoring and evaluation is crucial, ensuring that the policies evolve and address emerging challenges.

In light of these opportunities and challenges, it is prudent for both listed and non-listed entities to embark on the journey of ESG integration.

Conducting a self-audit on ESG matters, meeting investor requirements, and formulating and implementing ESG policies are essential steps. Regular monitoring and evaluation, as guided by the NSE ESG Guidance Manual, ensure that businesses stay on course and continuously enhance their ESG practices.

The Kenya Private Sector Alliance (KEPSA) has emerged as a key player in driving ESG practices in the country. As the primary representative body of the private sector in Kenya, KEPSA has been instrumental in advocating for the integration of ESG criteria into business practices. Beyond advocacy, the KEPSA has actively engaged in capacity building, training, and supporting companies in implementing the ESG Manual, showcasing a commitment to the sustainable development of the private sector in Kenya.

The benefits of adopting ESG practices are profound and far-reaching. Kenyan businesses that embrace high ESG standards position themselves as attractive propositions for international finance. Impact investing, where investors prioritize sustainability, becomes more accessible, enabling companies to raise capital faster. ESG practices also serve as a robust risk management tool, ensuring that businesses navigate environmental, social, and governance risks for sustained profitability. Moreover, adopting ESG practices enhances a company's reputation. Stakeholders, including customers, employees, and investors, recognize and appreciate a commitment to sustainability and corporate social responsibility. This, in turn, creates a competitive advantage, as businesses differentiate themselves by offering innovative solutions that address sustainability challenges and contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

To leverage ESG practices effectively, businesses in Kenya can follow a strategic roadmap:

Develop a Clear Sustainability Strategy:
Align the sustainability strategy with the company's core values and business objectives, focusing on environmental, social, and governance aspects.

Implement Sustainable Practices: Adopt sustainable practices in the workplace, such as reducing waste, promoting energy efficiency, and fostering a culture of corporate social responsibility.

Disclose ESG Information: Regularly disclose ESG information using standardized reporting frameworks like the Global Reporting Initiative (GRI) or the United Nations Principles for Responsible Investment (UNPRI).

Engage with Stakeholders: Collaborate with stakeholders to discuss sustainability issues and share best practices. This includes customers, employees, suppliers, and investors.
Measure and Manage Impact: Establish systems to measure and manage the impact of ESG practices on the company's performance, ensuring alignment with financial returns and the achievement of the SDGs.

As the private sector in Kenya becomes increasingly aware of the pivotal role that ESG practices play in driving sustainability and attracting international finance, the adoption and leverage of these practices become imperative. By doing so, businesses can not only contribute to a more sustainable future but also position themselves for enhanced competitiveness and success in the global market. The journey towards ESG maturity in Kenya is underway, and the private sector stands poised to be a catalyst for positive change, playing a pivotal role in the sustainable development of the nation.

CHAIR'S MESSAGE

MR JASWINDER BEDI
KEPSA CHAIR

Leveraging Environmental, Social, and Governance (ESG) practices in businesses has become a crucial aspect of modern corporate strategy, transcending traditional operational norms and offering a comprehensive framework for sustainable and ethical business conduct. This importance is evident in the context of Kenya's private sector, which is experiencing a transformative shift towards sustainable practices and global competitiveness.

The integration of ESG principles signifies a strategic commitment to environmental stewardship, social responsibility, and robust governance. In Kenya's dynamic economy, this shift is not merely a responsible choice but a strategic imperative. The correlation between ESG performance and financial success is becoming increasingly clear, with the Nairobi Securities Exchange (NSE) ESG Guidance Manual offering a structured framework for both listed and non-listed entities in Kenya to incorporate ESG criteria effectively.

The multifaceted opportunities from ESG integration in Kenya include heightened demand for transparency and ESG reporting, especially among listed entities. This shift is not only a moral imperative but also positively correlates with financial success, with Kenya emerging as a regional leader in sustainable finance initiatives, such as Vision 2030.

Despite these opportunities, challenges remain, particularly in the early stages of ESG maturity in Kenya's landscape. Formulating and implementing robust ESG policies require constant monitoring and evaluation to address emerging challenges.

Businesses, both listed and non-listed, are encouraged to undertake a self-audit on ESG matters, align with investor requirements, and regularly monitor their ESG practices as guided by the NSE ESG Guidance Manual. The Kenya Private Sector Alliance (KEPSA) plays a pivotal role in advocating ESG integration, engaging in capacity building and supporting companies in implementing ESG practices.

Adopting ESG practices offers significant benefits, including attracting international finance through impact investing and serving as a risk management tool.

A strong commitment to sustainability and corporate social responsibility enhances a company's reputation, offering a competitive advantage and aligning with the United Nations Sustainable Development Goals (SDGs).
To effectively leverage ESG practices, Kenyan businesses should develop a clear sustainability strategy, implement sustainable practices in the workplace, disclose ESG information regularly, engage with stakeholders, and measure and manage the impact of these practices.

In conclusion, leveraging ESG practices is imperative for the Kenyan private sector, contributing to sustainable development and positioning businesses for global competitiveness. The journey towards ESG maturity is ongoing, with the private sector poised to drive positive change and sustainable development in Kenya. The shift towards ESG is not just about corporate responsibility; it is an integral part of strategic planning for long-term success and value creation. The adoption of ESG practices is key to navigating risks associated with modern technology and market shifts, as well as aligning with customer, employee, and investor expectations.

A comprehensive approach to ESG includes reducing environmental footprints, promoting sustainability, focusing on social responsibility, and engaging in collaborative partnerships. By putting SDGs at the center of economic strategy, businesses can unlock significant economic potential, address climate-related market risks, and embark on profitable and sustainable practices. The outlook for leveraging ESG in the Kenyan private sector is optimistic, evolving, and essential for creating long-term value and business benefits.

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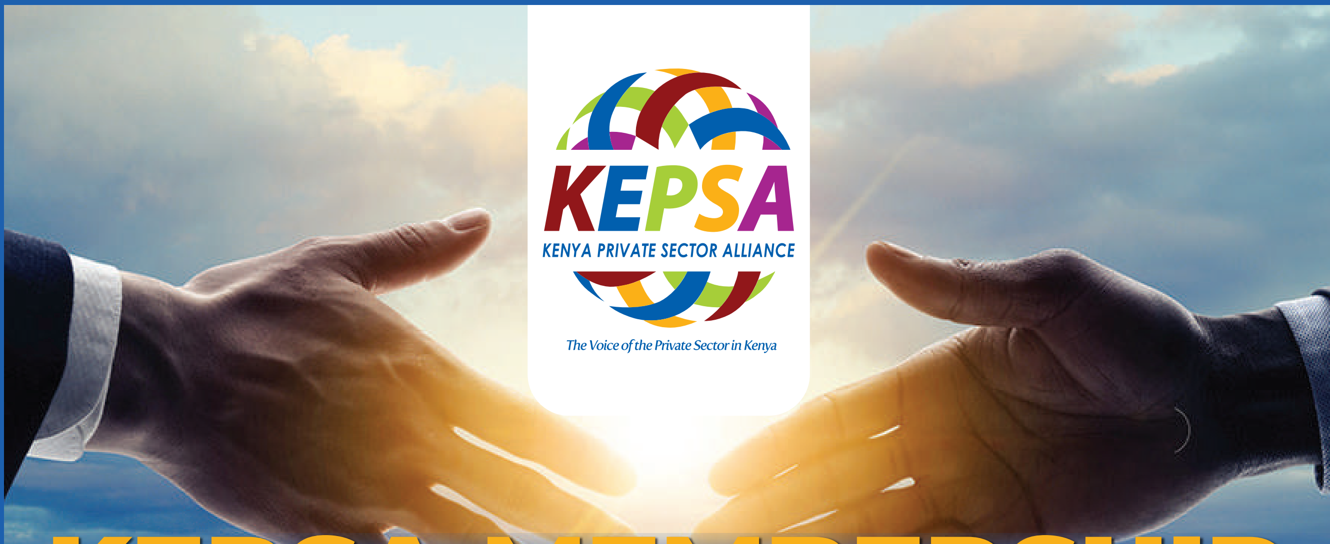

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ESG Investments: Embracing a Brighter Future

By Jaoko Ronaldo Juma
PPD Officer, KEPSA

In a world where every choice we make carries consequences, the concept of Environmental, Social, and Governance (ESG) investing emerges as a beacon of hope, guiding us towards a more sustainable future. Far beyond the mere mechanics of finance, ESG represents a paradigm shift in the way we approach investments, intertwining profitability with a sense of responsibility.

At the core of ESG lies the **"E"** for *Environmental*, a reminder that our planet's well-being is inseparable from our own. Investors are increasingly recognising the power of their choices in steering companies towards eco-friendly practices. From reducing carbon footprints to embracing renewable energy sources, corporations are now weaving sustainability into the fabric of their operations. Through ESG investments, we're not just seeking financial returns; we're nurturing the very earth that sustains us.

Consider a company committed to reducing its carbon emissions. By investing in such an entity, you become part of a collective force pushing for a world where the air is cleaner, the oceans are healthier, and biodiversity thrives. This is not just about profit margins; it's about leaving a legacy of environmental stewardship for generations to come.

The **"S"** in ESG stands for *Social*, underscoring the significance of fostering fair and inclusive societies. ESG investments actively seek out companies that prioritize social responsibility, championing causes such as diversity, employee well-being, adherence to human rights, and community engagement. Imagine supporting a company that not only values its employees but actively works towards bridging societal gaps. By aligning your investments with socially responsible businesses, you become a catalyst for positive change.

It's not merely about the financial bottom line; it's about contributing to a world where everyone has equal opportunities and a chance to thrive.

Governance, the **"G"** in ESG, is the bedrock upon which responsible business practices are built. Good governance translates to transparency, accountability, and ethical decision-making. ESG investments prioritize companies that uphold the highest standards of corporate governance, safeguarding the interests of shareholders and the wider community. Investing in companies with strong governance structures is akin to supporting the architects of a fair and just society. These are entities that not only deliver financial returns but also operate with integrity, fostering an environment of trust and accountability. As an investor, you become a patron of ethical conduct, sowing seeds for a business landscape where honesty and transparency reign supreme.

ESG investing is not just a financial strategy; it's a heartfelt call to action. It's a recognition that our choices as investors can shape the world we live in. By embracing ESG principles, we embark on a journey of aligning our financial aspirations with our deepest values. In the heart of ESG lies a promise – a promise to be responsible stewards of our planet, champions of social justice, and advocates for transparent and ethical governance. As we navigate the complexities of a rapidly evolving world, ESG investments beckon us to envision a brighter, more compassionate future.

Let us invest not just in companies, but in the dreams of a world where profit and purpose harmonize, creating a tapestry of sustainability, inclusivity, and integrity. In doing so, we not only secure our financial futures but also contribute to a legacy that generations to come will look back upon with gratitude and admiration.

The Private Sector's Path to Sustainability and Resilience

By Zackdon Ogada

In recent years, the global business landscape has witnessed a paradigm shift towards sustainability and Environmental, Social, and Governance (ESG) principles. This shift is not only driven by regulatory requirements but also by the increasing recognition of the critical role that businesses play in addressing climate change, promoting sustainable development, and supporting indigenous communities. As such, it is imperative for organizations to understand the significance of integrating ESG practices into their strategic plans and operations. This article aims to explore how the private sector can benefit from implementing ESG principles, with a focus on natural solutions to climate adaptation, sustainability, food systems, and indigenous communities.

Importance of Adopting ESG Principles in Strategic Planning

The adoption of ESG principles in an organization's strategic plan is crucial for several reasons. Firstly, it aligns the organization with global sustainability goals such as the United Nations Sustainable Development Goals (SDGs). By incorporating ESG considerations into their strategic planning, businesses can contribute to addressing pressing global challenges such as climate change, poverty alleviation, and social inequality.

Secondly, integrating ESG principles into strategic planning enhances risk management and resilience. Climate change poses significant risks to businesses across various sectors. By considering natural solutions to climate adaptation and sustainability in their strategic plans, organizations can mitigate these risks and build resilience against environmental shocks and disruptions.

Moreover, adopting ESG principles can enhance a company's reputation and brand value. In today's socially conscious consumer market, businesses that demonstrate a commitment to sustainable practices and ethical conduct are more likely to attract customers and investors who prioritize environmental and social responsibility.

ESG Principles and Sustainable Food Systems

One of the critical areas where ESG principles can make a significant impact is in promoting sustainable food systems. The private sector plays a pivotal role in the global food supply chain, from production to distribution. By embracing ESG practices such as sustainable agriculture, responsible sourcing, and reducing food waste, businesses can contribute to building resilient and sustainable food systems.

Furthermore, supporting indigenous communities in food production and preservation can be a key component of ESG strategies for businesses. Indigenous communities often possess traditional knowledge and practices that are essential for sustainable agriculture and food security. By engaging with indigenous communities in a respectful and mutually beneficial manner, businesses can not only promote sustainability but also support the preservation of cultural heritage.

Natural Solutions to Climate Adaptation and Indigenous Communities

Incorporating natural solutions to climate adaptation into business strategies is essential for both environmental sustainability and supporting indigenous communities. For instance, businesses can invest in agroforestry initiatives that promote biodiversity while providing economic opportunities for indigenous communities. Additionally, supporting community-based natural resource management projects can help protect ecosystems while empowering indigenous groups. By leveraging ESG practices that prioritize natural solutions to climate adaptation, businesses can foster partnerships with indigenous communities based on mutual respect and shared benefits. This approach not only contributes to environmental conservation but also promotes social inclusion and economic empowerment within indigenous populations.

Feeding into the Ongoing Conversation on Sustainability

The concept of leveraging ESG practices in businesses directly feeds into the ongoing conversation on sustainability at local, national, and global levels. As stakeholders increasingly demand transparency and accountability from corporations regarding their environmental and social impacts, integrating ESG principles becomes a means for businesses to actively participate in this dialogue.

Furthermore, by embracing ESG principles in their operations, companies can position themselves as leaders in sustainable business practices. This not only enhances their competitive advantage but also sets a positive example for other organizations across industries.

Overall, the private sector stands to benefit significantly from implementing ESG practices within their organizations. By integrating ESG principles into strategic planning, businesses can contribute to addressing global challenges such as climate change while enhancing their own resilience and reputation.
Moreover, focusing on natural solutions to climate adaptation, sustainable food systems, and supporting indigenous communities aligns with the broader conversation on sustainability and fosters positive impacts on both the environment and society.

Reference Publications or Domain Names Used:

1. United Nations Sustainable Development Goals (SDGs) - https://sdgs.un.org/

2. World Economic Forum
https://www.weforum.org/

3. Harvard Business Review - https://hbr.org/

These sources were used to gather information on global sustainability goals (UN SDGs), insights from global business leaders (World Economic Forum), and scholarly articles on business strategies and sustainability (Harvard Business Review).

ESG AS A PILLAR FOR RESPONSIBLE BUSINESS

By Catherine Musakali

Corporate governance has always been a cornerstone for business management. In the face of unprecedented challenges and opportunities relating to climate change, rapid urbanization, globalization, demographic and social change, technological breakthroughs and shifts in global economic power, the concept of Environmental, Social and Governance (ESG) becomes important. Businesses are increasingly recognizing that sustainable practices and robust corporate governance go hand in hand. In other words, ESG means sustainability. In essence, ESG means conducting business in a manner that meets existing needs without compromising the ability of future generations to meet their needs.

According to the Asset4 glossary, the environmental pillar measures a company's impact on living and non-living natural systems including the air, land and water as well as complete ecosystems. It reflects how well a company uses best management practices to avoid environmental risks and capitalize on environmental opportunities to generate long-term shareholder value. The social pillar measures a company's capacity to generate trust and loyalty with its workforce, customers and society through its use of best management practices. It is a reflection of its reputation and the health of its license to operate – which are key factors in determining its ability to generate long-term shareholder value. The corporate governance pillar measures a company's systems and processes which ensure that its board members and executives act in the best interests of its long-term stakeholders.

BUSINESS EVOLUTION

Traditionally, businesses primarily focused on financial performance and shareholder interests. However, in recent years, there has been a significant shift towards a more holistic approach that includes a company's impact on society and the environment. This evolution can be traced through various stages:

Compliance-Oriented Governance:
Initially, corporate governance was mainly concerned with legal and regulatory compliance. Companies aimed to meet the minimum requirements to avoid legal repercussions.
Shareholder Value: The 1980s and 1990s witnessed a strong focus on maximizing shareholder value. This era was marked by aggressive cost-cutting and short-term profit maximization.

Stakeholder Engagement: With increasing concerns about social and environmental issues, there was a transition towards recognizing the interests of various stakeholders, including employees, customers, communities, and the environment.

Sustainability Integration: Modern corporate governance embraces sustainability as a core element. It acknowledges the interdependence between a company's success and its impact on society and the environment, hence the concept of ESG.

WHY ESG INTEGRATION

Businesses that embrace ESG practices not only contribute to a more equitable and environmentally responsible world but also position themselves for long-term success in an evolving marketplace. ESG delivers among others, topline growth and return on investments, better community and regulator relations, resource preservation and management, labour relations, sound governance practices including preventing fraud, corruption and enhancing compliance, and a "license to operate" by stakeholders. Therefore, companies must prioritize sustainability as a central pillar to create a more prosperous and sustainable future, characterized by the following parameters;

Accountability and Transparency: Effective governance ensures transparency in decision-making and accountability for actions. This is vital for addressing sustainability challenges as it enables stakeholders to assess a company's performance holistically.

Risk Mitigation: Sustainable business practices embrace sustainability-related risk mitigation strategies and address matters such as climate change impacts, resource scarcity, and supply chain vulnerabilities.

Long-term Value Creation: A sustainable approach to governance prioritizes long-term value creation over short-term gains, aligning with the interests of stakeholders who seek a company's longevity and stability.

Stakeholder Engagement: Including stakeholders in decision-making ensures that a company's sustainability strategies consider a broad spectrum of perspectives.

Innovation and Adaptation: Sustainable governance fosters innovation and adaptability. Sustainable Companies are more likely to adapt successfully to evolving market conditions and regulatory changes.

BEST PRACTICES

To harness the value of ESG, companies can implement several best practices among them:

Board and Executive Diversity: Embracing diversity at Board and executive level enhances a board's ability to make informed decisions. The Board should ensure the development and implementation of a diversity and skills matrix setting out relevant metrics to be measured including gender, academic qualifications and backgrounds, technical expertise and industrial knowledge, age, experience, nationality and race among others. These metrics should be aligned to the Company's strategy and stakeholders.

ESG Integration: Embedding ESG factors into strategic decision-making processes, including risk assessments and performance evaluations, is essential for sustainable governance.

Reporting and Disclosure: Transparent reporting on ESG metrics and goals allows stakeholders to evaluate a company's commitment to sustainability.

Stakeholder Engagement: Actively seeking input from various stakeholders ensures that governance decisions reflect a broader range of perspectives and interests.

Ethics and Compliance: Strong ethical values and a commitment to compliance with laws and regulations are fundamental to sustainable governance.

In this regard, therefore, companies should develop and implement sustainability policies that cover the three pillars of ESG. These should anchor policy pronouncements in the area of corruption, bribery, money laundering, privacy, data protection, fair labour practices and respect for human rights, environmental stewardship and Governance matters.

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The Benefits of ESG Consideration: A Guide for the Private Sector

By Meshack Ndirangu

Environmental, Social, and Governance (ESG) considerations have become increasingly important for businesses in today's socially conscious and environmentally aware marketplace. By implementing ESG practices, companies can not only reduce their negative impact on the environment and society but also improve their bottom line.

Here are some ways the private sector can benefit from implementing ESG practices:

Improved Reputation and Brand Image: Companies that prioritize ESG practices are seen as responsible and ethical, which can enhance their reputation and brand image. This can lead to increased customer loyalty, improved recruitment and retention, and greater investor confidence.

Cost Savings: ESG practices can help companies reduce their operating costs by reducing waste, conserving resources, and improving energy efficiency. For example, implementing sustainable supply chain practices can reduce the risk of supply chain disruptions and lower transportation costs.

Increased Access to Capital: Investors are increasingly seeking out companies with strong ESG track records, and some even use ESG metrics as a factor in their investment decisions. By implementing ESG practices, companies can increase their access to capital and improve their financial performance.

Competitive Advantage: Companies that prioritize ESG practices can differentiate themselves from their competitors and gain a competitive advantage in the marketplace. This can lead to increased market share and improved financial performance.

Improved Risk Management: ESG practices can help companies identify and manage risks associated with environmental and social issues, such as climate change, supply chain disruptions, and reputational damage. By addressing these risks, companies can reduce their financial and operational risks and improve their long-term sustainability.

Access to New Markets and Customers: Companies that prioritize ESG practices may gain access to new markets and customers who value sustainability and ethical business practices. This can lead to increased revenue and growth opportunities.

Improved Employee Engagement and Productivity: ESG practices can improve employee engagement and productivity by creating a positive work environment and fostering a sense of purpose and social responsibility.

Enhanced Innovation: Companies that prioritize ESG practices may be more likely to develop innovative products and services that address social and environmental challenges. This can lead to new revenue streams and growth opportunities.
The three authoritative reference titles supporting the implementation of ESG practices include:

"ESG Investing: A Guide for the Private Sector" by the United Nations Environment Programme Finance Initiative (UNEP FI) - This guide provides an overview of ESG investing and its benefits, as well as practical guidance on how to integrate ESG considerations into investment decisions.

"The Business Case for ESG" by the Harvard Business Review - This article provides a comprehensive overview of the business benefits of ESG practices, including improved reputation, cost savings, and access to capital.

"Sustainability and Financial Performance: A Review of the Empirical Evidence" by the Harvard Law School Forum on Corporate Governance – This article reviews the empirical evidence on the relationship between sustainability and financial performance, and finds that companies with strong sustainability performance tend to outperform those with weak sustainability performance.

By implementing ESG practices, private sector companies can not only contribute to a more sustainable and equitable society but also improve their bottom line.

TRANSITIONING FROM CORPORATE SOCIAL RESPONSIBILITY (CSR) TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FRAMEWORKS FOR COMPETITIVENESS

By Faith Ngige

Around 1953, American economist Howard Bowen published the book "Social Responsibilities of the Businessman," which is when the term "Corporate Social Responsibility" (CSR) was first used. In this work, Bowen highlighted the immense power that businesses exercised over society and the real-world outcomes of the choices they made. Since then, corporate social responsibility has evolved to be an essential component of any organization in addition to the main business operations. It is defined as a company's pledge to act morally and contribute to society on top of its core business-related mandate and activities.

Corporate social responsibility dominated the late 18th century and 19th centuries as a call for businesses to go beyond the traditional view of business as solely profit-driven. It is the recognition that, businesses are more than just profit-seeking entities, and that they must benefit society and the environment. They have a responsibility to contribute to economic development while improving the quality of life for their workforce, their families, and the communities where they operate.

CSR is a commitment to improving community well-being through discretionary business practices and contributions of corporate resources. Proponents of social responsibility posit that a corporation must consider the interests of a diverse group of stakeholders such as employees, suppliers, and the community at large. (Matthew A. Melone & Indiana Law Review, (2015). At the core of CSR is social responsiveness and business ethics in return for improved corporate image, social contract and relationship management with the organizations' groups of interest. A company's desire to be a decent corporate citizen is the key motivation of voluntary CSR initiatives and usually entails community service, sustainability projects, and charitable endeavours.

Corporate Sustainability is an approach that was introduced to the business world, in the 20th century, as a call for businesses to integrate sustainable development into their organizational practices.

This means incorporating the triple bottom line concept, which considers the social, environmental, and economic concerns under the headings of people, planet, and profit and the sustainable development goals. For organizations to be truly ethical, corporate responsibility, sustainability and sustainable development should be integrated into their strategies.

One of the limitations of CSR is that CSR initiatives are often voluntary with deep roots in philanthropy. In addition, not many businesses have the financial muscle to meet their obligations, generate a profit and undertake civic and community endeavours. It can also lead to an overstatement of the organizations' commitments to the triple bottom line, commonly known as greenwashing. Customers and other stakeholders may believe the organization is more socially and environmentally conscious than it is as a result of greenwashing. In a general sense, CSR would be considered a reactive approach and a strong desire to be called "good".

Lack of Standardization of CSR Reporting: Since there is no universal standard for CSR reporting, businesses approach and report on their social responsibility differently. It is therefore challenging for stakeholders to compare and assess CSR efforts across many organizations' due to this lack of consistency.

Environmental Social Governance (ESG)

Although the 2004 UN Financial Sector Initiative, *"Who Cares Report"*, introduced the term *"ESG"*, it was not until the end of the 2010s and beginning of the 2020s that ESG emerged to be a considerably proactive framework. The key focus is how to reduce negative externalities likely to be associated with the generation of an organization's profits. ESG covers important aspects of social and environmental impact in addition to how governance structures can be changed to optimize investor requirements and stakeholder well-being.

The ESG is a framework used by investors and stakeholders to assess an organization's performance in three dimensions:

1. The environmental category, evaluates the organization's impact on the environment, including issues like carbon emissions, waste management, and resource efficiency and conservation
2. The social dimensions are factors that encompass organizations' policies and treatment of employees, customers, and the broader community. This can include labour practices, gender, diversity and inclusion, and community engagement.
3. The governance dimension looks at the organization's internal structure, board composition, and adherence to ethical and legal standards. It assesses transparency, accountability, and anti-corruption efforts.

Trends and Benefits of ESG

The KPMG survey of sustainability reporting (2022), indicates that, globally, there is a growing incrementality of sustainability reporting due to the adoption of standards that are based on stakeholder and materiality assessments Market regulators and standards bodies support various reporting frameworks including; Global Reporting Index (GRI), Sustainability Accounting Standards Board (SASB), IFC Performance Standards, and Stock Exchange rules. Others include the International Sustainability Standards Board (ISSB), European Financial Reporting Advisory Group (EFRAG), Carbon Disclosure Project (CDP), Central Banks via The Network for Greening the Financial System (NGFS), and Global Biodiversity Framework, which are all reporting frameworks that apply ESG perspectives and topics.

The KPMG, (2022) global sustainability reporting survey, indicates that GRI is still the most widely utilized standard in the world, with the Americas showing the highest uptake with an adoption rate of 68% for the N100 and 78% for the G250. The N100 and G250 each have about 25% of their members using domestic stock exchange guidelines or standards. The Middle East, Africa, and Asia Pacific areas have high adoption rates while China has the highest reporting rate at 64%. For businesses in the US and Canada, more than half of their enterprises in America, report against the SASB standards.

According to the Taskforce on Climate-Related Financial Disclosures, (TCFD), there is a rise in the reporting of hazards associated with climate change and carbon reduction goals with a growing importance for reporting of scope three emissions and climate actions throughout the supply chain, anti-corruption, climate change, labour & human rights are dominant themes among disclosure requirements for organizations today.

In 2023, the European Commission adopted the first set of European Sustainability standards (ESRS) for use by all entities subject to the Corporate Sustainability Reporting Directive (CSRD) and from January 2024 will apply in the first instance to "large" EU undertakings exceeding an average of 500 employees during the financial year among other requirements. The new European Union rules on Cross Border adjustment mechanism (CBAM), could significantly affect competitiveness for organisations that will export goods to Europe.

Globally, ESG is altering how capital resources are being deployed to organizations. Businesses with strong ESG performance are seen as less risky, more long-term oriented, and more equipped to handle uncertainty. Investors can prioritize organizations which have developed a sustainable business strategy and made provisions for good management by using ESG indicators. Investors can have a more comprehensive understanding of the organisations they support and reduce risk by taking environmental, social, and governance (ESG) factors into account. As a new generation of ESG professionals enters the market, they are in favour of carbon neutrality and net zero objectives.

ESG is extolled for being able to assess the management and risks associated with sustainability issues. It acknowledges that sustainability goes beyond social and environmental issues. The ESG lens enables the organization to assess opportunities, risks and management responses, to changing circumstances, including changes in the social, economic, and environmental systems.

ESG Reporting in Kenya

"Recognizing the interdependence of the environment with human well-being and economic prosperity is crucial for ensuring a sustainable and resilient future for all. There is growing evidence that degradation of nature poses risks for businesses, capital providers, financial systems and economies and that these risks are increasing in severity and frequency"

Carole Kariuki, CEO KEPSA, during the launch of the TNFD Consultation Forum in Kenya

Kenya has made significant progress in localizing sustainability reporting especially in the financial sector. The Central Bank of Kenya (CBK) and the Nairobi Securities Exchange (NSE) released guidelines requiring top management and the board of directors to actively participate in developing and putting into practice ESG policies, strategies, and reporting requirements further increasing the board of directors' obligation to report on matters about ESG.

On October 15, 2021, the Central Bank of Kenya (CBK) released Guidelines on Climate-Related Risk Management (Guidance) to the banking industry. The guidelines are to support banks to incorporate climate-related risks into their governance, strategy, risk management, and disclosure frameworks. In November 2021, NSE released the ESG Disclosure manual to support listed companies to incorporate and meet the GRI standards-based ESG reporting requirements within one year.

The recently finalized Taskforce for Nature Financial Related Disclosures (TNFD) framework seeks to enhance nature-related decision-making processes for financial service providers and companies, ultimately enabling the shift of financial investments towards nature-positive initiatives and outcomes.

KEPSA as a co-convener alongside the Kenya Bankers of Association and the Global TNFD, will support capacity building of the businesses in Kenya in adopting the TNFD framework as part of their sustainability reporting.

Key Shifts for Transitioning from CSR to ESG

Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) are related but distinct concepts in the world of business and finance. CSR initiatives are often voluntary and driven by a company's desire to be a good corporate citizen. CSR initiatives are often standalone programs. ESG is considered a more integrated and proactive approach involving policy, planning and investments, delivery and reporting frameworks for the organization. The transition from CSR to ESG involves several key shifts which include:

1. ***Integration:*** ESG integrates environmental, social, and governance factors into the organization's core business strategy. ESG presents a more systematic and integrated into decision-making, planning and budgeting processes.

2. ***Materiality:*** ESG factors are considered material when they can impact the organizations' long-term financial performance. Companies transitioning from CSR to ESG often focus on identifying and prioritizing material ESG issues.

3. ***Stakeholder Engagement:*** ESG incorporates a broader range of stakeholders, including investors, customers, employees, and regulators. Organizations need to engage with these stakeholders to gather data, set targets, and report on ESG performance.

4. ***Reporting and Transparency:*** ESG reporting is more standardized and transparent, often following global frameworks like the Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board (SASB) standards. This allows for better comparability and benchmarking.

5. ***Regulatory Pressure:*** In some regions, there's increasing regulatory pressure to report on ESG performance, making ESG compliance a legal requirement in some jurisdictions.
6. ***Investor Focus:*** ESG has gained significant attention from investors, who use ESG criteria to make investment decisions. This shift has made ESG performance a critical factor for attracting finance and capital.

Conclusion

"We appreciate that to manage the risks to lives, livelihoods and financial risks to businesses we need to solve the integrated impact of nature, climate and people and that the private sector has a key role to play in social, nature and climate action."

Dr James Mwangi, During the launch of the TNFD Kenya Consultation Forum in Kenya.

Overall, while CSR represents a company's commitment to philanthropy and social responsibility, ESG is a more comprehensive and integrated approach to assessing and improving an organization's sustainability and societal impact.

The transition from CSR to ESG reflects a deeper and more strategic commitment to long-term sustainability and responsible business practices for sustainable development. There is a need to develop a more harmonized cross-sectorial standard for ESG reporting globally.

The author is the Climate Business Information Network, Kenya (CBIN-K) Lead at KEPSA

ESG as a Holistic Approach to Sustainability

By Andrew Mutuma

Environmental, social, and governance (ESG) practices are increasingly being adopted by businesses of all sizes, as they recognize the benefits that ESG can bring to the bottom line. ESG practices can help businesses reduce costs, improve efficiency, attract and retain top talent, and build a positive reputation with customers and investors.

In the ever-evolving landscape of corporate responsibility, Environmental, Social, and Governance (ESG) practices have emerged as a critical framework for businesses aiming to align their operations with sustainable and ethical principles.

Environmental, social and governance issues are often interlinked. The negative impacts of issues in one category tend to exacerbate issues in the others. It is therefore important to think about how different issues might interact when considering sustainability. I have witnessed first-hand the transformative power of integrating ESG principles into an organization's strategic plan, and as such this article provides insights into how businesses can leverage ESG practices to achieve sustainable growth and development.

ESG principles encompass a wide range of factors that go beyond mere financial considerations. By incorporating ESG considerations into strategic planning, businesses can create a more comprehensive and sustainable approach to corporate success.

1. Aligning with Global Sustainability Goals

One key benefit of adopting ESG principles is the alignment with global sustainability goals. As witnessed in the private sector's recent participation in climate-related events, there is a growing recognition of the urgent need to address climate change. However, a truly holistic sustainability approach goes beyond environmental concerns to include social and governance factors.

2. The Social Imperative

While climate change rightfully grabs headlines, we must not overlook the social factors integral to sustainable business practices. Companies play a crucial role in fostering inclusive workplaces, respecting human rights and contributing positively to the communities they operate in. By prioritizing social factors in their ESG framework, organizations can build resilient and socially responsible business models.

3. Governance for Long-Term Success

The *'G'* in **ESG** stands for governance, a cornerstone for ensuring transparency, accountability, and ethical conduct within an organization. Effective governance practices not only safeguard against reputational risks but also contribute to the long-term success and resilience of a business. By fostering a culture of accountability and integrity, companies can navigate challenges and thrive in an ever-changing business landscape.

4. Investor Confidence and Access to Capital

ESG considerations are increasingly influencing investment decisions. Investors are recognizing that companies committed to sustainable practices are better positioned for long-term success. By integrating

ESG principles into their strategic plans, businesses not only attract ethical investors but also gain access to a pool of capital specifically earmarked for sustainable initiatives.

A practical example is of businesses in the transport and infrastructure sector, where ESG practices are particularly important.
Transport and infrastructure businesses have a significant impact on the environment, and they also play a vital role in social and economic development. By adopting ESG practices, transport and infrastructure businesses can help to mitigate their negative impacts and maximize their positive contributions.

There are many ways that transport and infrastructure businesses can leverage ESG practices. Here are a few examples:

Environmental practices:

- Reduce greenhouse gas emissions.
- Improve energy efficiency.
- Conserve water and other resources.
- Use sustainable materials and construction methods.
- Protect biodiversity.

Social practices:

- Promote diversity and inclusion in the workplace.
- Invest in employee training and development.
- Support local communities.
- Promote responsible supply chain management.

Governance practices:

- Establish a strong and diverse board of directors.
- Implement transparent and ethical business practices.
- Manage risk effectively.
- Disclose ESG performance.

Adopting ESG principles in the organization's strategic plan is essential for ensuring that ESG is embedded in all aspects of the business. The strategic plan should outline the organization's ESG goals and targets, as well as the

actions that will be taken to achieve them.

The concept of ESG feeds into the ongoing conversation on sustainability in several ways. First, ESG provides a framework for businesses to measure and manage their environmental, social, and governance impacts. Second, ESG helps businesses to identify and address sustainability risks. Third, ESG helps businesses to develop and implement sustainable solutions.

While there has been a great focus on climate-related issues, it is important to also place a strategic focus on social factors and governance issues. Social factors such as diversity and inclusion, employee well-being, and human rights are essential for a sustainable business. Governance issues such as transparency, accountability, and risk management are also critical for sustainability.

Here are some pointers for businesses in the transport and infrastructure sector on how to adopt ESG principles in their strategic plans:

- Conduct a materiality assessment to identify the most important ESG issues for the business and its stakeholders.
- Set ambitious but achievable ESG goals and targets.
- Develop and implement an action plan to achieve the ESG goals and targets.
- Integrate ESG into all aspects of the business, including operations, supply chain management, and product development.
- Monitor and report on ESG performance regularly.

By adopting ESG principles in their strategic plans, transport and infrastructure businesses can position themselves for long-term success. ESG practices can help businesses to reduce costs, improve efficiency, attract, and retain top talent, build a positive reputation, and mitigate their negative impacts on society and the environment.

In conclusion, as businesses navigate the complex terrain of global challenges and opportunities, ESG principles provide a roadmap for sustainable growth. While environmental issues are pivotal, a balanced and holistic approach must encompass social factors and governance issues. The involvement of KEPSA in key sustainability initiatives underscores the importance of collaborative efforts in driving positive change. As we look towards the future, let us leverage ESG practices not just as a compliance requirement but as a fundamental catalyst for building resilient, responsible, and successful businesses.

About the Author:

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LEVERAGING ESG: A CASE STUDY ON THE KENYAN BUSINESS LANDSCAPE AND ITS GLOBAL IMPLICATIONS

By Jeremiah Kiplagat

Introduction

In recent years, Environmental, Social, and Governance (ESG) practices have gained significant traction in the global business landscape. These practices go beyond mere profit generation, emphasizing the broader impact a company has on the environment, society, and governance. This article explores the tangible benefits of integrating ESG practices in the private sector, focusing on the Kenyan business landscape and its global implications

The Global Shift Towards ESG

As of 2023, businesses worldwide are recognizing the importance of ESG practices. According to a report by the Global Sustainable Investment Alliance, global sustainable investment assets reached $35.3 trillion in 2022, a 15% increase from the previous year. Investors and consumers alike are demanding greater transparency and accountability from companies, driving the adoption of ESG practices.

ESG in the Kenyan Context

In Kenya, a growing number of businesses are acknowledging the significance of ESG principles. The country has witnessed a surge in sustainable finance initiatives, with Kenyan banks integrating ESG criteria into their lending practices. Equity Bank, for instance, has committed to financing projects with positive environmental and social impacts, contributing to the country's sustainable development goals.

BENEFITS OF ESG INTEGRATION

1. **Economic Benefits of ESG Integration**

- **Access to Capital** - Companies embracing ESG practices often find it easier to attract capital. According to a study by Harvard Business Review, businesses with

strong ESG performance are more likely to receive favorable lending terms and lower costs of capital.

- **Enhanced Operational Efficiency** - ESG practices encourage resource efficiency and waste reduction. A report by McKinsey & Company found that companies with effective sustainability programs experience a 13.4% reduction in energy costs and a 13.6% decrease in waste costs.
- **Market Differentiation and Brand Value** - ESG practices can differentiate businesses in the market, attracting conscious consumers. A Nielsen study revealed that 66% of consumers are willing to pay more for products and services from companies committed to positive social and environmental impact.

2. **Social Impact and Community Engagement**

- **Employee Satisfaction and Retention** - ESG practices contribute to a positive workplace culture, leading to higher employee satisfaction and retention rates. According to Glassdoor, companies with strong environmental and social commitments have a 21% lower turnover rate.
- **Community Development** - Engaging in social initiatives enhances a company's reputation and fosters community development. A case in point is Safaricom's ***"M-Pesa Foundation,"*** which has invested in education, health, and economic empowerment projects, positively impacting communities and strengthening brand loyalty.

3. **Environmental Stewardship**

- **Cost Savings through Sustainability** - Implementing sustainable practices often leads to cost savings. The World Economic Forum reports that companies adopting circular economy principles can achieve cost savings of up to $1 trillion annually globally by 2025.
- **Risk Mitigation** - Businesses incorporating strong environmental governance are better equipped to mitigate risks associated with climate change and resource scarcity. The Task Force on Climate-related Financial Disclosures (TCFD) recommends comprehensive reporting on climate-related risks, helping companies anticipate and adapt to environmental challenges.

4. Governance and Ethical Leadership

- **Reduced Legal and Reputational Risks** - Transparent governance practices mitigate legal and reputational risks. The Corporate Governance Index indicates that companies with strong governance structures face 70% fewer legal actions and recover more quickly from reputation-damaging events.
- **Attracting Ethical Leadership** - Companies committed to ESG practices attract leaders who value ethical decision-making. Ethical leadership, according to a study by the Journal of Business Ethics, positively correlates with employee job satisfaction, commitment, and performance.

How can businesses leverage ESG practices?

To leverage ESG practices in businesses, companies need to integrate ESG considerations into their decision-making processes and develop strategies to address the ESG issues that are most relevant to their business. Here are some steps that companies can take to leverage ESG practices:

- **Identify the ESG issues that are most relevant to their business:** Companies need to identify the ESG issues that are most relevant to their business and develop strategies to address them. For example, a company that operates in the energy sector may need to develop a strategy to reduce its carbon footprint and transition to renewable energy sources. Similarly, a company that operates in the retail sector may need to develop a strategy to ensure that its supply chain is free from labor abuses.
- **Integrate ESG considerations into their decision-making processes:** Companies need to integrate ESG considerations into their decision-making processes. This involves identifying the ESG issues that are most relevant to their business and developing strategies to address them.
- **Develop an ESG report:** Compiling the gathered information into an ESG report allows firms to spotlight their initiatives and successes, thereby demonstrating progress to their stakeholders. Transparency through these reports also has the potential to boost employee morale; being able to see the impact of their day-to-day work can encourage even stronger buy-in for ESG goals. ESG reports are often produced annually, but timeline and distribution methods can vary from company to company; the key is to have a strong and consistent reporting process.
- **Set clear goals:** Once the contextual research has been completed, companies will need to set the goals that will become the company's roadmap for ESG matters. Goals should be Specific, Measurable, Achievable, Relevant, and Time-Bound. These parameters will help set a clear timeline and facilitate the tracking process.
- Train management and employees: Management and employees need to be trained and to buy into the ESG goals, and the company as a whole needs to continually work towards improving company culture and practices.

Conclusion

The article highlights the multifaceted benefits of leveraging ESG practices in businesses, focusing on the Kenyan private sector and its global implications. As the global business landscape continues to evolve, embracing ESG principles is not just a moral imperative but a strategic move that enhances financial performance, social impact, and environmental stewardship. The Kenyan private sector stands to gain significantly by aligning with this global shift, creating a sustainable and resilient business ecosystem for future generations.

The writer works in KEPSA's Policy Research and Analysis Department

WHY ENVIRONMENTAL, SOCIAL, AND (CORPORATE) GOVERNANCE ("ESG") MATTERS FOR ORGANISATIONS IN EMERGING MARKETS

*By **Gregor Pannike,** Managing Partner – Agema Analysts, and **Rosa Nduati** – Partner, ALN Kenya | Anjarwalla & Khanna*

Emerging markets are often inherently unpredictable and volatile in nature not only from a geopolitical, macroeconomic, and legal compliance perspective but also in view of quickly unfolding societal shifts, repercussions from climate change and poverty. Often only those organisations that can establish robust and practical relevant compliance and corporate governance frameworks within an agile organisational setup are able to manage diverse risk factors such as legal and compliance risk, pervasive regulatory changes and even security threats and at the same time prevent corruption, mismanagement, and poor decision-making, among others. Therefore, when navigating in riskier jurisdictions it is particularly important for stakeholders to build resilient organisations based on strong fundamentals such as ethical principles, compliant and transparent decision-making processes, deep anchored corporate values, and culture based on sustainable governance frameworks which help organisations to optimally weather perilous situations and threatening events.

With climate change increasingly impacting vulnerable developing countries, private sector companies are now more than ever important societal pillars that are contributing to their external stakeholder's wellbeing in relevant target markets by promoting environmental projects and initiating social projects which are positively impacting the lives of the local population. Of course, despite these difficulties, emerging economies are extremely attractive for risk taking entrepreneurs looking for unsaturated new sales markets with an abundance of promising business opportunities that have substantial socioeconomic growth perspectives.

In addition, there have been numerous corporate scandals in the recent past (not necessarily as a result of the COVID-19 Pandemic) both in emerging and developed markets – which have pointed to the growing role of corporate governance in preventing fraud and ensuring the overall well-being of businesses.

Good corporate governance and robust compliance frameworks are of overriding importance while designing effective and sustainable organisations. The OECD in its policy recommendation paper "G20/ OECD Principles of Corporate Governance" defined the purpose of corporate governance as a tool that helps build an environment of trust, transparency, and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies. The OECD provides in its definition and paper an excellent summary of some key principles and values which are worth considering while designing resilient organisations.

Corporate Governance principles and related legal frameworks are often laid down in regulated sectors such as in companies' laws, banking laws, capital market laws and insurance laws just to mention a few of them. Such regulations generally give a good understanding of the applicable corporate governance standards and regulatory compliance culture of a respective jurisdiction.

B. Key Good Governance Principles

So, what are the good governance key principles worth being considered by stakeholders while designing efficient organisations in developing economies? The answer certainly depends on various relevant factors such as the type of organisation for example is it a publicly listed or privately held company, is the company an SME or a sizable conglomerate and/ or family business and in which business sector and industry is the corporation operating in noting that undertakings in highly regulated sectors often face higher governmental scrutiny. Finally, it also depends on the respective inherent jurisdictional risk profile.

Some of the key fundamentals which ideally should define effective management and decision-making processes of an organisation can be summarised as rule of law, moral integrity, transparency, participation, responsibility and accountability, effectiveness, and efficiency as well as what sustainable societal and environmental impact a company is able to create for its external stakeholders often referred to as Environmental, Social, and (Corporate) Governance ("ESG"). A lot of times it is only those internalised and deeply rooted fundamentals in the organisational system and corporate culture which can help to manage challenging environments while the outside world is in turmoil.

C. Corporate Governance Health Check

Below are some corporate governance risks and useful questions which can serve as a preliminary due diligence process to understand whether your organisation maintains an appropriate governance framework or if there are some gaps which need to be addressed.

1. Lack of oversight and management control leading to poor organisational performance.

Which management control and oversight structures does your Organisation have in place?

Who is responsible for reviewing, adjusting, and improving those structures

2. Lack of checks & balances causing compliance and legal violations.

What kind of checks & balances system does your Organisation have in place?

Who is responsible for its implementation?

3. Lack of efficient communication leading to poor decisions and triggering risk and liabilities.

What are your Organisational communication channels and participation between the Board, the CEO, middle management, and employees?

Which function(s) in your Organisation is maintaining and improving those channels?

4. Lack of adherence/compliance with (newly) issued regulations during COVID-19.

What is your organisational compliance structure?

Which function(s) in your Organisation is monitoring, implementing, and improving your compliance structure?

D. Conclusion

Adopting and incorporating sound ESG standards are indispensable in today's quickly evolving world which appears to have been turned upside down by a generational Covid-19 pandemic threat and an ever-growing climate change that is not only challenging societal value systems and fundamental orders of countries but also the very livelihood of people.

Organisations are now not only responsible for boosting their shareholder value but are also responsible for the well-being of their external stakeholders to be successful in competitive global markets. Good corporate governance ensures corporate success and economic growth and at the same time maintains investors' confidence, as a result of which, a company can raise capital efficiently and effectively and therefore lower the capital cost due to reduced risk premiums. Optimal governance frameworks also minimize wastage, corruption, risks, and mismanagement and hence reduce liability and boost brand equity formation and development, which are essential in a world that is heavily influenced and judged by the powerful multimedia sector and global dissemination of public opinions.

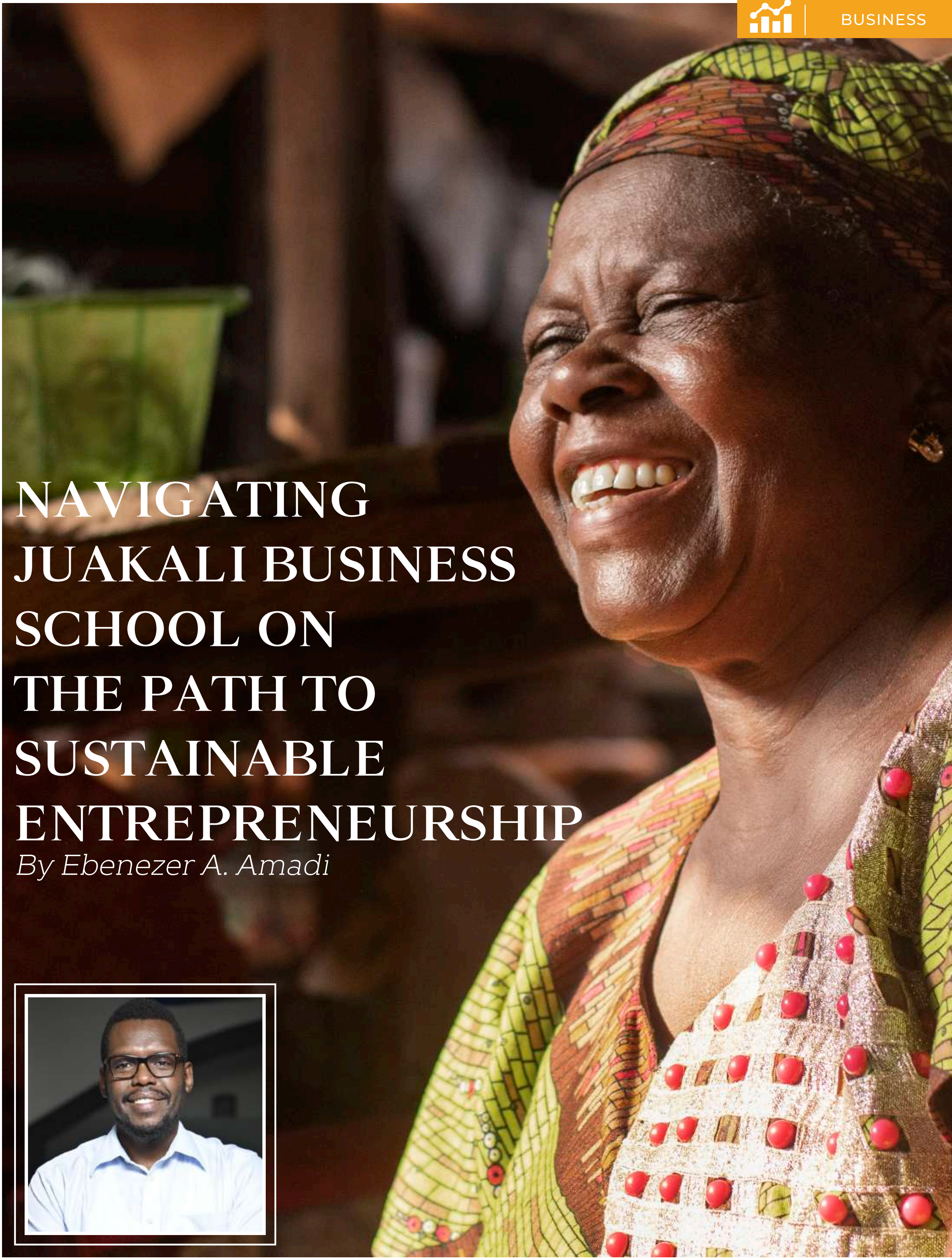
E. Business Insider Series

In light of these challenging times, Agema Analysts (Agema Analysts) and ALN Kenya | Anjarwalla & Khanna (A&K), in conjunction with Capital Club East Africa have developed the Business Insider Series which aims to delve into some of the arising corporate governance issues. Through a series of seminars, Agema Analysts and ALN Kenya intend to provide businesses with a basic understanding of how to adapt their corporate governance frameworks with a view to ensuring sustainability. The first seminar (Developing Resilient Corporate Governance Frameworks for Challenging Times) took place on 25 March 2020. The presenters were Gregor Pannike (Managing Partner, Agema Analysts) and Rosa Nduati-Mutero (Partner, ALN Kenya).

F. How can we help your organisation?

We assist many organisations in developing and customising effective Environmental, Social, and Corporate Governance frameworks in various developed and emerging markets addressing many of the evolving challenges for private companies and would be delighted to discuss your organisation's needs.

Why Environmental, Social, and (Corporate) Governance ("ESG") matters even more for Organisations in Emerging Markets | Agema Analysts (agema-analysts.com)



NAVIGATING JUAKALI BUSINESS SCHOOL ON THE PATH TO SUSTAINABLE ENTREPRENEURSHIP

By Ebenezer A. Amadi

Growing up, I had the unique opportunity to learn on the job, a seemingly humorous situation considering I was still in school. Yet, in life, we have two avenues for learning: the business perspective calls it learning on the job, while the street dubs it the school of life. Today, I choose the path of learning on the job.

My father possessed an entrepreneurial mindset, and in the '90s, he authored an article titled ***"Banking on the Un-bankable,"*** a model later adopted by one of Kenya's top banks. But let's not digress. I actively participated in managing my father's business, and I can assert that when you inquire about sustainability from an SME, the primary concern is the ability of the business to open its doors to customers the next day. A simplistic perspective, perhaps, but the reality for most Micro and Small Enterprises. Contrary to the notion that acquiring clients and increasing sales guarantees the longevity of a business, the mismanagement of cash flows often leads to substantial closures. Sustainability enthusiasts have propagated the idea that discussing profitability is wrong. Yet, the fundamental business principle asserts that businesses aim to make profits; hence, they are not referred to as non-profit organisations. However, businesses must strike a balance between profitability and their impact on the environment and the community, a principle now encompassed by ESG.

Presently, there's a heightened focus on Environmental, Social, and Corporate Governance (ESG), with the Nairobi Securities Exchange actively encouraging listed companies to include sustainability reports in their annual filings. This year alone, I've attended numerous sustainability report launches by KEPSA members; kudos to them! Yet, the lingering question remains: how can we support SMEs to adopt these best practices? Fortunately, larger corporations are integrating sustainability into their value chains, supporting suppliers in understanding and improving their processes. Did you know that innovation can be as simple as enhancing an internal process?

I perceive a substantial opportunity for businesses to integrate best practices, particularly with the increasing emphasis on ESG. Furthermore, I observe investment opportunities in transitioning to a circular economy, a concept that, while familiar to many Africans, is gaining recognition in academic circles. This approach involves resource utilization and waste redesign. Imagine a rural farm using what's considered waste as a resource to generate value—a simple principle, now perhaps sounding too complex. Assessing key sectors in the economy, I've identified three with significant potential for benefit: agriculture, the waste sector, and energy.

However, the discussion on sustainability cannot conclude without addressing two critical issues: the ease of doing business and competitiveness. We've read repeatedly about businesses closing their doors within the first five years or even less. To foster a country's growth, thriving businesses are imperative for increased employment opportunities.

In recent discussions with experts, there's a consensus that focusing on the quality of goods supports a country's transition to an export growth economy. However, a pivotal question arises: have we built the capacity for value addition? If not, why not focus on reducing the cost of doing business to enhance competitiveness compared to our neighbours? As you contemplate solutions, you're in a great place to start. Let's continue this thought-provoking discussion in my next article!

Amadi is a Sustainability Champion, Finance Expert, and Conference Moderator Extraordinaire. He currently serves as the Program Manager at the Kenya Private Sector Alliance.

TRANSFORMING COMMUNITIES THROUGH SOCIAL IMPACT:

THE ROLE OF PRIVATE SCHOOLS IN ESG PRACTICES

By Sharon Cheramboss

In the dynamic landscape of education, private schools emerge as influential entities, particularly in underserved communities. The strategic incorporation of Environmental, Social, and Governance (ESG) practices underscores a profound commitment to social impact within these institutions, extending their influence far beyond traditional academic boundaries.

Private schools, frequently situated in regions with limited access to quality education, assume a pivotal role in shaping the social dynamics of communities. Within the framework of ESG practices, the emphasis on social impact transcends traditional academic boundaries. Scholarship programs, community outreach initiatives, and collaborations with local organisations serve as instrumental tools for private schools to directly contribute to the social well-being of the communities they serve.

Central to the impact private schools can wield is the empowerment of communities through education. Collaborative initiatives with local businesses, healthcare providers, and non-governmental organizations (NGOs) foster comprehensive community development, extending beyond the conventional realm of education to address broader societal needs.

The social facet of ESG underscores values such as inclusivity and diversity, which private schools can actively champion. Through the provision of scholarships and the promotion of diverse enrollment, these institutions contribute to dismantling barriers to education. The cultivation of an inclusive environment not only reflects a commitment to social responsibility but also equips students with the skills to navigate a diverse world, fostering empathy and understanding.

The social impact of ESG practices extends beyond the educational setting to encompass the health and well-being of students and the broader community. Private schools can engage in health awareness campaigns, facilitate access to healthcare resources, and establish collaborations with healthcare providers to ensure the physical and mental well-being of students and their families, thereby promoting a thriving community.

ESG places a premium on stakeholder engagement, and within the realm of private schools, this entails active participation from students, parents, teachers, and the wider community. Establishing platforms for open communication, involving stakeholders in decision-making processes, and addressing their concerns contribute to fostering a positive social environment. Private schools, thus, evolve into not only educational institutions but also community hubs that promote collaboration and shared responsibility.

As private schools persist in their role as catalysts for positive change in underserved communities, the social impact dimension of ESG practices assumes paramount importance. By prioritizing community empowerment, inclusivity, health, and stakeholder engagement, private schools actively contribute to the social well-being of the communities they serve. The transformative power of ESG in the realm of education extends beyond academic excellence to create a sustained positive impact on the social fabric of society—one student, one family, and one community at a time.

JAMBOJET'S COMMITMENT TO SUSTAINABLE AVIATION: FLYING WITH THE EARTH IN MIND

By Cynthia Otoro

Jambojet, Africa's leading low-cost airline, has established a reputation for delivering seamless travel experiences to customers not just within Kenya but across the region, facilitating connections for businesses, families, schools, and holidays.

But beyond opening up the skies and connecting passengers and cargo, Jambojet is making strides towards greener skies. The airline has adapted practices to streamline its operations in order to reduce its carbon footprint in line with IATA's goal of achieving Net Zero by 2050.

Earlier this year, Jambojet participated in the 2023 Sustainable Flight Challenge (TSFC), a collaborative initiative by SkyTeam member airlines and partners. The challenge aimed to accelerate global airlines' sustainability journey, collectively working towards a greener future for air travel. Jambojet operated a short-haul return flight between Nairobi and Mombasa, implementing initiatives around four key areas; Reducing CO2 emissions in our operations, promoting circular economy, sustainable food production, and carbon offsetting.

Reducing CO^2 emissions

Jambojet operates a fleet of 8 Dash 8-400 aircraft, renowned for its fuel efficiency and therefore lower carbon footprint per passenger. Jambojet achieved a CO2 emission reduction of 9.6% on the Challenge flight compared to the baseline flights.

The airline implemented initiatives including using a ground power unit (GPU), employing reduced take-off power, long range cruise, continuous descent approach, intersection take-off and single engine taxi in. Aside from the flight operations, the airline encouraged passengers on the flights to carry only essential items, and to pre-order meals, so as to reduce the weight on the aircraft.

The return flight consumed 100Kg less fuel compared to the baseline flights, resulting in a CO2 emission reduction of 9.6%.

Promoting a circular economy

With a focus on minimizing waste and long-term resource efficiency, Jambojet creatively repurposed materials such as the aircraft leather seats and billboard advertising material into bags, laptop sleeves and bag tags, for giveaways and for sale. This was developed in partnership with a local community, and the school bags are donated to school children in the schools they support.

Sustainable food production and consumption

Collaborating with catering partner Nas Servair, Jambojet has developed a sustainable menu and packaging, emphasizing food sourced through sustainable agriculture. This approach ensures a balance between food production needs and the preservation of environmental ecosystems, promoting health, and meeting ethical trading standards.

Carbon offsetting

While striving for carbon reduction in their operations, Jambojet acknowledges that they still have CO2 emissions. The journey to net zero is pegged on three areas, guided by IATA's roadmap. These are operational improvements, offsetting and carbon capture. For the TSFC flight, the airline made the bold move to achieve net zero on direct operations of the flight. They partnered with Burn Manufacturing and purchased 6 carbon credits netting off emissions from the TSFC operations. Burn manufactures sustainable cookstoves distributed in Africa.

Through their operations, they have sold over 3.7 million stoves, resulting in over 14.4 million tons of CO2 reduction.

In addition to these initiatives, Jambojet has partnered with several organizations across its destinations for afforestation and tree-growing programs to address carbon capture; Kenya Forest Service in Nairobi, ELDOWAS (Eldoret Water & Sanitation Company) in Uasin Gishu, and Big Ship in the Coastal region to plant indigenous trees, mangroves, and adoption of tree nurseries. The airline aims to grow 2 million indigenous trees by 2050.

Jambojet's journey is not just about connecting people; it's about connecting with the planet. By integrating sustainability into its core operations, the airline is setting a commendable standard for the aviation industry, steering towards a future where air travel is synonymous with environmental responsibility.

OPTIMAL PLACEMENT OF THE ESG FUNCTION WITHIN ORGANIZATIONAL STRUCTURE

By Batuli Majid

As organizations increasingly adopt sustainability initiatives, particularly in the realm of ESG considerations, it becomes crucial to identify the appropriate individual to oversee ESG affairs and delineate the necessary qualifications for this role. Misplacement of the ESG function within a company can lead to inefficiencies in conducting non-financial reporting, underscoring the importance of strategic placement and qualified personnel.

Some companies struggle to determine the appropriate Management and approach for handling ESG matters. A notable example is Tesla, where Elon Musk publicly expressed opposition to ESG considerations. Tesla received lower scores than fossil fuel companies such as Shell and Exxon. Despite the surge in ESG funds and the impact of influential asset managers like BlackRock, stocks with higher ESG scores experience heightened investment inflows.

ESG advocates contend that Tesla's environmental excellence is undermined by shortcomings in social and governance factors, resulting in an overall subpar ESG score. Another illustrative case involves Jane Abernethy, the Chief Sustainability Officer at Humanscale. She highlighted the disparity between consumer intentions and actual behaviours. Humanscale, a company supplying office furniture, implemented a takeback program in response to customer inquiries.

Despite educating businesses about the program during the sales process, Abernethy received minimal uptake, with only one inquiry over the past few years.

Upon reflection, Abernethy recognized that the challenge did not stem from a lack of intent but rather from the complexities of dealing with durable goods in a business-to-business model. When the chair is ready for return, her company may have lost contact with the customer, or the initial contact person might have changed roles or moved to another company, resulting in a lack of awareness about the takeback program. This highlights the significance of optimal placement of the ESG function within the organizational structure to bridge the gap between intent and action.

The ESG function should be integrated as a sustainability component within the organizational framework. It is imperative to recognize that conducting an internal audit of your own Company is not feasible. Therefore, engaging ESG consultants becomes essential to perform a materiality analysis and an audit. These assessments aim to identify existing gaps and provide strategic recommendations. In some cases, consultants may reveal inadequacies in the placement of the ESG function within the organizational structure and offer assistance in restructuring it appropriately.

It is crucial to identify the ESG factors that are relevant to your organization, comprehend the effective management of ESG functions, and strategically position them within the organizational structure. This understanding is essential to prevent misunderstandings and ensure the preservation of sustainability principles.

To determine the most suitable placement of the ESG function within your organization, it's essential to consider your industry and the key factors influencing your organization. Prioritize the relevant Sustainable Development Goals (SDGs) based on these considerations and assess the risk function to understand its capacity. Conducting ESG due diligence will help identify gaps that require attention, allowing your company to bridge them effectively.

Consider the case of BSM Limited, a company operating in the hospitality industry. To determine its ESG function's placement within the organization, it could conduct a materiality analysis to identify the most high-risk function. Subsequently, it might integrate the ESG function within the sustainability department. This strategic move aims to strengthen non-financial reporting, publish modern slavery statements to bolster human rights, and oversee the implementation of best sustainability practices.

Placing the ESG function optimally helps address gaps related to materiality and risk functions. This strategic placement ensures that the Company follows best ESG practices and complies with international reporting standards, allowing it to meet all necessary criteria.

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THE YOUTH AND ESG PRACTICES

By Denis Kiplagat

As the world grapples with the challenges of climate change, social inequality, and corporate governance, the importance of ESG practices in business cannot be overstated. ESG is no longer a niche concept, but a critical aspect of a company's long-term success and sustainability. For the youth in the private sector, understanding and implementing ESG principles can bring numerous benefits, both for the organization and for their careers.

ESG is about more than just being socially responsible or environmentally conscious. It is about creating long-term value for stakeholders, including shareholders, employees, customers, and the communities in which companies operate.

By adopting ESG principles, organizations can:

Improve their reputation and brand image, which can lead to increased customer loyalty and attract new customers.

Enhance their competitiveness and long-term financial performance, as ESG practices can lead to cost savings, improved operational efficiency, and access to new markets

Attract and retain top talent, as employees are more likely to want to work for companies that prioritize sustainability and social responsibility

Better manage risks and capitalize on opportunities, as ESG practices can help companies identify and mitigate potential risks and capitalize on emerging trends and technologies.

How to Implement ESG in Your Organization

To benefit from ESG practices, it is essential to integrate them into the organization's strategic plan. Here are some steps to help you get started:

Conduct an ESG assessment: Assess your organization's current sustainability and social responsibility practices, identify areas for improvement, and set goals and targets for ESG performance.

Develop an ESG strategy: Based on the assessment, develop a comprehensive ESG strategy that aligns with the organization's mission, vision, and values.

Incorporate ESG into the organization's decision-making processes: Ensure that ESG considerations are integrated into all aspects of the business, including investment decisions, supply chain management, and product development.

Engage stakeholders: Engage with stakeholders, including employees, customers, investors, and communities, to understand their ESG concerns and priorities and to report on the organization's ESG performance.

Monitor and report on ESG performance: Regularly monitor and report on the organization's ESG performance, using metrics and benchmarks that are relevant to the organization's industry and goals.

The Ongoing Conversation on Sustainability

The concept of sustainability is closely tied to ESG practices, and the two are inextricably linked. As the world grapples with the challenges of climate change, resource depletion, and social inequality, the conversation on sustainability is becoming increasingly urgent and important. By adopting ESG practices, organizations can play a critical role in addressing these challenges and creating a more sustainable future.

By implementing ESG practices and incorporating sustainability into their strategic plans, organizations can not only improve their reputation and financial performance but also contribute to a more sustainable future for all.

ESG and the Role of Climate Risk Assessment

By Stephen Ndore Mutimba

Companies globally are going through a complex and dynamic landscape where climate change and environmental uncertainties prevail, and shareholders' demands intensify. Despite these multifaceted environments, businesses must uphold their fiscal stability, enhance profitability, safeguard their brand image, and sustain their market edge. New and evolving regulations from regulatory bodies such as the Central Bank, call for greater transparency and disclosure of Environmental, Social, and Governance (ESG)-related data. This is made worse by international stakeholders and investors who are increasing their scrutiny of the effects of investment decisions on the climate, society and the actions taken to reduce the risk exposure from climate change.

This article focuses on the role of climate change and climate risk assessment (CSA) as a critical component in enhancing ESG principles within Kenya's corporate organizations' strategic plan. Climate risk assessment, sometimes termed climate risk management, helps businesses identify potential environmental risks associated with climate change, such as extreme weather events, floods, drought, resource scarcity, and associated changes in regulatory landscapes. Identifying and quantifying corporates assets at risk from climate hazards involves a combination of data analysis, risk assessment and scenario modelling.

Corporates and their subsidiaries, situated in regions prone to climate-related risks, need a comprehensive CSA approach to assess and mitigate climate risks over the lifespan of their assets. This approach begins with a Climate Hazard Assessment to pinpoint threats such as heatwaves, floods, droughts, and hurricanes.

Following this, a Vulnerability Assessment evaluates the susceptibility of each physical and financial asset—considering, for example, the higher flood risk to coastal properties or the exposure of agricultural farms to droughts and livestock to floods.

A Quantitative Assessment utilizes historical data on climate incidents and financial modeling to estimate potential financial losses, accounting for both direct damage to assets and indirect effects like business interruptions. Scenario Analysis is then employed to anticipate the impacts under various climate change projections, such as global temperature increases, informing the business of possible future risks.

Assigning Monetary Value to each potential impact is crucial, using valuations based on market or replacement values. Risk Mitigation Strategies are then formulated, ranging from physical safeguards and asset diversification to revised investment strategies and insurance coverage. Continual Monitoring and Reassessment are paramount as climate models and risk landscapes evolve.

It is important for businesses to understand their climate risks and integrate them into all their operations as part of ESG strategy. Carrying out CRA comes with benefit to corporates, which can be summarized as below:

- It encourages companies to optimize their use of resources, reduce their carbon footprint, and invest in renewable energy, which are essential aspects of environmental stewardship.
- Companies are motivated to innovate by developing new products and services that minimize environmental impact and are resilient to climate-related disruptions.
- Understanding climate risks allows companies to foresee and mitigate adverse effects on the communities in which they operate, such as supporting local disaster preparedness and response initiatives.
- Climate assessments can lead to creating safer work environments, as organizations plan for extreme weather events and their potential impact on employees.
- Consumers are increasingly aware of and concerned about climate change, and businesses that take active steps to address climate risks can better align with customer values and expectations.
- Regular climate risk assessments demonstrate to stakeholders that the company takes its environmental responsibilities seriously, which can improve governance and accountability.
- Disclosing climate risks and how the company plans to address them can enhance transparency and build trust with investors, customers, and the public.
- By integrating climate risk assessment into corporate strategy, businesses can ensure long-term planning considers potential future regulatory changes and market dynamics related to climate change.
- Investors are increasingly assessing companies based on ESG criteria, including how they manage climate risks. A solid strategy can attract investment from funds focused on sustainability.
- Companies can use climate risk assessments to navigate the landscape of government incentives for sustainable practices and avoid penalties associated with non-compliance.

In summary, incorporating climate risk assessment into corporate strategic plans ensures that a company is not only preparing to mitigate the risks posed by climate change but is also positioned to capitalize on opportunities. It signifies a proactive approach to managing future challenges and aligns with the core values of ESG by promoting sustainable and responsible business practices.

Stephen Mutimba, the author, is the Managing Director at Climate and Energy (C&E) Advisory Ltd., https://www.eclimateadvisory.com/; our team comprises climate scientists, forest management specialists, financial risk analysts, and carbon accounting modellers, and offers expertise in ESG, with a focus on the E, that is the environmental disasters caused by climate change.

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- *Other related services.*

NAVIGATING TRADE COMPETITIVENESS IN A LOW-CARBON ERA:

THE ROLE OF INNOVATIVE FINANCING SOLUTIONS

By Nuru Mugambi

In the urgent battle against climate change, the private sector emerges as a linchpin in the global effort to slash greenhouse gas (GHG) emissions. Corporations and small businesses hold the key to making substantial contributions through well-defined carbon mitigation strategies with clear targets that also unlock social value. These targets are not arbitrary; they are science-based and designed to curb GHG emissions in line with the critical decarbonization levels necessary to restrict the rise in global temperatures to below 2°C or, preferably, 1.5°C.

The decarbonization roadmap for businesses involves critical steps, such as understanding and measuring their carbon footprint, identifying environmental and social risks and opportunities, and setting ambitious GHG emission reduction targets. Crucially, this reduction effort extends beyond business operations to encompass the entire supply chain. As such, measuring the firm's direct emissions as well as the inclusion of indirect emissions (known as scope two and scope three emissions) in the assessment of environmental impact is essential, as these aspects constitute a company's overall carbon footprint.

The WWF encourages companies to go a step further by neutralizing unavoidable emissions by utilizing carbon credits. Such practices are now within reach of more firms with the recent amendment to Kenya's Climate Change Act, which introduced a carbon registry and the regulation of carbon markets.

As the world pivots toward a low-carbon future, the aspect of emissions tied to the production and transportation of goods and services becomes a pivotal factor in trade competitiveness. This transition, however, is not without its challenges, particularly for larger firms facing capital-intensive decarbonization processes.

ESG-linked Financial Innovation

Sustainability-Linked Bonds (SLBs) and Sustainability-Linked Loans (SLL) as financial innovations. Introduced by Italian energy utility company Enel in 2019, SLBs provide a pathway to fund environmental, social and governance (ESG) efforts and low-carbon transitions. Unlike green bonds, which allocate funds to specific assets, SLBs are performance-based instruments. Issuers commit, through their SLB prospectus, to improve sustainability outcomes within a predefined timeline, with Key Performance Indicators (KPIs) tied to ESG and climate-related policies and objectives.

The global SLB market exceeds US$200 billion in issuance, which is small relative to other sustainability markets like green bonds which exceed US$1.9 trillion in value, however, the SLB market is growing and evolving. Issuers are turning to SLBs to finance their ESG initiatives and low-carbon transitions, while investors are showing enthusiasm for such transactions due to responsible investment thesis aligned with the Paris Agreement and UN Sustainable Development Goals (SDGs).

There are examples of SLBs on the Continent. In June 2021, Rand Water of South Africa successfully issued a 10-year SLB valued at US$ 91 million. The proceeds from this bond are dedicated to financing initiatives aligned with the SDGs. Notably, Rand Water's SLB supports SDG 5 by promoting gender diversity at the senior management level, SDG 6 by advocating for clean water, and SDG 7 with a focus on reduced emissions through clean energy, specifically through the installation of solar energy. An innovative feature of the bond is its coupon, which is tied to ESG targets. This linkage allows for downward coupon adjustments, ultimately reducing costs for the issuer.

Development Bank of Rwanda (BRD) also recently issued an SLB with a step-down feature which lowers the coupon when it meets certain sustainability targets. BRD's SLB was partially credit-enhanced by the World Bank and has a seven-year maturity; the transaction raised US$ 24.8 million towards KPIs focusing on improving ESG systems and practices, promoting women-led businesses, and investing in affordable housing.

Despite increasing interest, SLBs have had some apprehension due to concerns about their potential to be misused for lack of standardized criteria for measuring ESG targets. Meanwhile, SLLs are gaining even more attention with a global value of over US$1.5 trillion. SLLs are meticulously structured by financiers with varying interest rates to incentivize borrowers to achieve ambitious yet measurable objectives anchored on effective ESG policies, including the implementation of an environmental and social risk management system (ESMS). Over time, this could mean a lower interest expense for the company.

Safaricom debuted SLLs in Kenya this September, securing US$137 million from StandardChartered, Stanbic, ABSA and KCB, and for their ESG initiatives, which include reducing emissions and promoting positive social outcomes. SLLs do not have to be as large as the Safaricom transaction. Banks can create facilities featuring flexible terms and minimal transaction costs tied to ESG targets, facilitating the transition of small and medium-sized businesses (SMEs) into the green and circular economy. This, in turn, strengthens SMEs global competitiveness.

Amidst the global shift towards low-carbon practices, the significance of emissions in determining trade competitiveness has never been more crucial. While the process of decarbonization often demands substantial capital, sustainability-linked bonds and loans, featuring explicit and measurable ESG indicators, emerge as practical and effective financial instruments that private sector actors should consider.

The writer is a sustainable finance policy advisor and member of the KEPSA Economic Diplomacy Sector Board.

AFRICA PRIVATE SECTOR COMMITMENT TO SCALE UP BUSINESS CLIMATE ACTION

By Faith Ngige

At the high-level side event during the 28th Conference of the Parties (COP 28), in Dubai, KEPSA in collaboration with the African Climate Foundation (ACF), the United Nations Environment Program (UNEP) and the Africa Business Council (ABC), affirmed the commitment of the Africa Private Sector in scaling up climate action pathways' for resilience and green industrialization of Africa, through the Africa Private Sector Commitment to Scaling up pathways to climate resilience and green and call to action. A statement signed by more than 20 private sector entities across Africa.

Africa's private sector, which accounts for 80% of total production, 67% of investment, and employs 90% of the working-age population, is crucial in addressing global warming. However, the continent faces challenges due to its high levels of social and economic vulnerability. In a statement read on behalf of KEPSA by the Climate Business Information Network Coordinator Ms Faith Ngige, she noted that, ***"Through the private sector, Africa has an opportunity to be part of global value chains whilst at the same time establishing resilient continental value chains and supply chains that will support green development. Engaging the private sector to invest in climate action as substantial active implementers and solution providers is essential if we are to accelerate the transformation to low-carbon resilient***

societies."

Speaking at the forum, the Regional Principal Regional Officer for climate and green growth at the African Development Bank, Dr Olufonso Somorin, lauded the private sector for playing a significant role in climate action through the power of agency in transforming climate finance into solutions using technology, resources and technical know-how. The scale of financing and resources required to tackle climate change is not yet proportionate to the adaptation needs of Africa. There is a need to re-engineer a model for the private sector financing instruments and incentives that fit the needs of Africa.

To enhance adaptation solutions for Africa, local technology is key in ensuring that Africa adapts to the changing climate. It's a zero-sum game to get climate financing only to procure foreign Technologies that do not serve our needs. Africa must ensure that our technologies are utilized for the decarbonization of value chains, as noted by Eng Ahmed Kamal, Executive Director- Technical and Climate Change Advisor, Federation of Egyptian Industries.

Mr Ekitela Lokaale from the Ministry of Foreign and Diaspora Affairs, recalling the Africa Climate Summit Nairobi Declaration, at COP28 highlighted the readiness of Africa to be a solution to the world and the need to create an enabling environment to unlock the natural resources and decarbonization measures of the global economy.

As Africa experiences rapid urbanization, cities will experience the pressure of rural-urban migration, putting more pressure on service delivery in the cities. This presents an opportunity to adopt green and resilient measures for the cities to make the cities cope with the new dawn, Nasra Nanda, CEO Kenya Green Building Society reiterated.

Dr. Eugene Itua, the CEO, Natural Eco Capital and Facilitator of Circular Economy and Natural Capital, Sustainability Policy Commission, Nigerian Economic Summit Group, implied the role of natural resources in Africa's Sustainable development and climate change. Natural capital provides the foundation for Africa's contribution to climate action both in the region and globally, and we must harness it to deal with climate challenges.

Sharing on the balance between Industrialization and Africa's Just Transition, Mr Lulamile Makaula from South Africa's National Business Initiative, called for the need to ensure inclusion and balance of just transition for procedural justice, distributive justice and restorative justice. There's a need to ensure that the green transition does not exuberate inequality or marginalization.

The advisor Africa Climate Foundation, Mr. Allen Wallis, reinforced the power of collaboration and partnership between public, private and philanthropy. Going forward, there is a need to harness this synergy for directing climate action in Africa.

The banks' contribution to climate action by supporting members to transition and invest in climate resilience, adaptation and mitigation solutions is also vital. There is a need to design financing models that incorporate de-risking measures and mechanisms for capacity building, especially for the farmers and communities, noted Ms Reshma Shah, Director of Sustainability Equity Group.

Ms Valentine Cheruiyot Manager, Environment and Climate Change affirmed Safaricom's commitment to climate action through diverse strategies including commitment to net zero by 2050, incorporation of circular economy in their operations, solarization of the base stations, use of machine learning and biodiversity and reforestation measures.

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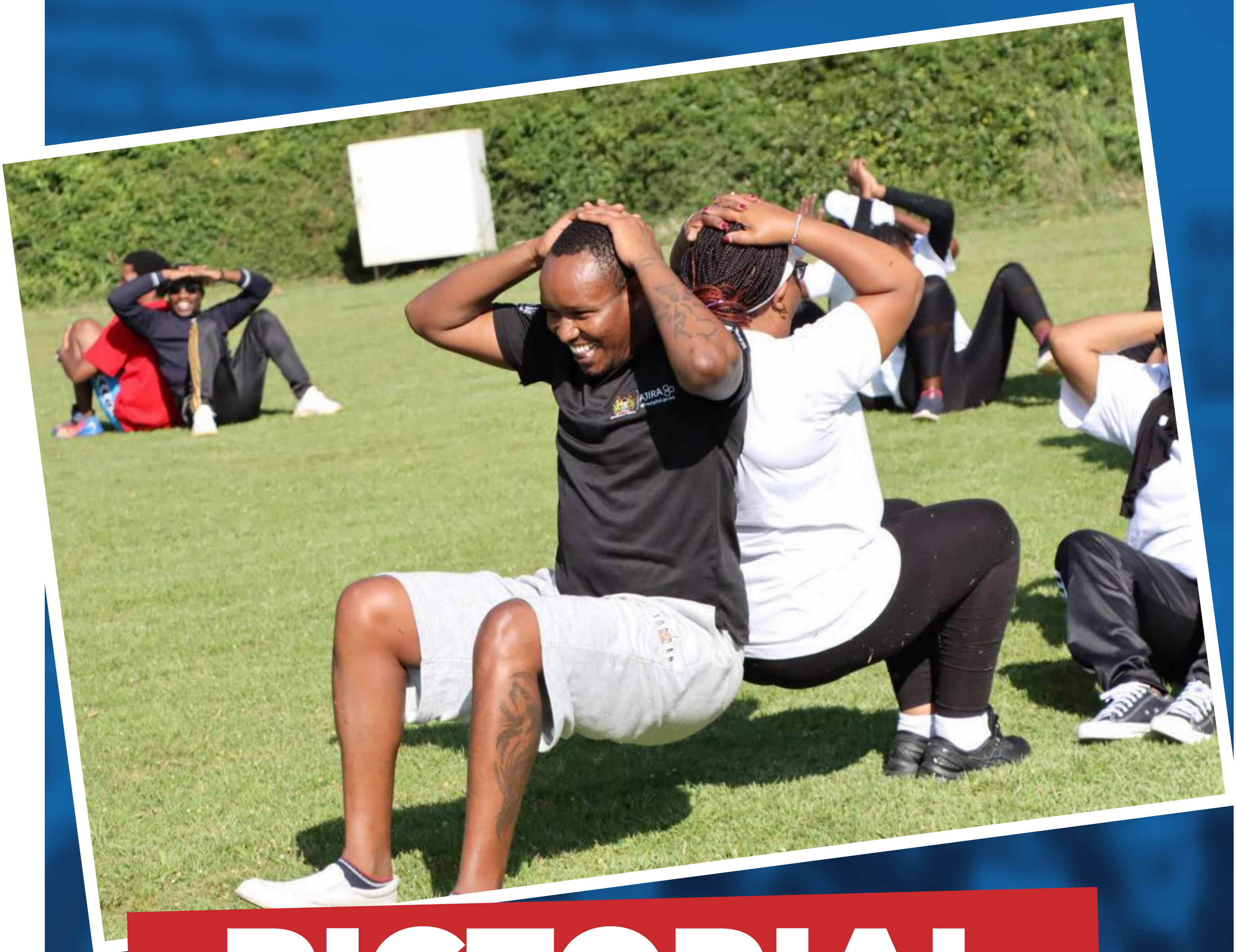

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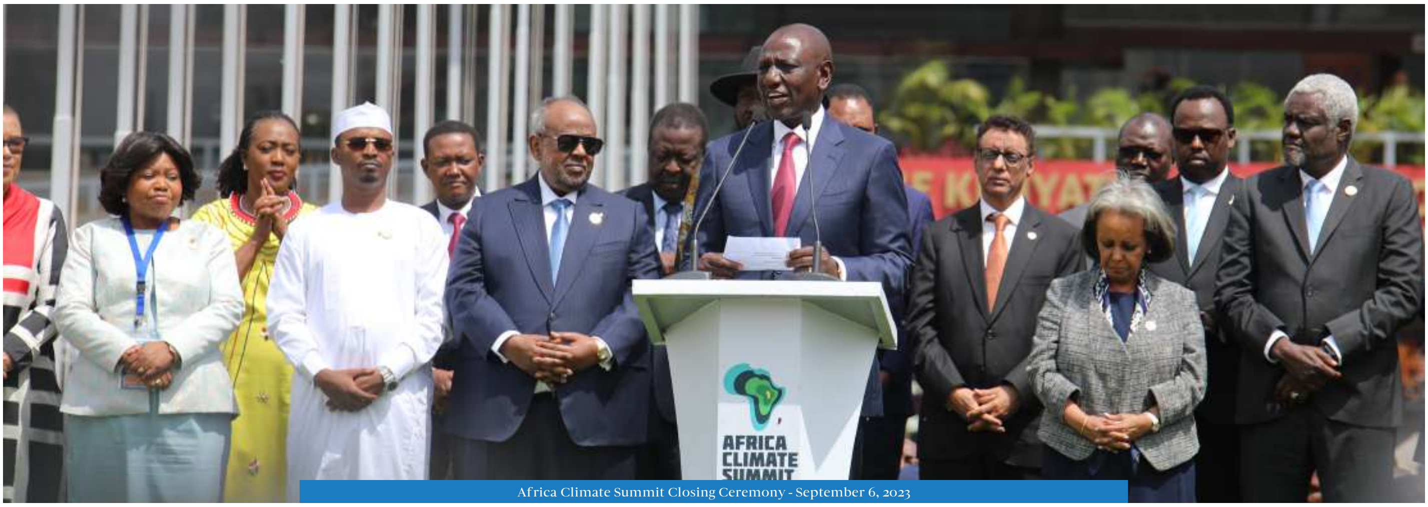

Africa Climate Summit Closing Ceremony - September 6, 2023

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Generation Equality Forum Midpoint Kenya's Journey To Equality - September 14, 2023


Annual Circular Economy Conference - November 9, 2023

Digital Economy Dialogue - November 23, 2023


County Digitization Forums For Small And Medium Enterprises (SMEs) - Empowering Job Creation Through Digital Technologies 20th - 21st September 2023

3rd Africa International E-Waste Conference - November 30, 2023


High-Level Post ACS- Pre COP28 Private Sector Summit - Nov. 22, 2023

ICC DRS Africa Business Talks Series - September 20, 2023


KEPSA CEO Speaking During The Africa Climate Summit (Day 1) - September 4, 2023

KEPSA Dinner With Prime Minister Of Lesotho - December 8, 2023

KEPSA Foundation And CIPE Launch Of The Bribery Act Quick Guide Booklet, December 7, 2023


KEPSA Foundation UN Women Corporate Gala Dinner On Gender Equality And Women Empowerment - November 30, 2023

KEPSA Cake Cutting Session - KEPSA Members And Partners End Year Cocktail

KEPSA Management And Staff Training - October 27, 2023

KEPSA Meeting With Uganda Investment Authority

KEPSA Meeting With Uganda Investment Authority

KEPSA Staff Sports And Fun Day - December 8, 2023

KEPSA Security Sector Meeting With KRA ISO Department - September 12, 2023

KEPSA Staff Sports And Fun Day December 8, 2023

KEPSA Visit To Konza City - October 6, 2023

KPP Thank You Visit To T3 - September 21, 2023

National Workshop On EAC Export Procedures, December 5, 2023

Private Sector Declaration And Commitment To Climate Action - September 5, 2023

Tunisia Business Forum - November 16, 2023

Private Sector Declaration And Commitment To Climate Action - September 5, 2023


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26	Kenya Association of Manufacturers
27	Kenya Association of Pharmaceutical Industry
28	Kenya Association of Travel Agents
29	Kenya Association of Women Business Owners
30	Kenya Auto Bazaar Association
31	Kenya Bankers Association
32	Kenya Forex & Remittance Association
33	Kenya Green Building Society
34	Kenya Healthcare Federation
35	Kenya Institute of Supplies Management
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37	Kenya Private Schools Association
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54	Rural Private Hospitals Associations of Kenya
55	Safaricom Dealers Association
56	Seed Trade Association of Kenya
57	Shippers Council of Eastern Africa
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247	Sunculture Kenya Limited
248	Suni Smart Energy Limited
249	Sunripe (1976) Limited
250	Synergetic Development Investment
251	Tata Chemicals Magadi Limited
252	Telenor Services Limited
253	Tetra Pak Limited
254	The Alternative Accomodation Network
255	The Boston Consulting Group
256	The Karen Hospital Limited
257	The Riara Group of School
258	The Youth Cafe Limited
259	Tibu Health
260	Toner World Limited
261	Torrent East Africa Limited
262	Trinity Energy Limited
263	Trinity Magnolia Printer Limited
264	Tullow Kenya B.V. Kenya Branch
265	Uber Kenya Limited
266	Ultravetis E.A. Limited
267	Umsizi Llp
268	Unicorn Valley Technologies
269	Van Woustraat Limited
270	Victory Farms
271	Visiondrill Technology
272	Viva Africa Consulting LLP
273	Vivo Energy Kenya Limited
274	Wells Fargo Limited
275	Wema House School Limited
276	Western seed Company Limited

277	Winnies Pure Health Products Limited
278	WISEe Cooperative Society Limited
279	Woolworths (K) PTY LTD
280	Zandaux Kenya Limited
281	Zawadi Brand Solutions Limited
282	Zenka Digital Limited
283	Zydii Limited

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