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THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

- Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2.
 make sure that they are not complicit in human rights abuses



LABOUR

- **3.** Businesses should support and respect the protection of internationally proclaimed human rights; and
- 4. the elimination of all forms of forced and compulsory labour;
- 5. the effective abolition of child labour; and
- 6. the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

- 7. Businesses should support a precautionary approach to environmental challenges;
- 8. Undertake initiatives to promote greater environmental responsibility; and
- 9. encourage the development and diffusion of environmentally friendly technologies.



ANTI CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

GLOBAL COMPACT NETWORK KENYA

Global Compact Network Kenya (GCNK) is the Local Network of the United Nations Global Compact that is working to accelerate and scale the collective impact of businesses in Kenya by upholding the Ten Principles on Human Rights, Labour, Environment and Anti-corruption and delivering the Sustainable Development Goals (SDGs) through accountable companies and ecosystems that enable change.

Established in 2005, Global Compact Network Kenya has more than 300+ participants in Kenya with over 800 others signed to our local Code of Ethics for Business - an initiative of the Global Compact, Kenya Association of Manufacturers (KAM) and Kenya Private Sector Alliance (KEPSA).

ABOUT THIS REPORT

This Annual Report is intended to provide our stakeholders and the public with an overview of the progress we are making across key strategic and operational focus areas as well as highlight activities undertaken and resources created to promote business action on the sustainable development agenda. It is available on the Global Compact Network Kenya website.

For more information, contact: info@globalcompactkenya.org, follow @globalcompactKE on social media and visit our website at globalcompactkenya.org.



THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

At its core are the 17 Sustainable Development Goals (SDGs), which present an urgent call for action by all countries - developed and emerging - in a global partnership. They recognise that ending poverty and other deprivations must go hand-inhand with strategies that improve health and education, reduce inequality, and spur economic growth - all while tackling climate change and working to preserve our oceans and forests.

We believe businesses play a key role in advancing the SDGs. Responsible business practices, combined with collaboration and innovation, can bring about powerful changes in societies and markets.







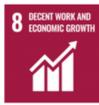


































Martin Ochien'g Chairperson Board of Directors

"I am pleased to observe that the voice of business leaders drawn from Global Compact Network Kenya participating companies were amplified in various forums across the globe, a confirmation that our contributions matter in providing solutions to global challenges."

MESSAGE FROM THE CHAIRPERSON

The year 2022 marked a momentous one for Global Compact Network Kenya as we doubled down on efforts to help our participants make meaningful contributions to the Sustainable Development Goals ahead of their 2030 deadline.

During this period, the organization registered significant progress in advancing the sustainability agenda in the country. We noted the enthusiastic participation of Small & Medium Enterprises (SMEs) in our global movement, underscoring the importance of sustainability even in times of crises.

A key highlight of the year was the renewed focus on the African continent with the launch of the UN Global Compact Africa Regional Hub in Abuja, Nigeria. The hub will seek to position Africa as a major player in the global sustainability landscape while supporting Local Networks to deliver value to their growing pool of participants.

As a board, we remained steadfast in our oversight role ensuring the Global Compact Network Kenya delivers on its mandate. It is worth acknowledging the remarkable progress achieved by the secretariat, including the incorporation of additional workstreams, such as SDG integration and the supply chain sustainability.

I am pleased to observe that the voice of business leaders drawn from participating companies were amplified in various forums across the globe, a confirmation that our contributions matter in providing solutions to global challenges.

From a governance point of view, we saw the exit of some board members and entry of new ones namely Jonty van Zeller and Sheila Masinde who represent the SME and Non-business sectors respectively. We look forward to benefitting immensely from their expertise at the board level.

In the coming year, Global Compact Network Kenya will continue enhancing its capabilities with a renewed focus on transparency and accountability to measure the impact of companies' contribution to the sustainable development agenda.

To the new members, we welcome you to the UN Global Compact family and we invite your participation to accelerate your sustainability journeys. To the members who have been with us in this journey, The Board recognizes your effort and contribution to the movement, and I urge you to nurture other upcoming members as we move forward faster.



Judy Njino

Executive Director

"We focused our efforts on solving the world's most pressing challenges in seven areas where businesses have an outsized effect on outcomes: Anticorruption, Climate Change, Human Rights, Labour and **Decent Work, Gender Equality, SDG** Integration, and **Transformational** Governance."

STATEMENT FROM EXECUTIVE DIRECTOR

As we reflect on the year under review, we note significant contributions made by participants in advancing sustainability commitments.

While the COVID-19 pandemic presented enormous challenges to businesses, it also prompted a re-evaluation of priorities.

In this post-Covid world, Global Compact Network Kenya continued to work closely with its participants to navigate these challenges and identify opportunities to build back better. We retooled our programming to ensure they responded to the needs of our diverse membership not least small and medium enterprises that needed closer guidance.

To this end, we focused our efforts on solving the world's most pressing challenges in seven areas where businesses have an outsized effect on outcomes: Anti-corruption, Climate Change, Human Rights, Labour and Decent Work, Gender Equality, SDG Integration, and Transformational Governance.

Leveraging the power of the private sector to engage responsibly and advance the Sustainable Development Goals (SDGs) was also at the heart of our work in 2022. We continued to mobilize business participation in the Compact and our growth story became a shining example not only in the continent but also among our peers in other parts of the world.

In the coming year, we will amplify our efforts to ensure even more participants are on-boarded and actively participate in our rich programme offerings to deepen engagement. Our commitment to all our participants is that we will continue to offer value by tailoring our programmes to their needs.

As we continue to move forward, we look forward to turning the growing challenges into opportunities for businesses to drive positive change through innovations and collaboration. Grounded as we are in United Nations values and our Ten Principles, the Global Compact is in a unique position to support meaningful business contributions to the sustainable development agenda.

I am confident that, working together, we will not only be able to future proof the planet, but strengthen business resilience for decades to come.

To all our Global Compact Network Kenya participants, thank you for your continued participation in the UN Global Compact and strong support. Let's keep moving forward together, united in the business of a better world.

MEMBERSHIP HIGHLIGHTS

PARTICIPANT GROWTH



In 2022, the Global Compact Network Kenya aimed to make businesses in Kenya more responsible, aware of sustainability goals, and accountable for their actions. These efforts were pursued through the following objectives:

- Attracting and retaining a significant number of businesses committed to upholding sustainable business practices.
- Raising the ambition of companies through awareness raising and technical capacity support to internalize and embed the Ten Principles and the Sustainable Development Goals (SDGs) into their core business operations.
- Enhancing transparency and accountability through sustainability reporting with 23 participants engaged in the Communication on Progress early adopters' program. (82.6% of these early adopters being SMEs).

In 2022, the Global Compact Network Kenya welcomed 47 new businesses into its fold- majority being being small and mediumsized enterprises (SMEs)- who are recognizing the importance of sustainable practices.

Additionally, the network successfully recruited 10 large companies with a potential to create larger sustainability impact due to the scale of their operations.

2022 NEW PARTICIPANTS

1 Greenland Renewable Energy	25 Samawati Capital Partners Limited
2 Stantech Motors Ltd	26 Britam Holdings Plc
3 Gulf African Bank Limited	27 Growthpad Digital Consulting
Fit For Duty	28 Carepoint (Formerly Africa Health Holdings Ltd)
5 Intercity Secure Homes Limited	29 Metropolitan Hospital
6 Lineplast Group Limited	30 Kenya Healthcare Federation
7 Sandev General Trading Company Ltd	31 AAR Hospital
8 Harmony Group Of Companies Ltd	32 Healthx Africa
9 Royal Point Company Limited	33 Lions Sightfirst Eye Hospital
10 Senaca East Africa	34 Higher Education Loans Board
11 Socap Kenya Limited	35 Standard Media Group
12 Alefest General Enterprises	Capitec Group Ltd
13 Hals Milford International Limited	37 Medsource Group Limited
16 Insight Business Systems Ltd	38 Heri Homes
15 Career Connections Limited	39 Avatar Creations Limited
16 Farsight Africa Group Limited	Biashara Africa
17 Vintz Plastics Limited	41 Xetova Limited
18 Ronalds LLP	42 Ubora Systems And Solutions Limited
19 Simply Foods Limited	43 Astratel Limited
Spice World Ltd	Soliton Telmec Limited
21 Alpha Cargoline Limited	45 Highlight Travel Limited Trading As BCD Travel
Pelican Sustainability Ltd	46 Impeccable Safaris Limited
23 JNO Advocates LLP	47 Wanderlust Diaries Ltd
24 Maersk Kenya Ltd	

RETENTION OF PARTICIPANTS



In 2022, 36 participants were delisted due to failure to submit the annual communication on progress- a key requirement to foster transparency and accountability for all UN Global Compact participating companies.

The delisted participants includes one company, thirty-two SMEs, and three NGOs lowering the retention rate to 87% from the previous year's retention rate of 93%.

To address participant attrition, GCNK focuses on quality onboarding through conducting thorough background checks and comprehensive induction of new joiners. It is noted that most SMEs deprioritized their sustainability goals due to the economic shocks caused by the Covid-19 pandemic.

By recognizing the challenges faced by SMEs, the network was able to tailor its support and engagement strategies to better address their needs during difficult times.

PROSPECTS FOR GROWTH

To drive stronger growth and retention of participants, GCNK further invested in resourcing its participant engagement unit by recruiting one new staff to improve collaboration and engagement with new joiners.

We further leveraged on multipliers by targeting prospects within the supply chains of large companies. GCNK participant Safaricom PLC continues to engage and empower its suppliers to implement the Ten Principles of the UN Global Compact within their business strategies and operations.

The GCNK Board Members also contributed in driving the Network's growth by leveraging their connections and expertise to attract new participants in solving the world's most pressing issues.

Our approach has been effective in spreading the principles of the UN Global Compact throughout the business ecosystem, making sustainability a shared goal across different companies and their supply chains.

In 2023, GCNK will focus more on recruiting large companies and refining its value proposition for SMEs

2022 EVENT HIGHLIGHTS

The UN Global Compact programme portfolio includes opportunities for companies and stakeholders to engage with and support the achievement of issue-specific impact areas. From scalable capacity building to leadership incubation and shaping of industry and policy standards, we offer companies a curated journey based on the behavioural change needed and level of sustainability maturity across our participant base.

The 2022 programmatic initiatives and flagship events centered around the seven thematic areas



HUMAN RIGHTS



LABOUR AND DECENT WORK



ANTI-CORRUPTION & TRANSFORMATIONAL GOVERNANCE



SDG INTEGRATION



GENDER EQUALITY



CLIMATE CHANGE

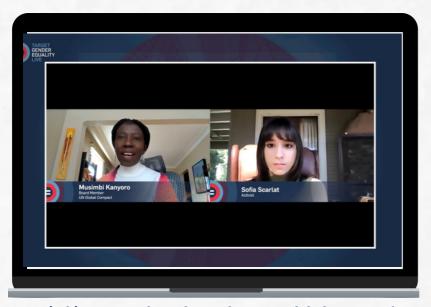


A TARGET GENDER EQUALITY LIVE



Assistant Secretary General and CEO UN Global Compact Sanda Ojiambo at the 2022 Target Gender Equality LIVE





Musimbi Kanyoro (Board member, UN Global Compact) (Left) making her contribution during the 2022 Target Gender Equality LIVE

The UN Global Compact hosted the annual Target Gender Equality LIVEconvened by the UN Commission on the Status of Women. The virtual event brought together over 3,000 business leaders' representatives from across the globe to discuss how the private sector can disrupt bias and unlock women's leadership, entrepreneurship, and Innovation to tackle the greatest challenges.

Kenyan CEOs featured during the event included RA International, CEO, Soraya Narfeldt; Rova Digital, CEO, Rose Maghas; and Extra Dimensions, CEO, Wambui Njoora.

BLEADERS SUMMIT





The UN Global Compact hosted the annual Leaders Summit, the UN Global Compact's premier business event, convening leaders and stakeholders from the United Nations, Governments, business, civil society and Local Networks to take stock of SDGs and feature innovative examples of how multistakeholder partnerships business unlocking new opportunities and capital, while also driving impact on the ground.



The virtual session allowed global leaders and SDG stakeholders to exchange knowledge, take stock of progress, highlight areas for greater influence, and inspire collective action to make lasting change by elevating ambition for strategic collective action, rebuilding a just, equitable and resilient world.

Companies that participated include Safaricom PLC represented by Karen Basiye, Head of Sustainable Business & Social Impact and SBM Bank Kenya represented by Beth Muthui, Director Consumer Banking.

UNITING BUSINESS LIVE









The Future is Now: Young Professionals Innovation for the SDGs

5:30 p.m - 7:30 p.m (Nairobi time)









HIRAM KAMAU CSR. Sustainability & Sales Representative Compliance Manager African Coffee Roasters African Coffee Roasters

Compliance Officer African Coffee Roasters

Head of Sales, Logistics and TI African Coffee Roasters

20 SEPTEMBER 2022

#UnitingBusiness

The UN Global Compact's Uniting Business LIVE connects the high-level multi-stakeholder dialogues of the Private Sector Forum, the Global Impact Forum and leadership examples of the SDG Business Forum, into one inclusive, impactful, and innovative virtual event.

At the start of the high-level opening week of the UN General Assembly, forwardthinking Chief Executives, Heads of State and Government, corporate sustainability experts and business leaders, plus heads of UN agencies and civil society organizations came together to take stock of the state of the world.

They also addressed gaps in progress, drive for business ambition on the SDGs and highlighted cooperative and actionable solutions that are ready - today.

During the Private Sector Forum at the Uniting Business Live, KenGen PLC Managing Director & CEO, Mrs. Rebecca Miano participated in an engaging panel discussion entitled: "Without renewable, there can be no future." The discussions highlighted the importance of countries uniting to end fossil fuel pollution and fast-track decarbonization, and the urgent need to leave no one behind on our journey to net zero.



The SDG Investment Forum, hosted by the UN Global Global Compact and Compact Networks in North America, brought together nearly 150 C-Suite participants from both the public and private sectors alongside representatives from the UN, civil society and academia to discuss how the private sector can play a greater role in directing capital towards the Sustainable Development Goals.

Karen Basiye, Head of Sustainable Business & Social Impact at Safaricom PLC engaged the participants on the linkage between SDG delivery and coalition between large and micro enterprises.

During the Global Impact Forum at the Uniting Business Live, Kenya Network member, African Coffee Roasters alongside 60 other companies took part in the Future is Now: Young Professionals Catalyzing Innovation for the SDGs session.

The session was set to celebrate and engage young corporate leaders and entrepreneurs to create solutions for the future of sustainable business. African Coffee Roasters presented their Innovative solution developed from the Young SDG Innovators Programme and shared their experiences.

D SUSTAINABILITY SUMMIT



Kenya Women Microfinance Bank Managing Director, Mr Mwangi Githaiga joined and participated in the session on "Tips & Tools to Target Gender Equality". He reflected on how KWFT has leveraged various resources such as the Women's **Empowerment Principles** Gender Gap Analysis Tool to set targets and develop holistic action plans to ensure eauity. diversity and inclusion.

He also shared practical advice how to anticipate unpack common arguments of resistance and backlash faced internally and externally. The UN Global Compact sponsored the 12th Sustainability annual Summit from 20-22 September 2022, a virtual event that offers both exponential global reach and accessibility by bringing content directly to the audience. The event brought 1.695 together participants around the world.

E UNITING BUSINESS AFRICA



Executive Director UN Global Compact, Ms. Sanda Ojiambo and Group Managing Director and CEO East African Breweries Ltd, Ms. Jane Karuku.

The UN Global Compact in collaboration with the Africa Hub and Local Networks in Africa hosted the third annual Uniting Business Africa held at COP27 to discuss how the private sector can accelerate and support climate change initiatives across the African continent.

During the fireside chat dubbed <u>Female CEOs</u> <u>for Resilience</u>, Assistant Secretary-General and CEO UN Global Compact, Ms. Sanda Ojiambo interviewed Group Managing Director and CEO East African Breweries Limited.



Ms. Jane Karuku discussed the role businesses can play whether through direct investments and/or innovative practices that lead to a more resilient world. At the <u>Building Resilience and Access to Renewable Energy Resources</u> session, General Manager - Corporate & Regulatory Services KenGen PLC, Ms. Mary Maalu joined other panelists to discuss the challenges and opportunities for businesses in addressing renewable energy and climate change resilience.

A

UN GENERAL ASSEMBLY



Former KenGen PLC Managing Director & CEO (Current CS for East African Community (EAC), Arid and Semi-Arid Lands (ASALs) and Regional Development) Ms. Rebecca Miano participated in an engaging panel discussion during the Private Sector Forum



Part of the 50 leading CEOs from across the African continent who were part of the Africa Business Leaders Coalition (ABLC) that presented the Africa Business Leaders' Climate Statement outlining credible corporate commitments and actions anchored in the goals of the Paris Agreement, the SDGs and the Ten Principles of the UN Global Compact.



As part of the United Nations General Assembly, the UN Global Compact invited leading CEOs, including Global Compact Network Kenya Board Vice-Chair and KenGen PLC Managing Director & CEO, Ms. Rebecca Miano to join the UN Secretary-General Antonio Guterres to discuss the role of business in rescuing the SDGs.

B UN CLIMATE CHANGE CONFERENCE - COP 27



Part of the 50 leading CEOs from across the African continent who were part of the Africa Business Leaders Coalition (ABLC) that presented the Africa Business Leaders' Climate Statement outlining credible corporate commitments and actions anchored in the goals of the Paris Agreement, the SDGs and the Ten Principles of the **UN Global Compact.**



The UN Global Compact hosted events and thematic sessions at the UN Climate Change Conference (COP 27) in Sharm El-Sheikh.

The sessions showcased the changes the UN Global Compact and Global Compact Local Networks are driving by mobilizing business to assess environmental risks and opportunities, set and deliver ambitious climate targets and adopt responsible practices for a transition to a net-zero, resilient economy.

At the side event Climate Action Now: A Critical Priority for Business Leaders at COP27, over 50 leading CEOs from across the African continent who are part of the Africa Business Leaders Coalition (ABLC) presented the Africa Business Leaders' Climate Statement outlining credible corporate commitments and actions anchored in the goals of the Paris Agreement,

the SDGs and the Ten Principles of the UN Global Compact.

The ABLC is a CEO-led initiative aiming to create a stronger partnership between Africa's private sector and the UN, in order to advance the 2030 Agenda for Sustainable Development and the African Union Agenda 2063.

The UN Global Compact hosted the 10th annual high-level meeting of Caring for Climate together with UN Environment and the secretariat of the UNFCCC. The meeting brought together senior executives of business, industry, finance, civil society, the UN and Government to act decisively to avert a climate catastrophe.

The gathering aimed to bring forward a strong business message for climate ambition. Present at the session were representatives from Safaricom PLC, Kenya Power Limited and Diageo Africa.

James Metto, Assistant Manager, Climate Change Services at Kenya Electricity Generating Company PLC joined the side event dubbed 'Climate Ambition Accelerator - A World Tour' and spoke on the corporate journeys towards Science Based Targets.

LAUNCH OF THE UN GLOBAL COMPACT AFRICA HUB IN LAGOS, NIGERIA

UN Global Compact launched its Africa Regional Hub in Abuja, Nigeria. The Hub will mobilize, accelerate and scale up the impact of responsible business across Africa and drive forward the Africa Strategy 2021-2023 of the UN Global Compact.

Hub will The collaborate closely with the UN Global Compact's Headquarter in New York, as well as the Local Networks in Africa, to support regional programme development, setting strategic growth targets and the management of priority relationships with the UN.

The Hub was launched by Sanda Ojiambo, Assistant Secretary-General and CEO of the UN Global Compact, UN Global Compact Board Flora member Mutahi. Founder & CEO. Melvin Marsh International. **Matthias** UN Schmale. Resident Coordinator for Nigeria, Prince Orelope-Adefulire, **Special** Assistant to the President of Nigeria on the SDGs and Makinwa. Olajobi Chief. Intergovernmental Affairs and Africa at the UN Global Compact.



Launch of the UN Global Compact Africa Hub in Lagos Nigeria

The hub will also provide support on the localization and development programmes and regional policy positions to ensure that regional engagements are in line with national and regional priorities, such as the 2030 Agenda for Sustainable Development and the African Union's Agenda 2063.

During the launch event, the UN Global Compact also announced a call to action for 100 African companies who are current signatories of the Women's Empowerment **Principles** (WEPs) to partner with the UN Global Compact to advance gender equality.

4 STRATEGIC LOCAL EVENTS

A RING THE BELL FOR GENDER EQUALITY







The 8th annual ring the bell for Gender Equality. The event was graced by Minister of Environment and Forestry, Cabinet Secretary, Hon. Keriako Tobiko. In attendance were CEO NSE Geoffrey Odundo and Global Compact Executive Director Judy Njino





Global Compact Network Kenya in partnership with the Nairobi Securities Exchange, UN Women and International Finance Corporation (IFC) held the 8th Annual Ring the Bell for Gender Equality in celebration of International Women's Day under the theme "Gender equality today, for a sustainable tomorrow". The ceremony recognized the contribution of women and girls around the world, who are leading the charge on climate change adaptation, mitigation, and response, to build a more sustainable future for all.

The hybrid eventwas graced by the Ministry of Environment and Forestry, Cabinet Secretary, Hon. Keriako Tobiko. The panel discussion highlighted strategies women can adopt to break barriers to accessing finance, how businesses can tap into green financing and the role of SMEs in climate adaptation.

Kenya Women Microfinance Bank (KWFT)officially signed up to the Women's Empowerment Principles becoming the 51st company to join the global initiative.



The United Nations Global Compact together with Global Compact Network Kenya, hosted a CEOs Roundtable and launched the <u>UN Global Compact's Africa Strategy 2021-2023</u> to advance corporate sustainability and scale-up responsible business practices across the continent in support of the Sustainable Development Goals.

The Roundtable hosted by Ms. Sanda Ojiambo unpacked the UN Global Compact Africa Strategy and discussed with Chief Executives present opportunities and support available for businesses in Kenya to deliver social and economic impact at scale through responsible business practices. Business leaders were also able to share their experiences and explore areas of collaboration for enhanced impact.

While in Kenya, Ms. Ojiambo paid courtesy calls to CEOs of various companies within the Kenya Network in a bid to deepen partnerships to support the growth of the movement across East Africa and the wider Africa region.

These included bilateral meetings with Absa Bank KenyaMD & CEO, Mr. Jeremy Awori; Equity Group CEO, Dr. James Mwangi; KCB Group CEO & MD, Mr. Joshua Oigara; Safaricom PLC CEO, Mr. Peter Ndegwa









CEOs Roundtable and launch of the UN Global Compact's Africa 2021-2023 Strategy hosted by United Nations Global Compact together with Global Compact Network Kenya



HIGH-LEVEL ACADEMIC FORUM HOSTED AT THE STRATHMORE UNIVERSITY BUSINESS SCHOOL



Global Compact Network Kenya and Strathmore University Business School co-hosted a High-Level Academic Forum on Shaping the Future of Higher Education through Strategic Alignment with the Sustainable Development Goals. The discussions also looked into how Principles for Responsible Management Education (PRME) is shaping the future of academics in Africa.

The hybrid forum brought together representatives from across the continent and various academic institutions in Kenya including the University of Nairobi, Daystar University, USIU, Africa Nazarene University among others. The forum also had representatives from Government, private sector and nongovernmental institutions.

The Higher Education Loans Board (HELB) was welcomed into the Kenya Network by Ms. Ojiambo.



...Shaping the Future of Higher Education through Strategic Alignment with the Sustainable Development Goals.

Participants who attended the High-Level Academic Forum on Shaping the Future of Higher Education through Strategic Alignment with the Sustainable Development Goals



Higher Education Loans Board (HELB) through its CEO Charles Ringera being welcomed into the Kenya Network by Ms. Sanda Ojiambo Executive Director & CEO of the UN Global Compact.



Martin Mbaya, Director, Executive Education Strathmore Business School making his address

OUR ANTI-CORRUPTION & GOVERNANCE WORKSTREAMS



Companies engage with the UN Global Compact on the three critical governance topics: Anti-corruption, Peace, and Rule of law. Corruption and bad governance are a considerable obstacle to economic and social development around the world. They have negative impacts on sustainable development and particularly affects poor communities. In the face of emerging tougher legislation on corruption, all companies need robust anti-corruption and governance measures and practices to protect their reputations and the interests of their stakeholders.

GCNK has been mobilizing business commitments to ethical business and strengthening the implementation of existing Anti-Corruption Collective Action initiatives, specifically, the Code of Ethics for Business in Kenya under the Scaling up Anti-Corruption Collective Action Project. Through various workstreams, the Network is providing a platform for learning, dialogue and action, encouraging companies to implement the <a href="https://doi.org/10.1001/journal.org/1



GCNK is a key private sector partner under the <u>Kenya Leadership and Integrity Forum</u> (KLIF). KLIF is a multi-stakeholder forum consisting of 15 sectors that are partnering in the fight against corruption and unethical practices in Kenya. Together with partners, we reviewed and updated the 2019–2023 Kenya Integrity Plan (KIP) matrix in order to report on various implementation milestones and jointly commemorated anti-corruption Days.

A

A AFRICAN ANTI-CORRUPTION DAY



African Anti-corruption Day Commemoration held at Strathmore Business School

GCNK and other stakeholders under the KLIF commemorated the African Anti-corruption Day through a public lecture held at the Strathmore Business School on 12th July 2022.

The discussions focused on the importance of electing leaders of integrity to enhance transparency and accountability.

B

INTERNATIONAL ANTI-CORRUPTION DAY







Attorney General Justin Muturi(Left) giving his address during the International Anti-Corruption Day held at the Kenya School of Government on December 9th 2022.

GCNK joined key anti-corruption actors under the Kenya Leadership Integrity Forum to commemorate International Anti-corruption Day on 9 December 2022.

The conference themed UNCAC at 20: Building a World United Against Corruption brought together over 500 leaders from the Government including

national and county government, development partners, civil society, media, academia and the private sector in Kenya to take stock of progress made in the fight against corruption and explore how to collaborate to achieve a clean, fair and ethical society for all.

The platform established the missing link and called to action all players to set the agenda for entrenching integrity and values

in our society. GCNK also launched the <u>Uniting against</u> Corruption: A Playbook on Anti-Corruption Collective Action at the commemoration. The Playbook is meant to serve as a roadmap for mainstreaming the understanding and uptake of collective action as a tool in the fight against corruption.



ANTI-CORRUPTION WORKING GROUP



GCNK hosted the Anti-Corruption Working Group meeting to engage the members in evaluating and validating ambition against actions in the fight against corruption within the private sector.

During the meeting, Global Compact Network Kenya, Program Manager, Ms. Esther Yongo, took participants through the updated workplan meant to support the Working Group activities towards strengthening corporate anti-corruption efforts.

Kenya Association of Manufacturers (KAM), Legal Officer, Mr. Malcolm Mwangi provided updates on the Statute Law (Miscellaneous Amendments) Bill and Bribery Guidelines, 2021.

The event was held on 5th July 2022 at Best Western Plus Hotel Westlands



ETHICAL LEADERSHIP & CORPORATE GOVERNANCE



Ethical Leadership & Corporate Governance Session in progress

GCNK in collaboration with the Kenya Association of Manufacturers (KAM) hosted a series of regional workshops in Nairobi, Mombasa and Eldoret on Corporate Governance and Ethical Leadership for Small and Medium-sized Enterprises (SMEs).

The workshops were designed to support and strengthen the alignment of leadership policies and structures as enablers of good corporate governance and social accountability based on business integrity and compliance frameworks.

Over 120 Business owners and Advisors were able to learn concepts and pillars of corporate governance and strategic leadership necessary to drive business growth and sustainability. A deep dive into anti-corruption collective action enabled participants to understand the process and its significance as a strategy for addressing systemic corruption. 11 companies made a commitment to ethical business conduct by signing the Code of Ethics for Business in Kenya.



ANTI-CORRUPTION COMPLIANCE DEEP DIVES



Anti-corruption Compliance workshop for Small and Medium-sized Enterprises (SMEs) held on 26th May 2022 at Mövenpick Hotels & Resorts, Westlands.



Global Compact Participant and Engagement Manager Harun Mukiiri awarding a certificate to a participant during Anti-Corruption Compliance workshop held on 29th June 2022 at Trademark Hotel, Nairobi

GCNK organized an Anti-Corruption Compliance workshop designed specifically to support SMEs on where to start and what exactly to do to meet minimum Anti-corruption compliance requirements.

Through the workshop, 138 companies learned integral steps in establishing a robust anti-corruption compliance program in line with the requirements of the Bribery Act 2016 and how to strengthen the alignment of existing company policies and procedures with the Law.



Participants during an Anti-corruption Compliance workshop Held on the 28th September 2022 at Golden Tulip Hotel, Nairobi.



CODE OF ETHICS FOR BUSINESS IN KENYA

In 2022, over 80 companies signed up to the Code of Ethics for Business in Kenya, bringing the total number close to 800 companies.

Signatories to the Code have made a public commitment not to engage in bribery and corruption. This has greatly helped in differentiating such companies in the marketplace and has made them preferred business partners by larger organizations.

Code signatories are required to proactively assess their corruption risks and put in place the necessary measures to reduce exposure. Recognizing that corruption is a form of "waste", such companies are able to save costs while enhancing efficiency.

For any company doing business in Kenya whether local or international, signing the Code means that one is willing to play by the rules. Only by doing this can we create a fair operating environment where all businesses have an equal opportunity to succeed.

6 POLICY DIALOGUES

CEO's Roundtable

Global Compact Network Kenya hosted a CEOs Roundtable on 4th August 2022 to discuss the role of the private sector in upholding good governance and integrity in Kenya's electoral process.

The high-level dialogue included over 50 representatives from the private sector, civil society organizations, media and academia and provided a platform for all the stakeholders to discuss the principles of democracy and good governance in accordance with Chapter 6 of the Kenyan constitution.

Through the constructive dialogue, participants identified areas for future engagement and collaboration to raise the bar on integrity and governance beyond the August 9 general elections.

Anti-Corruption Multi-Stakeholder Consultation Workshop

GCNK in collaboration with the Ethics and Anti-Corruption Commission (EACC) carried out a three-day multi-stakeholder engagement workshop to review the draft model procedures for the prevention of bribery and corruption.

The model procedures have been developed pursuant to the Bribery Regulations and Guidelines under section 9 of the Bribery Act, 2016 and are designed to guide private entities, public entities, and any interested persons in the preparation of their own procedures, reflecting the needs of the different target groups.

The multi-stakeholder engagement was organized to enable public participation in the development, review and adoption of the model procedures to allow for the operationalization of the Bribery Act.



Bidco Africa Chairman Vimal Shah during the CEOs Roundtable to discuss the role of the private sector in upholding good governance and integrity in Kenya's electoral process hosted by GCNK



Stakeholders follow proceedings during the CEOs Roundtable hosted by GCNK.



Anti-Corruption Multi-Stakeholder Consultation Workshop

OUR LABOUR & HUMAN RIGHTS WORKSTREAMS



Respect for workers' rights and compliance with labour standards are the foundation of decent work.

The Human Rights Principles (Principles 1 and 2) of the UN Global Compact are derived from the Universal Declaration of Human Rights.

The first principle calls on Businesses to support and respect the protection of internationally proclaimed human rights.

The second principle calls on businesses to make sure that they are not complicit in human rights abuses by conducting human rights due diligence in their business relationships and associations.

Respect for workers' rights and compliance with labour standards are the foundation of decent work.

Advancing decent work and raising the living standards of all workers across operations and supply chains require all companies to adopt sustainable, responsible and inclusive workplace practices, and for companies with supply chains to use their leverage with suppliers to contribute to the realization of decent work globally.

The UN Global Compact Labour Principles (Principles 3,4,5 and 6) provides guidance and support to strengthen business respect for labour standards and provide and promote decent work for all workers.

GCNK is mobilizing Kenyan companies, providing them with best-in-class tools, resources, and learning platforms to move commitment to management processes, driving multi-stakeholder engagement opportunities to strengthen respect and support for labour and human rights, and helping them prepare and adapt as legislation emerge on mandatory human rights due diligence.



POLICY DIALOGUES & MULTI-STAKEHOLDER ENGAGEMENTS

GCNK was nominated to the national Implementation Committee tasked with ensuring that the measures proposed in the Kenya National Action Plan on Business and Human Rights are implemented.

GCNK joined other Implementation Committee members on 23 March, 13 April and 4 October 2022 to review and validate the Terms of Reference for the committee, Roadmap and Implementation Plan for the National Action Plan on Business and Human Rights (NAP).

These workshops were organized by the Office of the Attorney General & Department of Justice and Kenya National Commission on Human Rights (KNCHR). In 2022, the attention of companies was drawn to the emerging human rights due diligence directives that evoked various discussions on experiences and challenges in implementing the human rights and sustainability expectations among the businesses operating within the EU market and those in the extractives sector.

GCNK engaged in various strategic workshops to unpack the UN Guiding Principles on Business and Human Rights, the UN Global Compact Principles on Human Rights as well as the NAP to demystify the due diligence expectations and realities in various sectors.



BUSINESS AND HUMAN RIGHTS TOOLS

The UN Global Compact launched the Business & Human Rights Navigator (BHR Navigator) that guides companies around the world to better understand and address labour and human rights impacts in their operations and supply chains.

Users can access in-depth analysis of key human rights issues, due diligence recommendations and <u>case studies</u> illustrating how other businesses have responsibly addressed human rights impacts.

The Business and Human Rights (BHR) Navigator aims to help businesses better understand the most common labour and human rights issues that they may come into contact with – either through their own operations or their supply chain – and how these can be managed.

East African Breweries Ltd was featured in the tool showcasing their inclusive frameworks on advancing gender diversity.

OUR ENVIRONMENT WORKSTREAMS



ENVIRONMENT

New corporate efforts are needed to increase stewardship of natural resources, implement innovative solutions, and contribute to sustainable development in line with the UN Global Compact Principles on Environment (Principles <u>7</u>, <u>8</u> and <u>9</u>).

In 2022, GCNK implemented several frameworks for companies to embed sustainability into their strategy and take action to secure a resilient future.

Our efforts addressed the linkages among various environmental issues — climate, water, ocean — as well as the social and governance dimensions. Our goal is to help businesses scale up impact towards the Sustainable Development Goals and the ambitious targets set in the Paris Agreement.



AFRICA BUSINESS LEADERS COALITION

GCNK co-hosted with the UNGlobal Compact the Africa Business Leaders Coalition Roundtable and Dinner.

The Africa Business Leaders Coalition seeks to advance Africa's sustainable growth, prosperity and development by mobilizing a coalition of Africa's most exemplary business leaders to actively and meaningfully engage together on the continent's most pressing issues as an organized, innovative, forward-looking, principles-based, and unified voice.

During the event, Mr. Martin Ochien'g, Board Chair and Ms. Judy Njino, Executive Director, GCNK underscored the Kenya Network's ambition to support Kenyan businesses to align their practices to a sustainable and inclusive future.





BUSINESS AMBITION FOR 1.5 DEGREES CELSIUS

BUSINESS 1.5°C





"Ololo Farming Company committed to reduce 50% of their scope 1 and scope 2 GHG emissions by 2030"

The Business Ambition for 1.5 Campaign was launched in the leadup to the 2019 Climate Action Summit in an effort to raise the ambition on climate action and push companies to set science-based targets aligned with 1.5°C as opposed to 2°C or well-below 2°C.

The campaign has successfully helped bring on many signatories to the Science-Based Targets initiative (SBTi) and will effectively merge into the Forward Faster Campaignthat will be launched during the UN High-Level Political Forum in mid-July 2023.

In 2022, GCNK participant Ololo Farming Company committed to reduce 50% of their scope 1 and scope 2 GHG emissions by 2030 from a 2018 base year, and to measure and reduce its scope 3 emissions.



CLIMATE AMBITION ACCELERATOR

GCNK delivered the Climate Ambition Accelerator, a six-month programme designed to equip companies with the knowledge and skills they need to accelerate progress towards setting sciencebased emissions reduction targets aligned with the 1.5 °C pathway, setting them on a path towards net-zero emissions by 2050.

21 companies completed the programme:

- Krystalline Salt Limited
- Diamond Trust Bank Group
- African Coffee Roasters EPZ Limited
- Kenya Association of Manufacturers
- Alfones Communications Solutions Ltd
- Kenya Electricity Generating Company (KenGen) PLC
- Frigoken Limited

- Ololo Farming Company Ltd.
- Cityscape Trends Services Limited
- Vintz Plastics Limited
- Wanderlust Diaries Ltd.
- Nation Media Group PLC.
- Leadcom Integrated Solutions Kenya Limited
- Bamburi Cement Ltd.
- Universal Engineering Systems Limited
- Eenovators Ltd
- Express Impress Car Hire Ltd
- Stantech Motors Ltd
- International Livestock Research Institute (ILRI)
- Pelican Sustainability Ltd
- Baran Telecom Networks Kenya Limited



Towards Tangible Climate Action: Bridging the Gap Between Planning and Action in Kenya.

GCNK in collaboration with Solidaridad East and Central Africa, co-hosted the pre-COP 27 webinar under the theme Towards Tangible Climate Action: Bridging the Gap Between Planning and Action in Kenya.

The webinar brought together thought leaders from 96 organizations drawn from diverse sectors among them development experts, business leaders, investors and government to dialogue, harness lessons, galvanize efforts and call for decisive action on climate change to drive food security and sustainable agriculture in Kenya.

The webinar spotlighted Kenya's priorities for COP 27 which include adaptation to green economies, green energy, and renewable energy, loss & damage and climate reparations for impacted communities and dedicated finance towards climate action.





ENVIRONMENT

"The webinar spotlighted Kenya's priorities for COP 27 which include adaptation to green economies, green energy, and renewable energy"

OUR GENDER EQUALITY WORKSTREAMS



Gender equality is a fundamental human right. Yet despite progress, women and girls around the world do not fully experience equal rights and their potential as economic, social and sustainable development change-agents remains untapped.

GCNK is empowering Kenyan companies to accelerate impact and bridge the gender equality gaps in workplaces, marketplaces and communities.



WOMEN'S EMPOWERMENT PRINCIPLES

The Women's Empowerment Principles (WEPs) are a set of Principles offering guidance to business on how to advance gender equality and women's empowerment in the workplace, marketplace and community. Established by UN Women and UN Global Compact, the WEPs are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment. In 2022, 6 new companies signed up to the Principles bringing the total number of Kenyan signatories to 60.

Women's Empowerment Principles and workshop.

GCNK in collaboration with UN Women hosted the <u>Women's Empowerment Principles</u> meeting and workshop on 31st May 2022. The event convened key stakeholders including businesses, Government and civil society to share lessons, opportunities and collectively identify ways of advancing equal opportunity for leadership for women at all levels of decision-making in political, economic and public life.

GCNK in collaboration with International Finance Corporation (IFC) hosted a private sector forum on gender equality in supply chains on 29th September 2022 at Hotel Kempinski.

Hosting over 120 attendees from 98 organizations. the forum focused opportunities and strategies to increase access to corporate procurement opportunities for women-owned/led small and medium enterprises (WSMEs) in Kenya.

Participating corporates and women entrepreneurs shared their experiences and showcased the gains in gender-inclusive sourcing. They also dived deep into challenges and opportunities to achieve gender equality in the supply chain. The forum included a buyer-supplier matchmaking and networking session.



Z TARGET GENDER EQUALITY ACCELERATOR

GCNK implemented the Target Gender Equality Accelerator, six-month designed programme to support companies in settina and reaching ambitious corporate targets for women's representation at all levels management.

18 companies that participated in the programme had the opportunity to deepen implementation of the Women's Empowerment Principles. They also strengthened their contribution to Sustainable Development Goal 5.5, which calls for equal women's representation, participation and leadership in business globally by 2030.

As part of the Accelerator, the participating companies used the <u>WEPs</u> <u>Gender Gap Analysis Tool</u> to identify strengths, gaps and opportunities to improve their performance on gender equality.

- 1. Kakuzi
- 2. Solutech
- 3.eManage Africa
- 4. Eastern Produce Kenya Ltd
- 5. Nairobi Securities Exchange
- 6. Kengen
- **7.BOC**
- 8. Airtel
- 9. Lancet Kenya (PLK)
- 10. Kenya Airways
- 11. Victoria Commercial Bank
- 12. Bamburi Cement Ltd
- 13. HEFDC
- 14.CPF
- 15. Kenya Climate Innovation Center
- 16. Krystalline Salt Limited
- 17. Diamond Trust Bank
- 18. Silver Fleet Limited





























OUR ESG INTEGRATION WORKSTREAMS

SUSTAINABLE GOALS































It is currently estimated that the world is 62 vears behind schedule to meet the 2030 Agenda.

While awareness of the Sustainable Development Goals is at an all-time high among business, few companies report that they are positioning sustainability and the SDGs at the center of their business strategy and most goal setting is not aligned to societal and environmental needs.

GCNK challenges business to take a Principlesbased approach to the SDGs, set ambitious goals to meet or exceed the vision of the 2030 Agenda, integrate action on the SDGs deeply into core business practice and scale actions across supply and value chains.



SDG AMBITION ACCELERATOR

SDG Ambition Accelerator is a three-month accelerator that aims to challenge and support participating companies of the UN Global Compact ambitious corporate targets and setting accelerating integration of the 17 Sustainable Development Goals (SDGs) into core business management.

SDG Ambition enables companies to move beyond incremental progress and step-up transformative change - unlocking business value, building business resilience, and enabling long-term growth.

7 companies participated in the programme and were equipped to develop and implement innovative business strategies that significantly increase their positive impact on the SDGs.

- 1. Kenya Climate Innovation Center
- 2. HealthX Africa
- 3. Aquavita Ltd
- 4. Vintz plastics Limited
- 5. Krystalline Salt Limited
- 6.SYBYL

"SDG Ambition enables companies to move beyond incremental progress and stepup transformative change"



2 YOUNG SDG INNOVATORS PROGRAMME

The <u>SDG Innovation Accelerator for Young Professionals</u> is an opportunity for participating companies of the UN Global Compact to empower young talent within their organizations to collaborate and accelerate business innovation towards the Sustainable Development Goals (SDGs).

This nine-month programme activates future business leaders and changemakers to develop and drive innovative solutions through new technologies, initiatives, and business models and deliver on their company's sustainability objectives.

Eight (8) Companies participated in the programme in 2022. Over the course of nine months, each team of young innovators worked on a challenge specific to their company with the goal of designing more sustainable business models, initiatives and products that would advance the company's sustainability efforts while driving innovation and delivering tangible solutions with potential market value.

















ESG INTEGRATION DEEP DIVES

The <u>UN Global Compact Academy</u> offers various courses designed for professionals at all levels to learn how to make meaningful and long-lasting contributions to the Global Goals in their business. Increasing number of users took the elearning course 'How to Understand and Take Action on the Global Goals'

GCNK also carried out technical sessions with various companies focusing on the integration of corporate sustainability within the core mandate of business operations.

The training, targeting sustainability committees, supported the companies' efforts to mainstream and integrate corporate sustainability, especially when it comes to implementing the Sustainable Development Goals (SDGs).

The training also enabled the businesses to deepen the values and principles of the United Nations Global Compact within the organization's strategy, operations and supply chain.

Some of the companies trained included Higher Education Loans Board and KenGen.

SME ENGAGEMENT & SUPPLY CHAIN SUSTAINABILITY

A company's entire supply chain can create a significant impact in promoting human rights, fair labour practices, environmental progress and anti-corruption policies, however, UN Global Compact participants rank supply chain practices as the biggest challenge to improving their sustainability performance. GCNK encourages companies to make sustainability a priority beyond their operations into supply chains.



Global Compact Network Kenya partnered with Transformational Business Network Africa to equip SMEs with the business skills and tools they need to scale up, grow and be investor ready. The programme allowed 20 SMEs to join a community of like-minded entrepreneurs across the region and gain access to experts enabling them to put in place proper governance and management structures that allow for scalability and raise their ambition by embedding the UN Global Compact Principles and taking meaningful action on the Sustainable Development Goals.





Amb. Martin Kimani, Kenya's Permanent Representative to the United Nations gave a keynote address GCNK in partnership with Nation Media Group cohosted a virtual CEOs Dialogue on Lessons for Business from the Ukraine Crisis.

The forum, held on 13th April 2022, attended by over 50 business leaders, discussed the impact of the ongoing crisis, what it means for Kenyan businesses and how businesses can plan forward to avert further crises and strengthen positioning.

The keynote address was given by Amb. Martin Kimani, Kenya's Permanent Representative to the United Nations.

SDG AMBITION CAMPAIGNS

As part of the UN Global Compact's Making Global Goals Local Business campaign, GCNK runs periodic campaigns to promote the Sustainable Development Goals and recognize business leaders who are using business as a force for good to advance the 17 SDGs.



Each year the UN Global Compact recognizes a class of SDG Pioneers — business leaders working at any level of a company, who are using business as a force for good to advance the 17 Sustainable Development Goals (SDGs). In 2022, GCNK recognized the following 4 SDG Pioneers who demonstrated exemplary leadership and effort in the delivery of the SDGs:





Mary Thuo Cityscape

Mary Thuo is using the power of advocacy to promote decent work and economic growth through her Cycling to Work program. As the CEO and Founder of Cityscape Trends Limited, Mary is an advocate for human rights, decent work and decent pay for marginalized groups in urban and peri-urban areas of Nairobi.

She initiated the Cycling to Work program in a bid to enhance the socioeconomic status of her employees and their families by providing better access to income, education and health.

Read Mary's full sustainability story here.

<u>Meet Ms. Mary Wanja Thuo: An SDG Pioneer for promoting socioeconomic wellbeing</u>



Mark Kaigwa Nendo

NENDO

Mark Kaigwa is demonstrating how the power of information can advance the Sustainable Development Goals.

As the Founder of Nendo Limited, an advisory and research publishing company specializing in SDG 3 on good health and well-being and SDG 4 on quality education.

Mark supports the development of insights in content, data and analytics to strengthen the understanding of the research community's global sustainable development efforts.

Read Mark's full sustainability story <u>here</u>.

Meet Mr. Mark Kaigwa: An SDG Pioneer for steering the power of information to advance SDGs





Vera Karmeback
RA International

Sustainability Manager, RA International based in Nairobi, has been recognized among the 10 global SDG pioneers for promoting gender equality. Through her engagement, RA boosted its percentage of female employees to 15% as of 2022, up from 10% in 2019, improved its skills development and training to promote 6% of its local workforce between 2019 and 2022 and in 2020 set its first science-based targets to reduce emissions from its most established sites.

- 1. Read her full sustainability story here.
- 2. Meet Ms. Vera Karmeback: A 2022 UN Global Compact SDG Pioneer for Gender Equality





Absa Bank Kenya

Sustainability Manager at Absa Bank Kenya, Rufus Mwenda is contributing to environmental sustainability by crafting a pathway towards science-based targets supporting the Bank to become a net zero company by 2040.

Rufus recognizes the crucial and urgent call to act against the looming climate change crisis and his passion has led him to drive efforts within Absa Bank Kenya in the areas on Goal 6 (Clean Water and Sanitation), Goal 7 (Affordable and Clean Energy) and Goal 13 (Climate Action).

Read his full sustainability story $\underline{\text{here}}$.

Meet Mr. Rufus Mwenda: An SDG Pioneer for championing eco-efficiency

Business is about more than just making money. The Ten Principles of the United Nations Global Compact call on people in business to stand up for human rights, promote decent work for all, protect the environment and fight corruption. These principles, and other values we believe in, are good for business and can help achieve the Sustainable Development Goals.

The UN Global Compact led a global campaign in 2022 in uniting business for a better world by spreading the word across social media networks through a campaign dubbed It's good for business!.

COMPANIES FEATURED



Sasini Plc

https://unglobalcompact.org/take-action/target-gender-equality/case-studies-and-leader-profiles/ochieng



Nairobi Securities Exchange https://sseinitiative.org/wp-content/uploads/2022/03/Howexchanges-can-advance-gender-equality-Updated-guidance-and-

best-practice.pdf



Bamburi Cement & East African Breweries https://www.weps.org/sites/default/files/2022-03/GAT%20report%202022.pdf



Family Bank

<u>Family Bank Limited: Investing in Women and Climate Action for a</u>

Just Society



MP Shah Hospital

M.P Shah Hospital: Promoting a Gender and Climate-Smart Healthcare for a Healthier Planet



Caly Flora

Caly Flora Limited: Why Nature is Everyone's Business

2023/2024 PROGRAMME WORKSTREAMS

01

Human Rights

- Business & Human Rights Accelerator
- Peer Learning Group

02

Labour and Decent Work

• Peer Learning Group

03

Environment

- Climate Ambition Accelerator
- Peer Learning Group

04

Anti-corruption & Governance

• Anti-corruption Working Group

05

Gender Equality & Women's Empowerment

- Target Gender Equality Accelerator
- Peer Learning Group
- Women's Empowerment Principles Engagements

06

SDG/ESG Integration

- SDG Ambition Accelerator
- SDG Integration Deep Dives

07

SME Engagement & Supply Chain Sustainability

- Peer Learning Group
- Sustainable Supplier Impact Programme

GOVERNANCE: BOARD MEMBERS



Martin Ochieng Board Chairperson Sasini PLC Group Managing Director



Kariuki Ngari Vice-Chair Standard Chartered Bank Regional CEO & Managing Director, East Africa



Judy NjinoGlobal Compact Network
Kenya
Executive Director



Dr. Stephen JacksonUnited Nations
Resident Coordinator - Kenya



Flora Mutahi
Melvin Marsh International
Chief Executive Officer



Jane KarukuEast Africa Breweries Limited
Group Managing Director &
CEO



Carole KariukiKEPSA
Chief Executive Officer



Peter Ndegwa
Safaricom PLC
Chief Executive Officer



Sheila MasindeTransparency International Kenya
Executive Director



Abdi Mohammed
ABSA
Chief Executive Officer



Jonty van Zeller Alamaya Group Managing Director

MEET THE SECRETARIAT



Judy Njino Executive Director



Harun MukiiriParticipant Engagement
Manager



Esther Yongo Program Manager



Zak IrunguCommunications &
Marketing Manager



Evonia ArinaParticipant Engagement
Assistant Manager



Ludivicious OmolloProject Coordinator



Collette OchiengProject Officer



Ernst & Young LLP Certified Public Accountants Kenya Re Towers Upper Hill Off Ragati Road P.O. Box 44286 - 00100 Nairobi GPO, Kenya Tel: +254 20 2886000 Email: info@ke.ey.com www.ey.com LLP/2015/52

Global Compact Network Kenya (GCNK) Fund Accountability Statement For the period 1 January 2022 to 31 December 2022

1. MANAGEMENT'S REPORT ON THE PROGRAMME

The Programme Management submit their report together with the audited Fund Accountability Statement for the period 1 January 2022 to 31 December 2022, which disclose the state of affairs of the programme.

1.1 Background

The Global Compact Network Kenya (GCNK) is a not-for-profit entity hosted at the Kenya Association of Manufacturers (KAM) with a mandate from the United Nations Global Compact to support Kenyan companies integrate sustainability into their business strategies and operations - in line with the Ten Principles of the UN Global Compact in the areas of Human Rights, Environment, Labour and Anti-corruption and to take actions that support the Sustainable Development Goals. The GCNK receives its funding from membership subscriptions and various donors namely; Siemens, DANIDA, DFPA and Shift Project.

The Global Compact is hosted in Kenya Association of Kenya (KAM) which is a Business Association, established in 1959 (and registered on 13th July 1961). The Hosting Organization's core mission is to promote competitive local manufacturing within the framework of a liberalized global economy. The Hosting Organization provides the GCNK Kenya with administrative support including financial management of its accounts.

1.2 Audit Objectives

The main purpose of the audit is to express an opinion on whether the Fund Accountability Statement prepared by GCNK programme management for the GCNK Programme for the period 1 January 2022 to 31 December 2022 presents fairly, in all material respects, the actual expenditure incurred, and the revenue received by the GCNK, in conformity with the applicable contractual conditions.

Ernst & Young LLP was engaged by KAM on behalf of GCNK to carry out the audit of the GCNK Fund Accountability Statement for the period 1 January 2022 to 31 December 2022 and express an audit opinion in accordance with International Standards on Auditing. The scope of the audit was to:

- Examine that programme funds provided by the GCNK have, in all material respects, been used in conformity with the applicable contractual conditions;
- Consider the internal controls over financial reporting as a basis for determining audit
 procedures that are appropriate in the circumstances but not for the purposes of expressing
 an opinion on the effectiveness of the organization's internal control over financial reporting;
- Examine on a test basis, evidence supporting the amounts and disclosures in the Fund Accountability Statement;
- Assess the accounting principles used and significant estimates made by management;
- · Assess the procurement principles used and their effectiveness;
- Evaluate overall Fund Accountability Statement presentation; and,
- Perform an audit to obtain reasonable assurance about whether the Fund Accountability Statement is free of material misstatements, whether caused by error or fraud.

1.3 Summary of Results

Our audit opinion on the GCNK's Fund Accountability Statement is unqualified. (Refer to section 3 of this report).

Instances of internal control weakness have been reported in a separate management letter as well as the status of prior period audit recommendations.



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Global Compact Network Kenya (GCNK) Fund Accountability Statement For the period 1 January 2022 to 31 December 2022

2. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

The GCNK Programme Management is responsible for the preparation and fair presentation of the Fund Accountability Statement of the GCNK Programme for the period 1 January 2022 to 31 December 2022 which includes the following:

- Fund Accountability Statement submitted by the GCNK Programme management to the members for the period 1 January 2022 to 31 December 2022 for the GCNK.
- An overview of the total expenditure from the grants; and
- Notes to the Fund Accountability Statement including a summary of significant accounting policies in accordance with the basis of accounting set out in the Fund Accountability Statement.

GCNK Programme management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Fund Accountability Statement that is free of material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The GCNK Programme management is of the opinion that the Fund Accountability Statement presents fairly the state of the financial affairs of the GCNK and of its sources and uses of funds. The management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of the Fund Accountability Statement.

Approval of the Fund Accountability Statement

The fund accountability statement of the programme, set out in section 4, was approved by the	ne
GCNK Programme Management on72023 and is signed on its behalf by:	

Chief Executive Officer

KAM

Board Chairperson

GCNK

Chief Operating Officer

KAM

Executive Director

GCNK



Ernst & Young LLP Certified Public Accountants Kenya Re Towers Upper Hill Off Ragati Road P.O. Box 44286 - 00100 Nairobi GPO, Kenya Tel: +254 20 2886000 Email: info@ke.ey.com www.ey.com LLP/2015/52

3. REPORT OF THE INDEPENDENT AUDITORS

To the Members of Global Compact Network Kenya (GCNK) Nairobi, Kenya

Opinion

We have audited the accompanying Fund Accountability Statement of the Global Compact Network Kenya (GCNK) hosted by Kenya Association of Manufacturers (KAM) for the period 1 January 2022 to 31 December 2022 set out on pages 5 to 8 that comprises of the Fund Accountability Statement and notes to the Fund Accountability Statement, including a summary of significant accounting policies.

In our opinion, the Fund Accountability Statement for the Global Compact Network Kenya Programme for the period 1 January 2022 to 31 December 2022 is prepared, in all material respects, in accordance with the basis of accounting described in Note 4.1.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Fund Accountability Statement section of our report. We are independent of the organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code., and in accordance with other ethical requirements applicable to performing audits of Fund Accountability Statement in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction of Use

We draw your attention to Note 4.1.1 to the Fund Accountability Statement, which describes the basis of accounting. The Fund Accountability Statement is prepared to assist GCNK and KAM to meet the financial reporting requirements outlined in the grant agreements with their donors (Siemens, DFPA and Shift Project). As a result, the Fund Accountability Statement may not be suitable for another purpose. Our report is intended solely for GCNK, KAM and their donors (Siemens, DFPA and Shift Project) and should not be used by parties other than GCNK, KAM and their donors (Siemens, DFPA and Shift Project). Our opinion is not modified in respect of this matter.

Other Information

The GCNK Programme management is responsible for the other information. The other information comprises the management report on the programme as set out on page 1. The other information does not include the Fund Accountability Statement and our auditor's report thereon.

Our opinion on the Fund Accountability Statement does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Fund Accountability Statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Fund Accountability Statement or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



3. REPORT OF THE INDEPENDENT AUDITORS (Continued)

Responsibilities of Management for the Fund Accountability Statement

Management is responsible for the preparation of the Fund Accountability Statement in accordance with the basis of accounting described in note 4.1.1, and for determining that this financial reporting framework is acceptable in the circumstances. The project management is also responsible for such internal control as the management determines is necessary to enable the preparation of the Fund Accountability Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Fund Accountability Statement

Our objectives are to obtain reasonable assurance about whether the Fund Accountability Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Fund Accountability Statement.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Fund Accountability Statement, whether
 due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
 evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting
 a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may
 involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal
 control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the programme management.

We communicate with the GCNK Programme Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Tom Nyakoe, Practicing Certificate No. 2283.

For and on behalf of Ernst & Young LLP

Certified Public Accountants

Nairobi, Kenya

t Tune, 202

FUND ACCOUNTABILITY STATEMENT

Global Compact Network Kenya Fund Accountability Statement For the period 1 January 2022 to 31 December 2022

4. FUND ACCOUNTABILITY STATEMENT

	Notes	2022 KShs	2021 KShs
INCOME Member Subscriptions Grants Other income	4.1.2 4.1.3 4.1.4	20,377,587 13,414,117 2,796,170	14,882,365 11,298,497
Total Income		36,587,874	26,180,862
EXPENDITURE Personnel Organizational Development Travel and accommodation Workshops / Forums venue costs / Adverts Staff training & welfare AGM 2022 and Board Strategy Session Repairs and Maintenance costs / ICT costs Equipment costs Printing costs Audit fees KAM Administration Costs Bank Charges		16,259,830 128,485 1,106,638 6,556,588 783,836 417,221 307,809 25,000 1,084,790 550,000 720,000 84,106	13,201,880 76,421 2,175,158 35,522 4,838 137,197 224,138 224,839 500,000 480,000 22,449
Total Expenses		28,024,303	17,082,442
Surplus fund for the period		8,563,571	9,098,420
Opening Fund balance	4.1.5	34,076,262	24,977,842
Closing Fund balance	4.1.6	42,639,833	34,076,262
Represented by: Cash and Bank Payables Receivables	4.1.7 4.1.8 4.1.9	47,324,111 (4,770,485) 86,207 42,639,833	34,576,262 (500,000)

Chief Executive Officer

KAM

Board Chairperson GCNK

Executive Director

Chief Operating Officer

GCNK

KAM



Visit <u>www.globalcompactkenya.org</u> or write to us at <u>info@globalcompactkenya.org</u>

Follow us on social media: Global Compact Network Kenya







