



# Global Compact Network Kenya



# 2025



# ANNUAL REPORT

## From Commitment to Collective Action

Advancing responsible business leadership in Kenya and Uganda

# The Ten Principles in action

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

## THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

### HUMAN RIGHTS

- 1 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 uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 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.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

# Table of contents

---

01	<b>Leadership messages</b>	4
02	<b>Year in review</b>	8
03	<b>About Global Compact Network Kenya</b>	9
04	<b>2025 at a glance</b>	10
05	<b>Our programming in 2025</b>	14
	Environment	15
	Social sustainability	18
	Governance	21
06	<b>Flagship events and strategic convenings</b>	23
07	<b>Accelerating participant progress</b>	25
08	<b>Most Engaged Company Awards - 2024</b>	28
09	<b>Publications, thought leadership and recognition</b>	29
10	<b>Governance and partnerships</b>	31
11	<b>Looking ahead to 2026</b>	32
12	<b>Financial Report</b>	36

---

# Leadership messages

*From the Board Chair and the Executive Director*

---

## MESSAGE FROM THE BOARD CHAIR

### Delivery, not intention



In 2025, business leadership was increasingly measured not by intention alone, but by the ability to respond to complexity with clarity, credibility, and action. For Global Compact Network Kenya, this meant strengthening how we engage CEOs and senior business leaders on the issues now shaping competitiveness and resilience, from governance, corruption risk, and human rights to climate transition, sustainable finance, gender equality, and the blue economy.

Throughout the year, the Network created more deliberate spaces for executive engagement, recognizing that progress on sustainability depends not only on technical teams, but on leadership commitment at the highest level. Through CEO focused dialogues, strategic

roundtables, flagship convenings, and peer exchanges, we supported business leaders to navigate difficult but necessary questions: how to lead with integrity in a high-risk environment, how to respond to rising disclosure and accountability expectations, how to build fairer and more inclusive workplaces, and how to identify growth opportunities emerging from the transition to a more sustainable economy.

These conversations were not abstract. They addressed the practical realities companies are managing every day, including pressure on supply chains, investor expectations, reputational risk, climate related disruption, evolving regulation, and the need to maintain trust while delivering performance. Our role as a Network was to help leaders make sense of these intersecting demands, while also showing that sustainability is not only a compliance obligation. It is increasingly a strategic pathway to stronger governance, operational resilience, access to capital, innovation, and long-term value creation.

This leadership focus was visible in several important moments during the year. The Executive Roundtable on Accelerating Sustainable Finance for a Resilient Africa brought senior leaders together around capital mobilisation and sustainability informed investment decisions. The Business Leaders' Dialogue with Paul Polman challenged executives to think more boldly about regenerative and inclusive growth. The Leaders

Dialogue on Advancing Living Wage in Kenya showed how human dignity, supply chain resilience, and business performance are increasingly connected. Together with other governance, climate, and social sustainability engagements, these platforms reinforced that responsible business leadership now requires both courage and implementation discipline.

The year also showed Kenya's growing relevance in conversations that connect local leadership to wider regional and global sustainability priorities. Across the Network, participants engaged deeply with themes that increasingly define resilience and competitiveness, including anti-corruption, whistleblower protection, climate ambition, living wage, business and human rights, disability inclusion, and sustainable finance. This progress reflects the commitment of participants, partners, the Board, and the Secretariat, and it provides a strong basis for even more ambitious and practical action in 2026.

The progress reflected in this report belongs to our participants, partners, Board, and Secretariat, who continued to show that business can be both principled and ambitious. As we move into 2026, the task ahead is to deepen this momentum by supporting leaders not only to make commitments, but to build the systems, cultures, and accountability needed to turn ambition into measurable progress.

*“Our role is to help business leaders navigate complexity with confidence, while showing that sustainability is not only a responsibility, but a source of resilience, trust, and long-term growth.”*

**Abdi Mohamed**

Board Chair · Global Compact Network Kenya

## From commitment to execution



2025 was a demanding year, but it was also one in which participant engagement remained strong and the value of practical support became even clearer. Across the year, Global Compact Network Kenya reached 300 participants across Kenya and Uganda, welcomed 53 new signatories, delivered 57 engagements, reached 1,176 attendees through convenings and sessions, and engaged 218 participant companies through accelerators, working groups, executive dialogues, reporting support, and peer learning. These numbers matter because they reflect not only continued growth, but sustained confidence in the Network as a platform that helps companies respond to rapidly evolving sustainability expectations with greater clarity and capability.

What stood out most in 2025 was the determination of participants to stay engaged despite a demanding operating environment. Companies were navigating regulatory change, disclosure pressures, governance risks, economic uncertainty, climate related disruption, and rising expectations on social performance. In that context, the Network's role was not simply to stir conversations, but to help participants interpret complexity, strengthen internal systems, and move more consistently from broad commitment to practical implementation.

Partnerships and collective action remained central to that work. Collaboration with Government, Civil Society, UN system, development partners helped create stronger platforms for shared learning, technical support, policy engagement, and action across sectors. These relationships expanded reach, strengthened credibility, and enabled the Network to respond to business challenges in ways that were more practical, more connected, and better rooted in both local realities and wider systems change.

This partnership approach also reinforced closer alignment between the UN Global Compact's global direction and Kenya's own sustainability priorities. Across the year, the Network advanced work that speaks directly to Forward Faster and to the issues shaping responsible business leadership today, including climate action, decent work, gender equality, sustainable finance, and governance. At the same time, these priorities were grounded in the Kenyan context through work on living wage, anti-corruption, disability inclusion, business and human rights, sustainable procurement, and the blue economy, helping participants connect global ambition with national relevance and operational action.

Global recognition also added weight to the year's progress. The recognition of the Code of Ethics for Business in Kenya at the 2025 International Collective Action Awards in Basel, Switzerland affirmed that locally grounded integrity initiatives can contribute meaningfully to global conversations on ethical business and collective action. It also reinforced the value of sustained collaboration between business, institutions, and

partners in building trust, strengthening governance, and showing that credible progress is possible when principles are translated into practice.

As 2026 begins, expectations on business will continue to rise, but so will the opportunity for companies willing to lead with discipline, accountability, and purpose. The foundation laid in 2025 gives the Network a stronger base from which to deepen participant support, broaden participation, and help companies convert ambition into measurable progress that is aligned both with global expectations and with Kenya's development priorities.

*“In a demanding year, strong participant engagement, practical partnerships, and collective action helped turn sustainability ambition into more credible implementation.”*

**Judy Njino**

Executive Director · Global Compact Network Kenya

# Year in review

*Growth, sharper focus and stronger thematic organization*



*Global Compact Network Kenya convenings*

2025 was a year of growth, sharper focus, and stronger thematic organization for Global Compact Network Kenya. By year end, the Network had reached 300 participants across Kenya and Uganda, while also expanding the depth of engagement available to participants through accelerators, working groups, strategic convenings, technical support, and issue-based partnerships.

The year also confirmed the importance of structuring the Network's work around the issues that matter most to businesses rather than around a calendar of events. Environmental programming matured through climate capability-building and the launch of Ocean Centres Kenya. Social sustainability deepened through work on human rights, labour and living wage, gender equality, disability inclusion, and safeguarding in value chains. Governance gained further momentum through anti-corruption programming, corruption risk management, policy engagement, and global recognition for Kenya's integrity work.

Taken together, these developments reflect a Network that is not only growing in numbers but also growing in relevance. The year's work showed that companies are looking for practical platforms that help them interpret global expectations, respond to local realities, and strengthen the systems needed for credible sustainability performance.

# About Global Compact Network Kenya

*The Country Network of the UN Global Compact*

Global Compact Network Kenya is the Country Network of the United Nations Global Compact and supports engagement with participants in Kenya and Uganda. The Network helps companies align with the Ten Principles in the areas of human rights, labour, environment, and anti-corruption, while supporting contribution to the Sustainable Development Goals through practical learning, technical support, convening, and peer exchange.

In 2025, this work was delivered through a more clearly defined programme architecture. The Network combined accelerators, working groups, executive dialogues, inductions, Communication on Progress support, and thought leadership to respond to companies at different stages of their sustainability journey. This report reflects that delivery model and groups programme outcomes under the three broad pillars that shaped the year’s work: Environment, Social Sustainability, and Governance.

## PROGRAMME ARCHITECTURE

<p>01</p> <p><b>EQUIP</b></p> <p><b>Companies to Act</b></p> <p>To help companies set and achieve ambitious goals, we are reimagining the way we build capacity by developing a tailored, digitally-accessible participant experience</p>	<p>02</p> <p><b>CATALYZE</b></p> <p><b>Collective Action</b></p> <p>Together with businesses, we will mobilize collective action towards four global impact areas where business leadership matters most.</p>	<p>03</p> <p><b>ADVANCE</b></p> <p><b>the Business Case</b></p> <p>To drive lasting change, we must show that responsible business is not only the right thing to do – it is a strategic imperative</p>
---	---	---

*The Network’s role is not only to drive conversations, but to help companies convert sustainability commitments into practical business systems, leadership decisions, and measurable progress.*

# 2025 at a glance

The year in numbers, reach and engagement

## KEY FIGURES

### Reach and engagement



## SAMPLE TESTIMONIALS

### Participants' Voices

Tracey Kuchio  
Industrial Promotion Services (iPS)



The Climate Ambition Accelerator has been an invaluable experience. It strengthened my understanding of GHG (Greenhouse gas) accounting, science-based target setting, and practical emissions-reduction planning. The sessions were clear, actionable, and directly applicable to my work, enabling me to drive stronger climate action within my organization. I'm grateful for the opportunity and highly recommend the programme to anyone looking to advance their climate leadership.



### Participants' Voices

Christine Wakenyi  
Sasini PLC



BHR (Business and Human Rights) accelerator made it clear to us (Sasini) that business operations can and do affect human rights across workplaces, supply chains and communities directly and indirectly. It introduced us to tools like HRDD (Human Rights Due Diligence), expertise and peer learning sessions that enabled us to build real action plans, risk assessments, grievance mechanisms and mitigation strategies. The milestone that we did was conduct a thorough HRDD exercise across the organisation.



# Communication on Progress

The Communication on Progress (CoP) is the main reporting mechanism of the UN Global Compact. It is an annual and mandatory requirement for all business participants of the UN Global Compact.

In 2025, out of 198 participants required to submit, 179 organizations, including subsidiaries covered through group reporting, successfully published their CoP, resulting in a 90% submission rate.



*Communication on Progress (CoP) Training – February 2025*

## 2025 REPORTING METRICS

<b>198</b> Participants required to submit	<b>179</b> Participants with published CoPs	<b>90%</b> CoP submission rate	<b>19</b> Participants delisted for non-compliance	<b>13</b> Subsidiaries covered by parent company submissions
---	--	-----------------------------------	---	---

# 2025 Communication on Progress (CoP) Outcomes

## 1 Targeted Engagement Approach

The strong performance in 2025 is attributed to the Network's targeted engagement approach, including:

-  CoP training sessions and reporting clinics
-  One-on-one technical support for participants
-  Structured follow-ups and submission reminders
-  Simplified guidance materials, particularly for SMEs



These interventions contributed to:

- ✓ Improved submission rates
- ✓ Higher data completeness and consistency
- ✓ Strengthened internal accountability within participant organizations

## 2 Key Emerging Trends from CoP Disclosures

Insights drawn from participant disclosures through the CoP framework indicate growing organizational focus on:

 <p><b>Governance and Ethical Business Practices</b></p> <p>Increased adoption of various sustainability policies, board and senior-level ESG oversight, and responsible business governance structures.</p>	 <p><b>Social Impact and Employee Wellbeing</b></p> <p>Strong emphasis on employee health and safety, diversity and inclusion, skills development, and community engagement initiatives.</p>	 <p><b>Supply Chain Sustainability</b></p> <p>Growing awareness of responsible sourcing and supplier engagement, particularly among larger companies working with SME value chains.</p>
--	--	---

## 3 Leveraging CoP Data Visualization Tool

In 2025, Global Compact Network Kenya continued to encourage participants to utilize the UN Global CoP Data Visualization Tool to strengthen sustainability reporting, benchmarking, and performance tracking.



Through the platform, organizations are increasingly able to move beyond compliance-based reporting toward data-driven sustainability management and strategic decision-making.

The tool enables participants to:

- ✓ Benchmark their ESG disclosures against peers locally and globally
- ✓ Identify gaps and areas for improvement
- ✓ Track sustainability performance trends over time
- ✓ Improve transparency and comparability of disclosures

## 4 Strategic Value to Participants

The CoP Data Visualization Tool is increasingly becoming a valuable resource for:

 Internal ESG performance reviews	 Sustainability target-setting
 Investor and stakeholder engagement	 Preparation for evolving ESG disclosure requirements
 For SMEs in particular, the tool provides a simplified pathway toward understanding global sustainability expectations while strengthening reporting capabilities.	

## 5 Summary of 2025 CoP Outcomes



The 2025 CoP cycle highlights Kenya's strong and growing culture of transparency and accountability within the private sector.



With a 90% submission rate, increasing adoption of standardized reporting tools, and firmer enforcement of compliance requirements, GCNK continues to position its participants toward globally aligned, high-quality sustainability reporting and impact-driven performance.

## 2026 AND BEYOND

### **From compliance to quality**

Looking ahead, the priority is not only to sustain high compliance, but also to improve the quality, timeliness, and usefulness of reporting. For 2026 and beyond, the Network will focus on strengthening participant capacity, increasing adoption of the digital CoP platform, improving follow up systems, and encouraging stronger use of quantitative ESG indicators across climate, governance, and social impact reporting.

*A practical ambition for the next cycle is to sustain a CoP submission rate in the 90 to 95 percent range while reducing noncompliance and helping more participants use reporting data for benchmarking, target setting, and decision making.*

# Our programming in 2025

Environment · Social Sustainability · Governance

In 2025, the Network’s programming was structured across three connected pillars: Environment, Social Sustainability, and Governance. This framework reflected a deliberate effort to help companies respond to the issues most shaping business performance, while linking global sustainability priorities to local realities, risks, and opportunities.

*In 2025, the Network’s programming was designed to help companies move from awareness to action, and from isolated sustainability efforts to more integrated systems of business responsibility.*

## Environment

Climate action, sustainable finance, and the blue economy.

## Social

Human rights, labour, gender equality, and inclusion.

## Governance

Anti-corruption, integrity, and ethical supply chains.



*Engagements across Environment, Social and Governance focus areas*

## Environment: transition readiness and resilience

Environmental programming in 2025 combined climate action, sustainable finance, and oceans stewardship into a more future-facing agenda for business resilience. Rather than treating environmental sustainability as a narrow compliance issue, the Network positioned it as a question of transition readiness, competitiveness, and responsible growth.

### Climate action and sustainable finance

Climate programming in 2025 helped participants move from broad ambition toward more credible climate action across all company sizes and sectors. Through the Climate Ambition Accelerator, companies engaged with emissions management and net zero planning over a structured learning journey designed to connect technical climate issues to long term strategy and implementation. The live session on emissions management focused on practical approaches to measuring, managing, and reducing greenhouse gas emissions, while also highlighting regional progress and the actions needed to translate commitments into meaningful implementation. Climate related work also intersected more clearly with finance, reporting, and disclosure. In July, the Executive Roundtable on Accelerating Sustainable Finance for a Resilient Africa convened senior leaders around local capital mobilization and the integration of sustainability-related factors into investment decision making, reinforcing the view that climate and sustainability questions are now central to capital allocation and business resilience. This direction was reinforced in September, when the sustainability learning session delivered with Standard Chartered Kenya reached 486 staff members across East Africa and highlighted growing interest within the financial sector in embedding sustainability into culture, operations, and long-term business strategy.

Across the year, the Network also helped participants engage more deliberately with the wider reporting environment shaping sustainable business. Communication on Progress training, the introduction of the CoP Data Visualization Tool, and wider conversations on ESG readiness and evolving disclosure expectations helped companies strengthen how they interpret, evidence, and communicate sustainability performance. Taken together, these efforts signaled that climate action is no longer only about targets and intent, but increasingly about governance, data, transparency, and the quality of decision making that sits behind credible transition plans.



*Executive Roundtable on Accelerating Sustainable Finance for a Resilient Africa – July 2025*

ENVIRONMENT

## Oceans and the blue economy

The oceans agenda was one of the most distinctive additions to the 2025 programme portfolio. Kenya was designated as one of seven countries to host an Ocean Centre, an initiative supported by the Lloyd’s Register Foundation, creating a national platform to address safety, equity, and sustainability in ocean industries while positioning the country more visibly within the global blue economy conversation.

This global recognition was followed by the launch of Ocean Centres Kenya in August 2025 in Mombasa and the rollout of four national workshops, as part of an eight-part series, which began to translate high-level ambition into practical dialogue on ports, finance, occupational safety and health, and ocean governance.

Across the four workshops hosted in the year, stakeholders from government, port authorities, financial institutions, ocean industries, coastal communities, academia, and development partners explored what it would take to build “smart, safe and inclusive” maritime systems. Discussions ranged from integrating decarbonisation pathways and safety culture in ports, to designing blue finance that supports decent work and social protection, to preparing workers and regulators for the growth of offshore renewables and other marine sectors. The workshops also opened important conversations on roles and responsibilities in ocean governance, signaling that questions of safety, labour conditions, and community impact must sit alongside infrastructure and investment decisions.

By the end of 2025, this phase of work had moved beyond initial convening to clearer priorities for action, including the development of a Kenya-specific Ocean Investment Protocol roadmap and agreement on follow-up mechanisms to strengthen coordination and oversight of safety in ocean industries. The close of the workshop series therefore marked not an end point, but a transition into a new phase of Ocean Centres Kenya’s mandate, with reporting, technical follow-up, and safety committee meetings in 2026 designed to turn workshop insights into more durable standards, systems, and partnerships.

Taken together, these developments established ocean governance as a strategic environmental and social workstream with both national significance and global relevance. They also created a strong narrative anchor for the blue economy agenda within the Network’s broader environment and social pillars, showing that safe and sustainable oceans work is now part of how Kenyan business thinks about resilience, competitiveness, and responsible growth.

ENVIRONMENT IN 2025



45

Companies that participated in the Climate Ambition Accelerator

4

Workshop series under Ocean Centres Kenya

1

Executive roundtable on sustainable finance



*Ocean Centres Kenya Workshops – September to December 2025*

*Environmental leadership is no longer only about commitments. It is increasingly about preparedness, resilience, and the systems needed to manage transition.*

## Social sustainability: fairer, safer, more resilient workplaces

Social sustainability programming in 2025 brought together human rights, labour and decent work, gender equality, and inclusion under a coherent framework. This made it possible to show how different strands of work, though distinct in method and audience, all contributed to a broader agenda of fairer, safer, and more resilient workplaces and value chains.

### Human rights, labour and decent work

The Network's human rights and labour programming increasingly focused on policy development and implementation. In September, the private sector review of Kenya's National Action Plan on Business and Human Rights brought together participants to assess progress, address challenges, and reinforce private sector engagement in the national agenda. This was complemented by Kenya's strong presence at the 4th African Business and Human Rights Forum in Lusaka, Zambia which convened leaders from across the continent around issues of remedy, reparations, human rights due diligence, grievance mechanisms, and transparency.

Supported by The Confederation of Danish Industry in East Africa, the Social Sustainability Working Group was launched and matured as a platform during the year. In September, members adopted the Terms of Reference and prioritized thematic areas for action, while the November strategic priorities workshop brought together institutions to co-create the group's 2026 direction and establish a Partnership Platform for coordinated action.

Labour and decent work were advanced through practical and leadership-facing engagement on living wage. In partnership with IDH, the Leaders Dialogue on Advancing Living Wage in Kenya framed fair pay as both a human rights issue and a business issue linked to dignity, productivity, and resilient supply chains. The session also connected participants to practical tools that can support company-level action.

The November convening on gender-based violence in agricultural value chains further deepened this agenda. Organized with partner institutions, the session positioned GBV as both a human rights issue and a business risk, with attention to safeguarding, grievance mechanisms, supplier systems, and climate-related vulnerability in agricultural contexts.

### Gender equality and women's economic empowerment

Gender equality programming showed some of the clearest movement from commitment to action. The sixth edition of the Target Gender Equality Accelerator brought together 35 companies from Kenya, Rwanda, and Tanzania in a six-month learning and peer exchange process designed to help businesses set and pursue stronger gender equality targets. Sessions held focused on foundations and frameworks, performance analysis, applying a gender lens to talent management, unconscious bias, and male allyship.

The Women’s Empowerment Principles (WEPs) remained a strong anchor for this work. In December, the WEPs Quarterly Forum convened 200 stakeholders from business, government, regulators, and women-led enterprises to discuss policy and practice pathways for women’s economic participation. Discussions emphasized leadership representation, gender-responsive procurement, export readiness, standards compliance, and access to finance.

## Inclusion and disability

Disability inclusion was an important strand of the social sustainability agenda in 2025. In partnership with Kilimanjaro Blind Trust Africa and the National Gender and Equality Commission, the Network advanced this agenda through both the Employer Roundtable of Disability Employment and the October webinar on workplace disability inclusion, helping employers engage more practically with inclusive employment, workplace accessibility, and the systems needed to respond to the new Persons with Disabilities Act 2025 and its 5 percent inclusion requirement. Together, these platforms encouraged businesses to think beyond compliance and toward more inclusive systems, culture, and leadership.

### SOCIAL SUSTAINABILITY IN 2025

Human Rights & Decent Work	Gender Equality	Inclusion & Disability
<ul style="list-style-type: none"> <li>▪ National Action Plan on Business and Human Rights private sector review</li> <li>▪ Leaders Dialogue on Advancing Living Wage in Kenya</li> <li>▪ Forum on gender-based violence in agricultural value chains</li> <li>▪ 4th African Business and Human Rights Forum, Lusaka, Zambia</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sixth edition of the Target Gender Equality Accelerator with 35 companies from Kenya, Rwanda and Tanzania</li> <li>▪ WEPs Quarterly Forum with 200 stakeholders</li> <li>▪ Sessions on leadership, talent, and male allyship</li> </ul>	<ul style="list-style-type: none"> <li>▪ Disability Inclusion for Employers in the Private Sector Roundtable</li> <li>▪ Workplace disability inclusion webinar on the Persons with Disabilities Act 2025 and its 5% inclusion requirement</li> <li>▪ International Day of Persons with Disabilities workplace inclusion activities</li> </ul>



*Living Wage, Disability Inclusion and Social Sustainability Working Group Events in 2025*

Social sustainability becomes real when companies connect policy commitments to how people actually experience work, safety, dignity, and opportunity.

## Governance: integrity, trust and credibility

Governance programming in 2025 brought together anti-corruption, ethical leadership, corruption risk management, whistleblower protection, financial integrity, and supply chain ethics. This pillar was especially strong because it combined leadership engagements, practical tools, policy dialogue, and global recognition into a coherent story of business integrity in action.

### Integrity and anti-corruption

Governance work in 2025 moved decisively from statements of intent toward the harder task of stress-testing systems and closing integrity gaps. The CEO Forum on Future-Proofing Governance helped position governance as a board-level business issue tied to trust, competitiveness, and long-term resilience, rather than a narrow compliance function. Building on that leadership signal, the programme deepened through practical interventions including validation of Kenya's position paper on the Whistleblower Protection Bill, the Anti-Corruption Working Group meeting in September, the Kenya Leadership and Integrity Forum (KLIF) Stakeholders Sensitization Workshop, the Ethical Supply Chain webinar, and the private sector roundtable on illicit financial flows.

Taken together, these engagements marked a shift from “what” to “how” on integrity. Discussions focused on adoption of Ethics and Anti-corruption Commission's Corruption Risk Assessment and Management Guidelines, reform priorities around whistleblower protection, anti-money laundering and beneficial ownership issues, supply chain transparency, and the role of collective action in strengthening private sector credibility. Across these platforms, governance emerged as a core enabler of risk management, access to capital, and social license to operate, not just a defensive response to regulatory pressure.

Global recognition reinforced this trajectory. The Code of Ethics for Business in Kenya was recognized at the International Collective Action Awards in Basel, Switzerland providing international validation for a Kenyan integrity initiative rooted in private sector leadership and collaboration. In November, the Business Integrity Action Challenge further demonstrated the strength of participant engagement, with approximately 50 Kenyan companies taking part and Kenya ranking second worldwide in the challenge. Together, these developments allow the governance pillar to present a clear progression: from leadership dialogue to tools and policy influence, to implementation support, and finally to external recognition for Kenya's integrity work.

*Strong governance is not only about compliance. It is about building trust, reducing risk, and strengthening the credibility of business leadership.*

## From dialogue to recognition

01

Dialogue

The CEO Forum on Future-Proofing Governance framed governance as a strategic business issue linked to trust, competitiveness and long-term resilience.

02

Tools

Corruption Risk Assessment and Management Guidelines, and validation of Kenya's position paper on the Whistleblower Protection Bill.

03

Implementation

Anti-Corruption Working Group, KLIF Stakeholders Sensitization Workshop, Ethical Supply Chain webinar and the private sector roundtable on illicit financial flows.

04

Recognition

The Code of Ethics for Business in Kenya was recognized at the International Collective Action Awards in Basel. Approximately 50 Kenyan companies took part in the Business Integrity Action Challenge, with Kenya ranking second worldwide.



*Ethics and Governance Convenings in 2025*

# Flagship events and strategic convenings

*Platforms for leadership and influence*

While the programme pillars capture the substance of the year's work, several flagship moments illustrated how the Network uses its convening power to shape agendas as well as support implementation. These included the 11th Annual General Meeting, the Business Leaders Dialogue with Paul Polman, high-level engagement around the 80th UN General Assembly (UNGA 80) and the Global Africa Business Initiative (GABI), the 4th African Business and Human Rights Forum, and the Africa Business Ethics Stakeholders Forum (ABEC 2025).

The 11th Annual General Meeting in July 2025 marked a new phase of leadership for the Network, with the appointment of Abdi Mohamed as Board Chair and Jane Karuku as Vice Chair, alongside new and renewed Board members drawn from finance, manufacturing, healthcare, and civil society. This refresh signaled the Board's commitment to diverse, influential leadership and reinforced governance as a strategic asset for the Network. In October, the Business Leaders Dialogue with Paul Polman brought together CEOs and senior executives to explore regenerative, inclusive, and purpose-driven growth in Africa, challenging leaders to rethink value creation and to treat sustainability as the organizing logic for long-term performance.

Beyond Kenya, the Network's engagement around UNGA 80 and GABI amplified Kenyan private sector perspectives in global conversations on Africa's growth and the future of sustainable business. This visibility reinforced the idea that Kenyan companies are not only adapting to global norms but also contributing insight and experience to how sustainability is understood in African markets. At the same time, ABEC 2025 provided a platform to elevate Kenya's work on business ethics and integrity, positioning the Network as a reference point for practical lessons on anti-corruption, responsible leadership, and fair competition.

Presented together, these moments show a Network operating across local, national, regional, and global levels, using flagship platforms to reinforce a connected agenda on climate, social sustainability, governance, and oceans. They also underline a consistent message to participants: that profile is only meaningful when it is backed by credible practice, shared learning, and tangible commitments that move companies from intention to implementation.



# Accelerating participant progress

*From joining to leading*

Participant growth in 2025 was accompanied by a wider range of support services and touchpoints. By year end, the Network had 300 participants across Kenya and Uganda, with 54 new participants joining.

This growth was supported by a layered engagement model. Participants accessed new joiner inductions, certificate handovers, Communication on Progress training, sustainability reporting support, accelerator programmes, executive dialogues, tailored company sessions, and in-country support in both Kenya and Uganda. The September induction session alone welcomed 22 participants from 10 companies and introduced them to the Ten Principles, ESG integration, available programmes, and reporting obligations.

This matters because participant value is shaped not only by how many organizations join, but also by how effectively they are supported after joining. In 2025, the Network's participant-facing offer became more structured, more responsive, and better connected to thematic programming.

## NEW PARTICIPANTS IN 2025

### Geographic breakdown

Country	SME	Company	Total
Kenya	45	6	51
Uganda	2	0	2
<b>Total</b>	<b>47</b>	<b>6</b>	<b>53</b>

### 2025 New Participants

## KENYA

### COMPANIES

01 Del Monte Kenya Ltd

02 Ramco Printing Works Ltd

03 Aquasantec International Ltd

04 Kenya Tea Development Agency Holdings Ltd

05 Chania Hortflora Ltd

06 Liberty Kenya Holdings Plc

S M E s		
01 Badalu Homecare School	16 Essenspark Ltd	31 Alliad Logistics Ltd
02 Garri Fix Ltd	17 Procoolers Engineering Solutions Ltd	32 Rezial Ltd
03 Africa InSight Communications Ltd	18 Sunflower Tents and Decor Ltd	33 Muthaiga Travel Ltd
04 Paula Creations	19 Pneuma Audio Visual Ltd	34 First Assurance Company Ltd
05 SFAI Kenya Prolific	20 Tunips Enterprises	35 Ethical Trade Services Africa Ltd
06 PeerCarbon Earth Ltd	21 Free Drop Ltd	36 IX Africa Data Centre Ltd
07 Virtuous Life Ltd	22 MGI Alekim LLP	37 Ibex Ventures Co. Ltd
08 Signum Fresh Fruit Exporters Ltd	23 Discovery Media Ltd	38 Mali Therapy Centre for Children with Autism
09 Separ Risk Management Services Ltd	24 Flywheel Consulting Ltd	39 3rd Park Hospital Ltd
10 The Xperia Agency Ltd	25 Kiseki General Suppliers Ltd	40 Aquasol Technology Ltd
11 Azali Certified Public Secretaries LLP	26 Miale Solar Inventions Ltd	41 Nezula Brands
12 AMG Realtors Ltd	27 Seven Skies Information & Research Ltd	42 GlobetRACK International Ltd
13 Packaging Producer Responsibility Organisation	28 Fidelity Shield Insurance Company Ltd	43 JKUAT Enterprises Ltd
14 Intra Africa Assurance Company Ltd	29 4Life Solutions SEZ	44 Shiriki House Ltd
15 Charleston Travel Ltd	30 Chloride Exide Kenya Ltd	45 Luton Medical Hospital Ltd

## UGANDA

S M E s	
01 Equator Solar Systems Ltd	02 Kulika Africa Holdings Ltd

### PARTICIPANT JOURNEY





*Growth in participation is most meaningful when it is matched by strong onboarding, clear value pathways, and relevant support after joining.*

# Most Engaged Company Award

*Recognizing leadership in responsible business*

Company awards are one of the ways Global Compact Network Kenya acknowledges participants that engage deeply and consistently with the Network's programmes. The focus is on organizations that use the Network's delivery channels dialogues, accelerators, working groups and learning opportunities to strengthen systems, inform leadership decisions and build more credible sustainability performance over time.

The 2024 winner reflected this spirit of disciplined, ambitious engagement. In the large company category, *Britam Holdings* was recognised for the depth and breadth of its participation across governance, social sustainability and climate related initiatives. In the small and medium enterprise category, *Demic Tours & Car Hire Ltd* stood out for using Network programmes to strengthen its practices, build capability and embed responsible business into a growing operation.



*Tom Gitogo, Group MD and CEO of Britam receiving the Most Engaged Large Company 2024 Award*

# Publications, thought leadership and recognition

*How knowledge and visibility shaped the agenda*

The Network's role in 2025 extended beyond convening. Through publications, commentary, and curated learning content, it helped translate complex sustainability issues into practical insight for companies operating in Kenya and the region. Instead of simply sharing information, the focus was on turning evidence, case studies, and global frameworks into tools that decision makers could apply in real business contexts.

Highlighted publications during the year included *Ethical Leadership, Governance and Anti-Corruption Best Practices in Kenyan Companies*, *Trade and Labour Pathways for Decent Work in Kenya's Digital Economy*, *Corruption Risk Assessment and Management Guidelines* and *Procurement A Catalyst for Sustainable Growth and Resilience* by the United Nations Global Compact (UNGC). These resources showcased Kenyan and regional examples of integrity, responsible supply chains, and fair work, offering companies concrete reference points for strengthening their own systems. The *United Nations Global Compact and Accenture CEO Study 2025* also featured prominently, with Kenyan executive voices contributing local perspectives to a global conversation on the business case for sustainability and the capabilities leaders now need.

This knowledge work was complemented by strategic use of external platforms, where the Network and its partners contributed analysis on issues such as governance, digital labour, social sustainability, and the future of Africa's growth. By engaging with media, policy discussions, and sector forums, the Network helped position Kenyan private sector experience as a source of ideas and solutions, not only as a recipient of global guidance.

Recognition strengthened this external profile. The International Collective Action Award in Basel, Switzerland was the strongest international marker of the year, underscoring the credibility of Kenya's *Code of Ethics for Business* as a collective integrity initiative. Other visibility points, including the Diversity and Inclusion Awards and Recognition (DIAR), recognition within the small and medium enterprise (SME) ecosystem through the Kenya Private Sector Alliance (KEPSA), and acknowledgement through the International Finance Corporation (IFC) Sourcing2Equal programme, reinforced the Network's own credibility as a trusted partner and platform for advancing responsible business practice and recognized its growing role in shaping the sustainability agenda in Kenya.

SAMPLE 2025 PUBLICATIONS



RECOGNITION IN 2025



Publications and recognition are most valuable when they strengthen credibility, shape debate, and support better business practice.

# Governance and partnerships

*Leadership renewed, partnerships strengthened*

The Network’s governance evolved in 2025 through the 11th Annual General Meeting, which ushered in new board leadership and additional board appointments. Abdi Mohamed was appointed Board Chair and Jane Karuku Vice Chair, while Tom Gitogo, Dr. Toseef Din, and Mary-Ann Musangi joined the Board, with Sheila Masinde and Jonathan Van Zeller re-elected.

## BOARD OF DIRECTORS



**Abdi Mohamed**  
Board Chair  
Absa Bank Kenya PLC  
CEO & MD



**Jane Karuku**  
Board Vice-Chair  
East Africa Breweries Ltd  
Group MD & CEO



**Judy Njino**  
Global Compact Network Kenya  
Executive Director



**Dr. Peter Ndegwa (CBS)**  
Safaricom PLC  
Group Chief Executive Officer



**Dr. Toseef Din**  
MP Shah Hospital  
Chief Executive Officer



**Tom Gitogo**  
Britam Holdings PLC  
Group MD & CEO



**Mary-Ann Musangi**  
HACO Industries  
Managing Director



**Jonty van Zeller**  
Alamaya Group  
Director



**Sheila Masinde**  
Transparency International - Kenya  
Executive Director

## THE SECRETARIAT



**Judy Njino**  
Executive Director



**Joseph Munga**  
Head of Finance and  
Operations



**Stephen Kimenye**  
Program Manager



**Mary Waweru**  
Participant Engagement  
Manager



**Damaris Mukulu**  
Communications  
and Marketing Manager



**Olive Mumbo**  
Project Manager:  
Ocean Centre Kenya



**Evonia Arina**  
Participant Engagement  
Assistant Manager



**Lorraine Kithinji**  
Project Coordinator



**Elizabeth Gachiye**  
Finance and Admin  
Officer



**Diana Munguti**  
Front Office

## Team building and internal cohesion

In 2025, the Network invested in team building as part of strengthening the Secretariat’s effectiveness and internal cohesion. This created space for reflection, alignment, and stronger collaboration across functions at a time when programme delivery was expanding in scale and complexity. By reinforcing trust, communication, and shared accountability, the process helped strengthen coordination within the Secretariat and supported more consistent delivery across the Network’s workstreams.



*Team activities in the year*

### PARTNERS IN 2025

## Working in partnership

Partnership remained a defining feature of delivery. Across the year, programme implementation was strengthened by collaboration with UN Women, IDH, International Finance Corporation (IFC), Ethics and Anti Corruption Commission (EACC), Kenya Leadership and Integrity Forum (KLIF), Transparency International Kenya, Lloyd’s Register Foundation, and others depending on theme and convening need. These relationships expanded reach, strengthened credibility, and helped ensure that programming remained rooted in both practical business needs and wider systems change.

## Key Partnerships



*Partnership remained one of the Network’s strongest assets in 2025, enabling it to convene across sectors, deepen credibility, and connect Kenyan businesses and action to wider regional and global agendas.*

# Looking ahead to 2026

*Implementation discipline across five connected themes*

The 2026 programme builds directly on the foundations laid in 2026, but with an even clearer delivery pathway across environment, social sustainability, governance, oceans, and reporting. Rather than treating these as separate agendas, our 2025 calendar of events is a more connected programme in which companies are expected to strengthen systems, build capability, and show more credible evidence of progress.

Business and Human Rights	Anti-Corruption and Business Integrity	Gender Equality and Social Sustainability	Climate Action	Safe, Sustainable Ocean Economy	Sustainability Reporting
Business and Human Rights Accelerator	Quarterly Anti-Corruption Working Group meetings	Target Gender Equality Accelerator	Climate Ambition Accelerator	Worker safety in marine industries	Communication on Progress sessions
Human rights due diligence clinics	Business integrity essentials sessions	Women’s Empowerment Principles Forum	Emissions measurement clinics	Safe ports and offshore renewables workshops	Data and report quality clinics
National Action Plan policy dialogues	Supply chain integrity dialogues	Decent work and living wage sessions	Climate finance dialogues	Financing safe oceans dialogues	SME focused reporting support
Sector sessions on remedy and grievance	Africa and International Anti-Corruption Day engagements	Just transition and social sustainability webinars	Engagement on Kenya’s Nationally Determined Contributions	Our Oceans Conference engagement	IFRS S1 and S2 reporting bootcamps

## **Business and human rights**

Business and human rights programming in 2026 will focus on helping companies move from policy commitment to operational due diligence. The Business and Human Rights Accelerator will support participants to build systems aligned with the United Nations Guiding Principles on Business and Human Rights, while clinics and policy dialogues will help companies identify salient risks, strengthen grievance mechanisms, and respond to emerging expectations in key sectors.

## **Anti-corruption and business integrity**

Anti-corruption and business integrity work is designed as a yearlong progression rather than a series of isolated events. Quarterly Anti-Corruption Working Group sessions will move from agenda setting and tool development to real world review and reflection, supported by sessions on business integrity essentials, stress testing integrity systems, supply chain integrity, and stock taking engagements in Africa Anti-Corruption Day and International Anti-Corruption Day.

## **Gender equality and social sustainability**

Gender equality and social sustainability will continue to be advanced through more structured programming across the year. The Business and Human Rights Accelerator, social sustainability working group sessions, and implementation reviews will help companies connect due diligence to decent work, living wage, and safeguarding in value chains, while Ring the Bell for Gender Equality, the Women's Empowerment Principles Forum, and a new Target Gender Equality Accelerator cycle will support companies to close gaps in leadership, pay, opportunity, and workplace culture. Programmes such as the Growth and Sustainability Accelerator for small and medium enterprises and SDG Innovation for Young Professionals will deepen capability building, helping both companies and emerging leaders design practical solutions on inclusion, decent work, climate, and the wider Sustainable Development Goals.

## **Climate action and net zero transition**

On climate, 2026 will deepen work on transition readiness and emissions management. The Climate Ambition Accelerator, emissions measurement clinics, climate finance dialogues, and policy engagement on Kenya's Nationally Determined Contributions will help companies set science-based targets, strengthen their data, and connect climate ambition to strategy, risk management, and access to capital.

## **Safe, Sustainable Ocean economy**

Oceans programming will evolve into a more comprehensive sustainable ocean economy agenda. Through the Ocean Centres network, the calendar includes practical workshops on worker safety in marine industries, safe ports, fishing and aquaculture, offshore renewables, and financing safe oceans, culminating in high level engagement linked to the Our Oceans Conference and continued work of safety committees.

## **Sustainability reporting**

Sustainability reporting will play a stronger cross-cutting role throughout the year. Foundational Communication on Progress sessions, data and report quality clinics, small and medium enterprise focused

support, and intensive International Financial Reporting Standards S1 and S2 bootcamps will help participants improve both the substance of their sustainability work and the way they govern, evidence, and communicate that work.

Overall, 2026 is set up as a year of implementation discipline, with the programme designed to help participants move beyond engagement alone and toward stronger systems, clearer evidence, sharper governance, and more credible sustainability performance.

*The next phase of the Network's work is about helping participants strengthen systems, evidence, and accountability.*

# FINANCIAL REPORT

---



# Financial Report Directors' Report

*For the year ended December 31, 2025*

The directors submit their report together with the audited annual financial statements for the year ended December 31, 2025. In accordance with section 624 (3) of the Kenyan Companies Act, 2015, this directors' report has been prepared using the guidelines of the small companies regime.

## 1. Background to Global Compact Network Kenya

Global Compact Network Kenya is the Country 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 SDGs through accountable companies and ecosystems that enable change. Established in 2005, Global Compact Network Kenya has more than 250+ participants in Kenya. We guide Kenyan companies through a principle-based framework, offering best practices, resources and networking opportunities that have revolutionized how companies do business responsibly and keep commitments to society. By catalyzing action, partnerships and collaboration, we make transforming the world possible and achievable for organizations large and small. There have been no material changes to the nature of the company's business from the prior year.

## 2. Business review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

## 3. Directors

The directors in office at the date of this report are as follows:

Director	Designation	Changes
Non-executive Board of Directors		
Abdi Mohamud Mohamed	Board Chair	
Jonathan Fredrick Van Zeller	Director	
Peter Waititu Ndegwa	Director	
Jane Wambui Karuku	Director	
Sheila Musungu Masinde	Director	

Toseef Din	Director
Jonty Van Zeller	Director
Tom Gitogo	Director
Mary-Ann Musangi	Director
Angela Pearl Namwakira	Ex officio member

### Management

Judith Nyambura Njino	Executive Director
Joseph Munga	Head of Finance and Operations

<b>Martin Robert Ochieng</b>	Director	Resigned Friday, July 4, 2025
<b>Ngari Kariuki</b>	Director	Resigned Friday, July 4, 2025
<b>Caroline Wangui Kariuki</b>	Director	Resigned Friday, July 4, 2025

There have been changes to the Board Committee for the year under review.

### 4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 5. Statement of disclosure to the company's auditor

With respect to each person who is a director on the day that this report is approved:


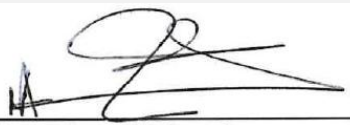

- there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- the person has taken all the steps that he or she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### 6. Terms of appointment of the auditor

Grant Thornton LLP has been appointed in office in accordance with the company's Articles of Association and Section 717 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

### 7. Approval of annual financial statements

The annual financial statements set out in this section, which have been prepared on the going concern basis, were approved by the board of directors on 22 April 2026 and were signed on its behalf by:

 <hr/> <b>Judith Nyambura Njino</b> (Executive Director)	 <hr/> <b>Abdi Mohamud Mohamed</b> (Chairperson of the Board)
 <hr/> <b>Tom Gitogo</b> (Director)	

## Statement of Directors' Responsibilities

*For the year ended December 31, 2025*

The Kenyan Companies Act, 2015 requires the directors to prepare annual financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.


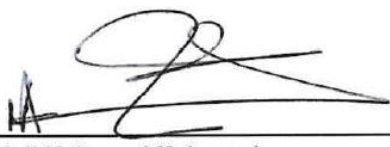

The directors accept responsibility for the preparation and presentation of these annual financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of annual financial statements that are free of material misstatement, whether due to fraud or error;
- selecting suitable accounting policies and applying them consistently; and
- making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the annual financial statements does not relieve them of their responsibilities.

The annual financial statements set out in this section, which have been prepared on the going concern basis, were approved by the board of directors on 22 April 2026 and were signed on its behalf by:

 _____ <b>Judith Nyambura Njino</b> (Executive Director)	 _____ <b>Abdi Mohamud Mohamed</b> (Chairperson of the Board)
 _____ <b>Tom Gitogo</b> (Director)	

# Independent Auditor's Report

To the Directors of Global Compact Network Kenya (GCNK)

---

## Report on the Audit of the Annual Financial Statements

### OPINION

We have audited the annual financial statements of Global Compact Network Kenya (GCNK) (the company), which comprise the statement of financial position as at December 31, 2025, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Global Compact Network Kenya (GCNK) as at December 31, 2025, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015.

### BASIS FOR OPINION

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

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Glossary of terms as required by the Kenyan Companies Act, 2015, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon. Our opinion on the annual financial statements 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements 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.

We were not the auditors prior year.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards

Board and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are 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 International Standards on Auditing 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 these annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In our opinion the information given in the report of the directors is consistent with the Annual Financial Statements.

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA Alfred Siele, Practicing Certificate No. 1690.



# Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025 · Figures in Shillings

	Note(s)	2025	2024
Grant	2	18,887,822	45,347,339
Member subscription	3	34,232,529	32,221,732
Other income	4	1,899,831	2,263,534
<b>Total income</b>		<b>55,020,182</b>	<b>79,832,605</b>
Direct program costs	5	(41,274,212)	(22,848,154)
Personnel costs	6	(15,540,328)	(35,187,146)
Administrative expenses	7	(17,489,802)	(12,117,774)
<b>Total expenses</b>		<b>(74,304,342)</b>	<b>(70,153,074)</b>
<b>(Deficit) surplus before taxation</b>		<b>(19,284,160)</b>	<b>9,679,531</b>
Taxation	8	1,909,166	(3,087,435)
<b>(Deficit) surplus for the year</b>		<b>(17,374,994)</b>	<b>6,592,096</b>

The accounting policies and the notes form an integral part of the annual financial statements.




# Statement of Financial Position

As at December 31, 2025 · Figures in Shillings

	Note(s)	2025	2024
<b>Assets</b>			
Non-Current Assets			
Property and equipment	10	12,631,752	13,341,616
Deferred tax	11	2,553,299	399,393
<b>Total Non-Current Assets</b>		<b>15,185,051</b>	<b>13,741,009</b>
<b>Current Assets</b>			
Account and other receivables	12	3,773,935	8,403,977
Current tax receivable	9	2,673,521	-
Cash and cash equivalents	13	45,540,072	65,375,990
<b>Total Current Assets</b>		<b>51,987,528</b>	<b>73,779,967</b>
<b>Total Assets</b>		<b>67,172,579</b>	<b>87,520,976</b>
<b>Accumulated Fund and Liabilities</b>			
Equity			
Accumulated funds		45,047,368	63,857,337
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Account and other payables	14	3,817,794	2,035,609

Deferred grant income	15	18,307,155	21,317,967
Current tax payable	9	-	310,063
Bank overdraft	13	262	-
<b>Total Liabilities</b>		<b>22,125,211</b>	<b>23,663,639</b>
Total Accumulated Fund and Liabilities		67,172,579	87,520,976

The annual financial statements, which have been prepared on the going concern basis, were approved by the board of directors on 22 April 2026 and were signed on its behalf by:

 <hr/> <b>Judith Nyambura Njino</b> (Executive Director)	 <hr/> <b>Abdi Mohamud Mohamed</b> (Chairperson of the Board)
 <hr/> <b>Tom Gitogo</b> (Director)	

*The accounting policies and the notes form an integral part of the annual financial statements.*

## Statement of Changes in Accumulated Fund

For the year ended December 31, 2025 · Figures in Shillings

	Accumulated funds	Total equity
At the start of the year	51,995,238	51,995,238
Prior year adjustments:		
Prior year income tax expense	(2,806,622)	(2,806,622)
Adjustment due to capitalisation of assets purchased in the prior period	652,884	652,884
Adjustment on the prior period grant payable balance	7,423,741	7,423,741
<b>After PY adjustments</b>	<b>57,265,241</b>	<b>57,265,241</b>
Surplus for the year	6,592,096	6,592,096
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>6,592,096</b>	<b>6,592,096</b>
Balance at January 1, 2025	63,857,337	63,857,337
Deficit for the year	(17,374,994)	(17,374,994)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(17,374,994)</b>	<b>(17,374,994)</b>
Prior year adjustment	(1,434,975)	(1,434,975)
<b>Total changes</b>	<b>(1,434,975)</b>	<b>(1,434,975)</b>
<b>Balance at December 31, 2025</b>	<b>45,047,368</b>	<b>45,047,368</b>

## Statement of Cash Flows

For the year ended December 31, 2025 · Figures in Shillings

	Note(s)	2025	2024
<b>Cash flows (used in) generated from operating activities</b>			
Cash (used in) generated from operations	16	(15,654,141)	14,987,267
Tax paid	9	(3,228,324)	(5,983,387)
<b>Net cash (used in) generated from operating activities</b>		<b>(18,882,465)</b>	<b>9,003,880</b>
<b>Cash flows used in investing activities</b>			
Purchase of property and equipment	10	(1,018,715)	(14,236,121)
Proceeds on disposal of equipment		70,867	-
Loss on disposal		(5,867)	-
<b>Net cash used in investing activities</b>		<b>(953,715)</b>	<b>(14,236,121)</b>
<b>Total cash and cash equivalents movement for the year</b>		<b>(19,836,180)</b>	<b>(5,232,241)</b>
Cash and cash equivalents at the beginning of the year	13	65,375,990	70,608,231
<b>Total cash and cash equivalents at end of the year</b>	<b>13</b>	<b>45,539,810</b>	<b>65,375,990</b>

# Material Accounting Policies

*For the year ended December 31, 2025*

## 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board, and the Kenyan Companies Act, 2015. For Kenyan Companies Act, 2015 reporting purposes in these financial statements, the balance sheet is represented by the statement of financial position and the profit and loss account is represented by the statement of profit or loss and other comprehensive income.

The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Kenyan Shillings and rounded off to the nearest Shilling.

These accounting policies are consistent with the previous period unless otherwise stated.

### 1.1 Material judgements and sources of estimation uncertainty

#### CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

#### KEY SOURCES OF ESTIMATION UNCERTAINTY

##### Useful lives of property and equipment

The company reviews the estimated useful lives of property and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

##### Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

### 1.2 Property and equipment

Property and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property and equipment is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property and equipment have been assessed as follows:

Item	Depreciation method	Rate per annum (%)
Computers	Diminishing balance	25%
Furniture and fittings	Diminishing balance	10%
Office partition	Diminishing balance	10%
Equipment	Diminishing balance	10%

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

When indicators are present that the useful lives and residual values of items of property and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

### 1.3 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Financial instruments at amortised cost

These include trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

### 1.4 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

### **Deferred tax assets and liabilities**

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### **Tax expenses**

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

## **1.5 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

### **Operating leases – lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

## **1.6 Employee benefits**

### **Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### **Defined contribution plans**

The company and its employees also contribute to the National Social Security Fund (NSSF), Housing Levy (1.5%) and the Social Health Insurance Fund (2.75%), a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the statement of profit or loss and other comprehensive income in the year they fall due.

The organization and its employees contribute to the Affordable Housing Levy at the rate of 1.5% on gross salary. Contributions are determined by local statute and the organization's contributions are charged to the statement of profit or loss and other comprehensive income in the year they fall due.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

### **Employee benefit – post employment benefit obligations**

The company operates a defined contribution retirement benefit plan for its employees at a proportion of 5% on both employee and the company, the assets of which are held in a separate trustee administered scheme managed by an insurance company. A defined contribution plan is a plan under which the company pays fixed contributions into a separate fund, and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods. The company's contributions are charged to the profit and loss account in the year to which they relate.

### **1.7 Provisions and contingencies**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

### **1.8 Revenue recognition**

#### **(i) Member subscriptions**

Contributions from member organisations (general fund) are recognized at the point of invoicing the member organisations. GCNK membership is structured under three categories.

- Corporate membership: This membership covers all companies with a revenue of KES 50 million and above.
- Small and Medium-sized Enterprises membership: This membership covers all companies with revenues under KES 50 million.
- Non-business membership: This membership covers all non-business participants classified as academic institutions, business associations, NGOs, labour organizations, public sector organizations, cities, municipalities.

Any outstanding contributions at the end of the year are recognised as receivables from the member organisation in the statement of financial position. Member organisations of GCNK are required to contribute member subscriptions at an allocated amount based on their annual revenue or sales as per the following tiers:

<b>Company revenue tiers by annual gross sales / revenue (KES)</b>	<b>Required annual contribution (KES)</b>
< 50 million	20,000
50 to 100 million	50,000
100 to 500 million	100,000

500 million to 2.5 billion	125,000
2.5 to 5 billion	250,000
5 to 25 billion	500,000
25 to 50 billion	750,000
50 to 100 billion	1,000,000
100 to 500 billion	1,500,000
500 billion to 1 trillion	2,000,000
1 to 3 trillion	2,500,000
> 3 trillion	3,000,000
Subsidiaries	100,000
Non-business and academia	50,000

#### **(ii) Grants income**

Grants for restricted purposes and for specified funded projects are recognised when received and spent on qualifying activities. Any unutilised grants are recognised as deferred income and any excess expenditure over income is recorded as grants receivable at year end.

#### **(iii) Interest income**

Interest income relates to interest earned on balances deposited in the bank and is recognised when earned or received in the bank account.

#### **(iv) Exchange gains**

Exchange gains relate to net foreign exchange loss due to translation of transactions denominated in currencies other than Kenya Shilling. This balance includes the foreign exchange gain arising from revaluation of monetary assets and liabilities denominated in currencies other than Kenya Shilling which are translated to Kenya Shilling at the rates of exchange ruling at the statement of financial position date.

Exchange gain arises when the exchange rate used to revalue assets and liabilities at the period end was lower than that used at the time of the transactions and are recognised when earned.

#### **(v) Other income**

Other income comprises of income received from conducting trainings to other institutions. The income is recognised once earned and the beneficiary institution invoiced.

All other donations are accounted for on a cash receipt basis unless there are committed funds or pledged funds that are receivable.

## **1.9 Expenditure**

Expenditure represents the costs incurred by GCNK. Expenditure is recognized when incurred rather than when paid.

## **1.10 Foreign exchange**

### **Foreign currency transactions**

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

## **1.11 Deferred grant income**

Fund disbursements to GCNK do not represent income from the donor to the company until the corresponding activities are implemented, and expenditure incurred. The expended amount on the project is what is recognised as revenue in the financial statements. Any unexpended grants are carried forward as deferred income in the statement of financial position.

## **1.12 Account and other receivables**

Receivables are carried at anticipated realisable value. Receivable accounts are aged regularly, doubtful debts provided for, and specific bad debts written off when all reasonable steps to recover them have failed. An estimate amount uncollectible in each age group of receivables is determined and additional provision required to state the amount in the doubtful debts provision. This ensures timely recognition of credit losses.

For subscriptions, the cut-off for considering write off or provision is twelve months after the original invoice and six months for other debts.

## **1.13 Account and other payables**

Payables represent services and / or materials received prior to year-end but not paid for as at statement of financial position date and provisions for leave, gratuity and others.

Accruals are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accruals are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accruals include leave accrual relating to number of leave days carried forward from one period end to the other.



**Global Compact**  
Network Kenya

---

# Thank You

To our Participants, Partners,  
Board and Secretariat Team  
for moving from commitment  
to collective action.



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION



## Global Compact Network Kenya

Principal Place, 1st Floor, School Lane, Westlands, Nairobi, Kenya.

Email: [info@globalcompactkenya.org](mailto:info@globalcompactkenya.org)

Phone: +254 769 300 400 | +254 795 625 874

[www.globalcompactkenya.org](http://www.globalcompactkenya.org)

© 2026 Global Compact Network Kenya. All rights reserved.