



Global Compact Network Kenya



GLOBAL COMPACT NETWORK KENYA

2023 ANNUAL REPORT

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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.

GLOBAL COMPACT NETWORK KENYA

Global Compact Network Kenya (GCNK) 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 Sustainable Development Goals (SDGs) through accountable companies and ecosystems that enable change.

Established in 2005, Global Compact Network Kenya brings together 300+ participants in Kenya with over 800 others signed to our local Code of Ethics for Business in Kenya- 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 us at: info@globalcompactkenya.org, follow **Global Compact Kenya** on social media and visit our website at globalcompactkenya.org.



Global Compact
Network Kenya

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-in-hand 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.



MESSAGE FROM THE CHAIRPERSON



Martin Ochien'g
Chairperson
Board of Directors

A key highlight of the year was the country hosting the Africa Climate Summit which showed the commitment of the government and our participants in addressing the climate emergency.

The year 2023 was a transformative year for Global Compact Network Kenya and was marked by significant strides in advancing corporate sustainability and driving meaningful impact across the country. The year challenged us to think differently and remain adaptable despite global and local uncertainties.

During the year, Global Compact Network Kenya strengthened its position as a leading voice in the corporate sustainability space, not just in Kenya but across Africa. We welcomed new companies into our network, each committed to aligning their strategies with the SDGs and contributing to a sustainable future.

A key highlight of the year was the country hosting the Africa Climate Summit which showed the commitment of the African continent, Kenyan government and our participants in addressing the climate emergency. We were at the forefront of critical discussions both locally and globally by lending our voice to global issues such as inequality, climate action, and corporate governance, convening industry leaders, policymakers, and civil society.

As we embark on yet another year, we are more determined than ever to lead the charge in promoting responsible business practices in Kenya. The challenges we face are immense, but they also present opportunities for businesses to innovate, collaborate, and lead the way toward a more sustainable and equitable world.

2023 marked the halfway point in implementing the 2030 Agenda for Sustainable Development and from the report released by the UN, there is a need for all stakeholders to intensify their collaborative efforts and work more effectively together to achieve the SDGs. Now, more than ever, we must pair our ambitions with credibility and accountability to ensure we make real change.

I call upon all leaders to be bolder and more ambitious in how they lead companies. Together, we have the capacity to tackle many of the challenges we face. I am enthusiastic about the opportunities ahead and eagerly anticipate your ongoing engagement with the UN Global Compact. Your continued participation will be crucial in driving progress towards a more sustainable world.

MESSAGE FROM EXECUTIVE DIRECTOR JUDY NJINO



Judy Njino
Executive Director

As we reflect on yet another year in our corporate sustainability journey, I am proud of the incredible progress we made during the year in entrenching the corporate sustainability agenda in Kenya.

Our commitment to advancing the Ten Principles of the United Nations Global Compact focusing on human rights, labour, environment, and anti-corruption strengthened our impact and positioned our Network as a driving force for sustainable business practices in Kenya.

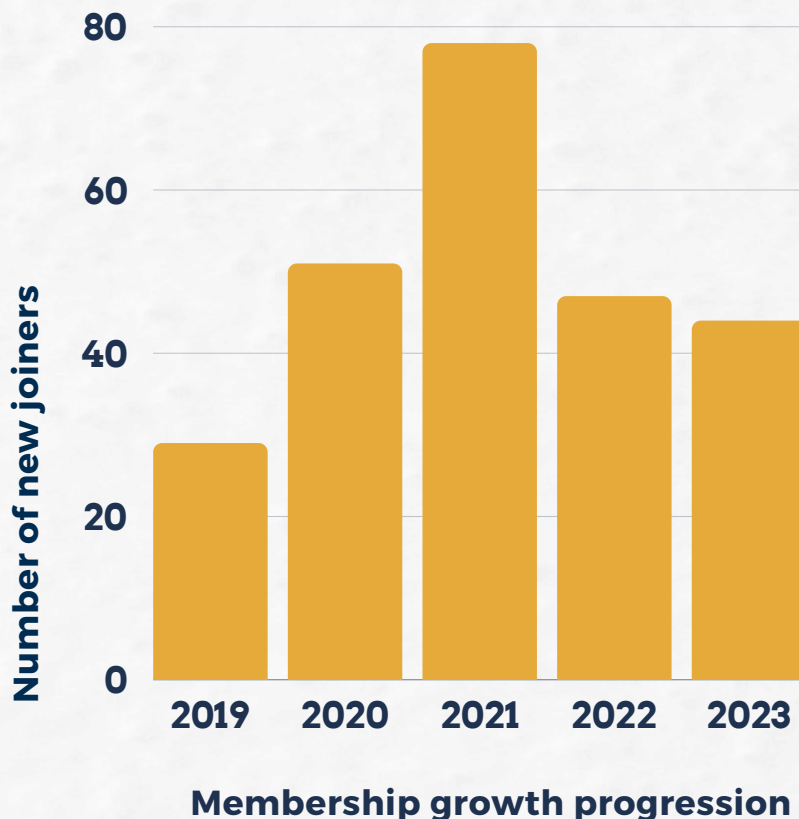
During the year we made great strides by welcoming companies and organizations across diverse sectors committed to sustainable and responsible business practices. Our programmatic offerings continued to add value to our participants, and we saw remarkable engagement in sessions such as Climate Ambition Accelerators, and Target Gender Equality. Our focus on human rights was deepened further, particularly through our efforts to promote gender equality and women's empowerment across the country.

In the fight against corruption, we took a proactive role in promoting ethical business conduct in Kenya by partnering with like-minded organizations to actualize the Tenth Principle. On the SDG Pioneers Campaign, I am glad to note that our participant Catherine Gichungu from Caly Flora was among the 12 SDG Pioneers recognized globally, a testament to the great impact our participants are having in their respective companies.

With approximately six years left to the achievement of the Sustainable Development Goals (SDGs), a lot still needs to be done. While progress has been made, achieving the SDGs requires accelerated action and the private sector has a big role to play in driving this progress. We therefore must move forward faster by setting ambitious targets, aligned with the SDGs and holding ourselves accountable for delivering results.

I am deeply grateful to our participants and partners, for their support. As we embark on another year, the challenges we face require bold action and sustained commitment. I am confident that together moving forward, we can achieve our shared vision of a more sustainable, equitable, and prosperous Kenya.

MEMBERSHIP HIGHLIGHTS

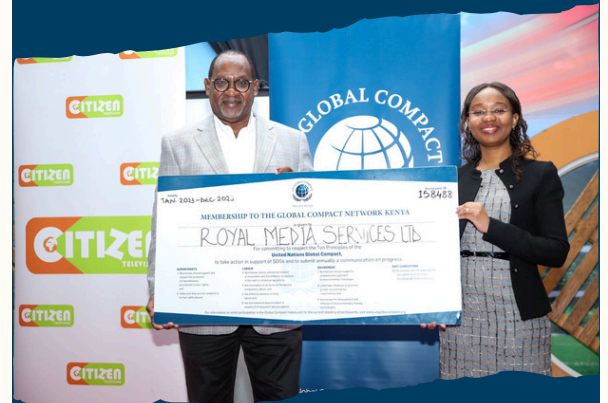


In 2023, Global Compact Network Kenya focused on advancing responsible business practices, deepening awareness of sustainability goals and promoting accountability across the Kenyan business landscape. Our efforts were driven by the following key objectives:

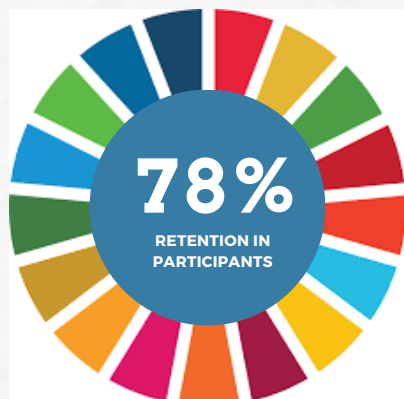
- **Attracting and Retaining Committed Businesses.** We continued to support businesses dedicated to upholding sustainable business practices by helping them align practices with global standards.
- **Raising ambitions and building capacity:** We intensified our efforts to raise the ambitions of companies by providing awareness-raising initiatives and technical capacity support. This enabled businesses to internalize and embed the Ten Principles of the UN Global Compact and the Sustainable Development Goals (SDGs) into their core operations.
- **Enhancing Transparency and Accountability:** We made significant strides in promoting transparency and accountability through sustainability reporting.
- **Welcoming New Members:** During the year we welcomed 47 new businesses into our network, the majority being SMEs that are increasingly recognizing the importance of sustainable practices.
- **Expanding our impact through large enterprises:** We successfully recruited 10 large companies, whose scale of operations has the potential to create a substantial sustainability impact.

2023 NEW PARTICIPANTS

1. Boom Africa
2. Panek Investments Co.
3. I&M Group PLC
4. ICEA LION Insurance Holdings Limited
5. Symbion Kenya Limited
6. Design Partnership Limited
7. Close the Gap Kenya Limited
8. Deloitte Kenya
9. Isuzu East Africa Ltd
10. Brand Strategy and Design Limited
11. Imexolutions Limited
12. ATC Kenya Operations LTD
13. AAR Insurance
14. Family Health Dental Clinic
15. Crown Agents Kenya Limited
16. AfyaPay Limited
17. OFGEN Ltd
18. Kenya Mortgage Refinance Company
19. Regent Management Limited
20. Techno Relief Services Ltd
21. Royal Media Services Ltd
22. Sergent Logistics Limited
23. DaleAgro
24. Mdos Solutions Ltd
25. CIC Insurance Group
26. Aurum Consultants Ltd
27. Signum Engineering and Construction Limited
28. Moto Hope Capital
29. Mafundi Hub Limited
30. Stanbic Holdings Limited
31. SBM Bank (Kenya) Limited
32. Scribe Services Registrars Limited
33. Bond Advocates LLP
34. Entwistle Communications Limited
35. NCBA Group
36. Belva Digital Limited
37. Image Registrars Limited
38. 21 Knights Engineering Group
39. Crafts with Meaning
40. Sanlam Kenya Plc
41. Bailey Consulting Group
42. Delcare Properties Limited
43. Ming Tribe International Group Ltd
44. KOKO Networks



RETENTION OF PARTICIPANTS



In 2023, 60 participants were delisted due to failure to submit the annual communication on progress report- a key requirement to foster transparency and accountability for all UN Global Compact participating companies. The delisted participants include two companies, 56 SMEs, and two in academia. As a result, retention rate stood at 78%.

Delisting of SMEs was largely attributed to the difficult operating environment marked by high inflation and rising cost of living that continued to impact the country. In response, the Network remained committed to supporting the sector by tailoring programmatic offerings to meet their specific needs. We will continue to engage with these businesses, providing targeted support to enhance their experience in the UN Global Compact and help them stay on track with their sustainability commitments.

Prospects for growth

The momentum toward corporate sustainability in Kenya has reached new heights, with businesses across the country increasingly recognizing the importance of aligning their operations with sustainable practices.

To drive continued growth, we will intensify efforts to engage more companies, particularly through supply chain networks. By leveraging the influence of larger companies, we will aim to attract a diverse array of businesses, including SMEs, that are committed to embedding sustainability into their operations

We will also focus on retaining and deepening the commitment of our existing participants by ensuring that current members remain actively engaged and continue to progress on their sustainability journeys.

In addition to strengthening our presence in Kenya, we plan to make significant inroads by extending our outreach to companies in Uganda.

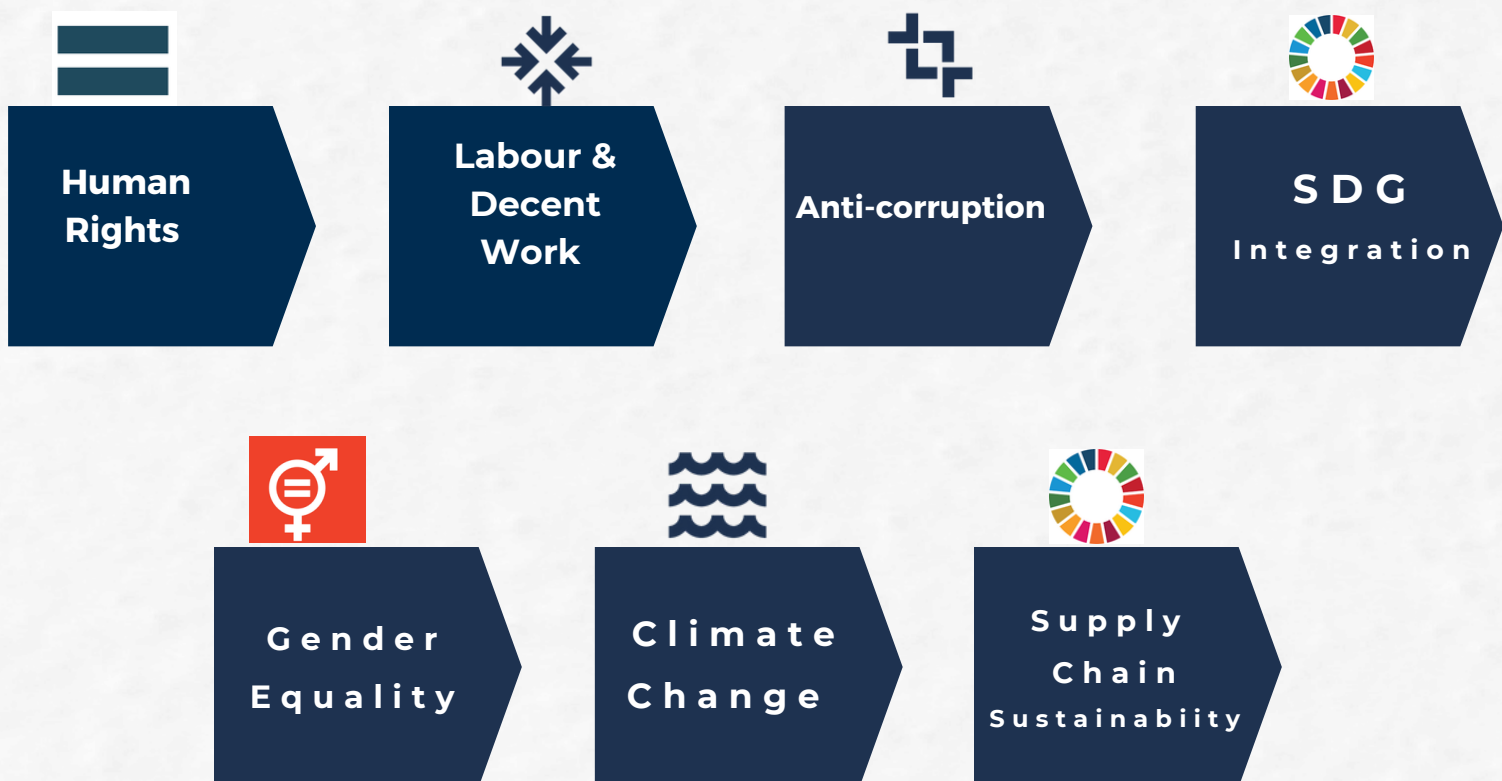


2023 EVENT HIGHLIGHTS



Global Compact Network Kenya provides a broad range of programs designed to help companies and stakeholders make a meaningful impact in specific areas. Our portfolio includes capacity-building initiatives, leadership development, and efforts to shape industry and policy standards, all aimed at advancing the Sustainable Development Goals (SDGs). We customize each company's journey according to their sustainability maturity and the behavioral changes needed to achieve their goals.

The 2023 programmatic thematic areas



STRATEGIC GLOBAL EVENTS

UN General Assembly Leaders Summit

UN Global Compact at the 2023 UN General Assembly

18-22 September 2023 | New York, NY

#UNGA

The world converged in New York for the United Nations General Assembly (UNGA) and the UN Global Compact hosted three major events: The Private Sector Forum, The Leaders Summit and the Global African Business Initiative (GABI).

LEADERS SUMMIT

Global Compact Network Kenya participants led by Sasini PLC Group Managing Director and Global Compact Network Kenya Board Chairperson, Martin Ochien'g participated in the summit as a keynote speaker in a panel discussion titled "Equal Pay 2023: Insights from the Global South". He gave his views on the best international practices to close the gender pay gap by 2030.

Melvin Marsh International Ltd Founder and CEO Flora Mutahi was also present in her capacity as UN Global Compact Board member. She gave her views in a session dubbed "Halfway to 2030: Looking Back. Looking Forward". She shared on the private sector progress towards delivery of the SDGs, key actions needed to get back on track and launched a new call for ambitious corporate action.

Safaricom PLC Chief Finance Officer Dilip Pal was another keynote speaker as he joined other CFOs across the globe in a panel titled "Embracing Systemic Changes in Corporate Finance for the Agenda 2030". Dilip expounded on how leading CFOs across the globe are preparing to make ambitious commitments and how they're advancing financing and capital allocation aligned with the SDGs.



STRATEGIC GLOBAL EVENTS

UN General Assembly Global African Business Initiative (GABI)



Kenya's President William Ruto at the Global African Business Initiative (GABI) convened by the UN Global Compact



Kenyan President H.E. Dr. William Ruto was a key guest at the #UnstoppableAfrica forum hosted by the Global African Business Initiative (GABI) convened by the UN Global Compact in New York.

GABi aims to boost Africa's standing in the global economy and establish the continent as the foremost destination for business, trade, and investment. The President called on the international community to mobilize and direct resources towards addressing impediments to Sustainable Development.



Equity Group Managing Director and CEO Dr. James Mwangi was also a guest speaker at GABI where he spoke about the Africa Recovery and Resilience Plan.

STRATEGIC GLOBAL EVENTS

UN Climate Change Conference - COP 28

Climate Data Reporting & the Nexus with ESG-Linked Financing in Africa

PANELIST



Martin Ochieng

Board Chair-Global Compact Network Kenya &
Group Managing Director Sasini Plc

PANELIST



Reshma Shah

Group Director - Sustainability,
Equity Group Holdings Plc

PANELIST



Ram Dhulipala

Senior Scientist
Digital Agriculture and Innovation
ILRI

MODERATOR



Judy Njino

Executive Director
Global Compact Network Kenya

Global Compact Network Kenya was part of the Government of Kenya delegation at COP 28 where we hosted a side event on leveraging climate data for accountability.

The panel discussion was held on the sidelines of COP 28 in a session moderated by Executive Director, Judy Njino. Other speakers on the panel were: Martin Ochieng, Group Managing Director, Sasini Plc and Board Chair, Global Compact Network Kenya; Reshma Shah, Group Director, Sustainability-Equity Bank Limited and Ram Kiran Dhulipala Senior Scientist - Digital Agriculture and Innovation-International Livestock Research Institute (ILRI).

Key highlights from the discussions:

- Overcoming barriers to information exchange requires concerted effort, involving both governmental bodies, research institutions & private entities ensuring stakeholders across sectors have access to vital information for evidence-based decision-making.
- Organizations should implement robust internal processes, adhere to standardized reporting practices, & embrace accountability to provide stakeholders with reliable insights into their climate & sustainability performance.
- Financing institutions should identify & use consistent & reliable Environment, Social and Governance (ESG) metrics for evaluating sustainable investments to effectively direct capital toward low-carbon & climate-resilient projects.



STRATEGIC GLOBAL EVENTS

Anti-Corruption Symposium in Bangladesh

Global Compact Network Kenya joined Global Compact Network Bangladesh during their 2023 Sustainability Day under the theme “Symposium to Advance Integrity through Collective Action”.

Programs Manager, Esther Yongo, participated sharing perspectives and learnings from designing and implementing our Principles Based Initiative - The Code of Ethics for Business in Kenya in a panel discussion on Collective Action Against Corruption.

Further, we shared our approach to working collaboratively with the Government of Kenya and other stakeholders to strengthen the Anti-corruption legal framework through the Bribery Act and our support to businesses of all sizes to develop robust compliance programs to ensure a clean business environment.



UN Convention against Corruption at 20: Uniting Leaders for Business Integrity



Participants at the Private Sector Forum “United Nations Convention against Corruption at 20

Global Compact Kenya participated in the Private Sector Forum “United Nations Convention against Corruption at 20: Uniting Leaders for Business Integrity,” in Atlanta, USA on the margins of the Tenth session of the Conference for State Parties (CoSP10).

The Conference of the States Parties (CoSP) is the main decision-making body of the UN Convention against Corruption (UNCAC) which Kenya was the first country in the world to ratify.

All States that have ratified UNCAC are part of the CoSP (190 as of 10 October 2023). CoSP meets every two years and adopts resolutions and decisions to achieve the convention’s objectives. The Kenya Network was represented by Executive Director Judy Njino at the conference which brought together a global audience of relevant stakeholders from the public sector, private sector, civil society and academia with the collective goal of strengthening business integrity.

Twenty Companies from Kenya signed a call to action as an appeal by business to governments to intensify efforts to tackle corruption affecting business communities around the world.

STRATEGIC REGIONAL EVENTS

Africa Business Leaders Coalition Plenary Session



The UN Global Compact, Global Compact Network Kenya hosted the Africa Business Leaders Coalition Private Sector reception (ABLC). This reception brought together Africa business leaders together to network in an informal setting, enabling encounters to exchange knowledge, and forge partnerships to take the impact beyond Africa Climate Week and into COP28, and to create an environment to foster potential collaborations.

STRATEGIC REGIONAL EVENTS

Africa Business Leaders Coalition Round table



STRATEGIC REGIONAL EVENTS

African Business & Human Rights Forum Addis Ababa, Ethiopia



Participants from Africa and the world during the second African Business & Human Rights Forum



Global Compact Network Kenya participated at the second African Business & Human Rights Forum in Addis Ababa, Ethiopia. The event brought together stakeholders across Africa to take stock of progress and discuss challenges and opportunities for promoting responsible business and human rights conduct and corporate accountability in the region.

As a panellist, the Program Manager held discussions on the need to integrate children as key right holders of the business & human rights agenda & argued why children are everyone's business specifically when it comes to global supply chains in Africa. The discussions also highlighted the need for a multi-sectoral approach involving the private sector, government, trade unions and other players in eliminating child labour.

STRATEGIC REGIONAL EVENTS

14th African Union High - Level Private Sector Forum Nairobi



14th African Union High - Level Private Sector Forum

The Global Compact Network Kenya under the leadership of Executive Director, Judy Njino, actively engaged with partners and regional stakeholders during the three-day 14th Africa Union High-Level Private Sector Forum at the Kenyatta International Conference Center (KICC).

Contributions to the discussions, focused on the immense opportunities available to promote inclusive and sustainable growth throughout the African continent. She emphasized the importance of responsible business conduct and the integration of Environmental, Social, and Governance (ESG) considerations.

Highlighting the limitations of traditional profit-centric business models, we underscored how they often fall short in delivering benefits for both people and the planet. However, the bright prospect lies ahead with the Africa Free Continental Trade Area (AfCTA), which offers a unique opportunity to strengthen Africa's economies while concurrently reducing inequalities and safeguarding the region's natural heritage.

STRATEGIC REGIONAL EVENTS

East Africa Conference on Business and Human Rights Kampala



Global Compact Network Kenya joined other business leaders in East Africa under the auspices of the 'East Africa Regional Conference on Business and Human Rights' in Kampala, Uganda.

Top. GCNK Executive Director Judy Njino during panel discussion. Below, Judy Njino with City Scape CEO Mary Thuo

The conference sought to examine opportunities to integrate Human and Environmental Rights into land-based Investments.

Global Compact Network Kenya's Executive Director moderated a panel discussion on 'Operational and reputational Opportunities within business and human rights with a specific focus on private sector actors and gave remarks on 'Opportunities for Positive Development' during the two-day conference.



STRATEGIC COUNTRY EVENTS

Ring the Bell Ceremony



9TH ANNUAL RING THE
BELL FOR GENDER
EQUALITY CONFERENCE

Emily Opati, Director, Ministry of Gender and Affirmative Action
“ring the bell” during the 9th Ring the Bell Ceremony

Global Compact Network Kenya in partnership with UN Women, Nairobi Securities Exchange and IFC held the 9th Annual Ring the Bell ceremony in marking the International Women's Day.

The 2023 UN Women's theme for International Women's Day, DigitALL: Innovation and Technology for Gender Equality, explored the various means of mainstreaming gender equality in the digital sphere while also recognizing the role played by women and girls in bringing about the change and creating opportunities for greater access to knowledge, education and skills.

Speakers and panelists shared insights, their experiences and showcased their companies' best practices in applying a gender lens in innovation and technology change.

THEME
DIGITALL:
INNOVATION
AND
TECHNOLOGY
FOR GENDER
EQUALITY



OUR ANTI-CORRUPTION & GOVERNANCE WORKSTREAMS



ANTI-CORRUPTION

GCNK has been mobilizing business commitments to ethical conduct 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 [10th Principle](#) and working in collaboration with other organizations to avoid duplicate efforts and scaling up impact through initiatives on Anti-Corruption [Collective Action](#).

GCNK is a key private sector partner under the [Kenya Leadership and Integrity Forum](#) (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.



Anti-Corruption Multi-Stakeholder Engagement Workshop

Global Compact Network Kenya in collaboration with the Ethics and Anti-Corruption Commission carried out a 3-day multi-stakeholder engagement workshop to review the draft model procedures for the prevention and reporting of bribery and corruption.

The model procedures have been developed pursuant to the Bribery Regulations and Guidelines under section 9 of the Anti-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 enabled public participation in the development, review and adoption of the model procedures.

The Global Compact Network Kenya Anti-Corruption Working Group member organizations attended the workshop as private sector representatives.

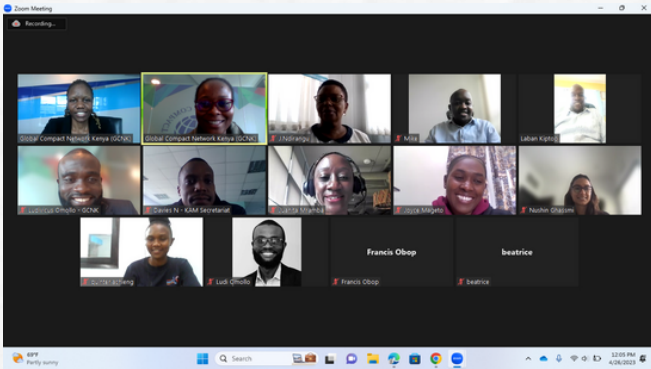
Kenya Integrity Plan Implementation and validation workshop



Global Compact Network Kenya (GCNK) joined Kenya Leadership Integrity Forum partners in reviewing the 2019/2023 Kenya Integrity Plan (KIP) matrix with an aim of reporting various milestones achieved in the implementation process.

The partners were grouped in sectors to work together in reporting on the milestones. The feedback given back during this session is aimed at setting the baseline for development of the new 2023/2027 Kenya Integrity Plan.

Ethical Leadership and Corporate Governance Workshop



Informational Session on Gender, Equality, Human Rights and Decent Work Programme

Global Compact Network Kenya in collaboration with Kenya Association of Manufacturers held a 2-day workshop on Ethical Leadership and Corporate Governance targeting SMEs in Nakuru.

The workshop covered the concepts and pillars of corporate governance and strategic leadership aligned with the principles of corporate citizenship and social accountability. It also deep-dived into challenges and solutions to navigating corruption risks in a complex operating environment including existing compliance frameworks and strategies for collective action.

The attendees gained insights and received relevant guidance on implementing the best corporate governance and ethical practices in their businesses.

Ethical Leadership and Corporate Governance Workshop



Stakeholders during the Corporate Governance Workshop

Global Compact Network Kenya in partnership with the International Code of Conduct Association (ICoCA) hosted a high-level dialogue, technical boardroom brainstorm session and a networking reception on advancing decent work and economic growth in the private security sector.

The sessions provided a platform for companies from all industries to dialogue, harness lessons, galvanize efforts and call for decisive action on ensuring decent working conditions in Kenya's largest industry by number of employees: private security.

Businesses contracting private security services were called upon to raise standards of decent work by conducting due diligence towards upholding workers rights in their procurement and Human Resource processes.

Ethical Leadership and Corporate Governance Workshop in Kisumu, Mombasa



Global Compact Network Kenya in collaboration with Kenya Association of Manufacturers held a 2-day workshop on Ethical Leadership and Corporate Governance targeting SMEs in Kisumu.

The workshop covered the concepts and pillars of corporate governance and strategic leadership aligned with the principles of corporate citizenship and social accountability. It also deep-dived into challenges and solutions to navigating corruption risks in a complex operating environment including existing compliance frameworks and strategies for collective action.

The attendees gained insights and received relevant guidance on implementing the best corporate governance and ethical practices in their businesses.



Board Governance Training

Global Compact Network Kenya Board Members participated in a governance training with a focus on defining Board effectiveness for individual directors and as a collective.

The training was facilitated by a board governance expert from the Confederation of Danish Industry as part of their partnership support towards institutional building of the Kenya Network.



ANNUAL GENERAL ASSEMBLY



Global Compact Network Kenya Board during the 9th Annual General Assembly

Global Compact Network Kenya held its 9th Annual General Assembly that brought together over 80 UN Global Compact participants from Kenya to discuss our collective progress in driving sustainable development in Kenya.

The Assembly was also an opportunity to celebrate the 2023 SDG Pioneers and most engaged companies from corporate and SME sectors for their efforts using business as a force for good to advance the 17 SDGs.

Catherine Gichungu, CEO Caly Flora was recognized as the 2023 SDG Pioneer and among the 12 Global SDG Pioneers honored at the United Nations Global Compact Leaders' Summit.

Juliana Wanjiru, General Manager Communications and Innovation at Kenya Women Microfinance Bank was also recognized as the 2023 SDG Pioneer from Kenya.

The recognition for the Most Engaged Company category went to KenGen Kenya, while the Most Engaged Small and Medium Enterprise (SME) went to Sybl Kenya.



Gender Dimensions of Business Integrity

DEEP DIVE SESSION THE GENDER DIMENSIONS OF BUSINESS INTEGRITY

19 October 2023

5:00 p.m (EAT)

REGISTER NOW ►



In collaboration with

UNCAC AT 20:
UNITING THE WORLD
AGAINST CORRUPTION



Global Compact Network Kenya participants participated on the Anti-Corruption Deep Dive Session focusing on: The Gender Dimensions of Business Integrity hosted by the UN Global Compact Academy and the United Nations Office on Drugs and Crime (UNODC). The session explored how companies can integrate business integrity strategies, fostering a workplace marked by integrity, transparency, and gender diversity.

Commemoration of the 75th Anniversary of the Human Rights Declaration



Global Compact Kenya Board Vice Chair Mr. Kariuki Ngari during panel discussion titled "Visions for Human Rights in Africa" during the 75th anniversary of the Universal Declaration of Human Rights

Global Compact Kenya represented by the Board Vice Chair and Managing Director and CEO Standard Chartered Bank Kenya, Mr. Kariuki Ngari joined a panel discussion titled "Visions for Human Rights in Africa" as the world marked the 75th anniversary of the Universal Declaration of Human Rights on 10 December.

Addressing dignitaries at the United Nations in Gigiri, Mr. Ngari underscored the shared responsibility for human rights, emphasizing that it extends beyond activists. He also put forward a case for sustainable business practices highlighting the need to raise more awareness within the private sector.

With the conclusion of COP28, Mr. Kariuki also underlined the urgency of addressing climate change as it disproportionately affects those who are already disadvantaged. He called for responsible action, urging individuals to be agents of change and to consciously perceive environmental efforts not as a business cost but as an investment in future generations.



OUR LABOUR & HUMAN RIGHTS WORKSTREAM



HUMAN RIGHTS

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.

We are mobilizing Kenyan companies, providing them with best-in-class tools, resources, and learning platforms to move from commitment to risk 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.



HUMAN RIGHTS

Private Sector Dialogue on Business and Human Rights

Global Compact Network Kenya in partnership with the Confederation of Danish Industry (DI) held a Private Sector Dialogue on Business and Human Rights.

The meeting provided a platform for the business leaders to discuss the impacts of UN Guiding Principles and the Kenya's National Action Plan on Business and Human Rights.

This Dialogue underscored the corporate responsibility to respect human rights which requires companies to act with due diligence to know what human rights impact they cause, contribute to, or are linked.

The discussions also looked at the emerging directives and policies on business and human rights such as the European Commission (EC) Corporate Sustainability Directive on Due Diligence,



Private Sector Dialogue on Business and Human Rights

EU proposed Corporate Sustainability Reporting Directive (CSRD) that expands the scope of companies covered under the Non-Financial Reporting Directive (NFRD), and Kenya's National Action Plan on Business and Human Rights that will impact responsible business practices in Kenya.



Informational Session on Gender Equality, Human Rights and Decent Work

Global Compact Network Kenya hosted an Informational Sessions on Gender Equality, Human Rights and Decent Work programme.

This programme is designed for companies in the Agro-processing sector in Kenya to build their capacity to understand and implement human rights due diligence and access resources and tools to mainstream diversity, equity and inclusion in their business strategies. The session allowed the targeted companies to learn more about the programme by addressing the scope, targeted participants, expected outcomes and the specific activities and timelines of engagement.



GM Bedi investments Ltd addressing participants on their processes

Informational Session on Gender Equality, Human Rights and Decent Work



Stakeholders at the Gender Equality, Human Rights and Decent Work

Global Compact Network Kenya joined the other Implementation committee members of the National Action Plan for Business and Human Rights to officially launch the National Action Plan (NAP).

The event brought together business and human rights leaders from the Government, Civil Society and the Private sector to discuss the salient human rights issues covered in the National Action Plan and pull together their efforts towards the implementation of the NAP.

BHR Accelerator Peer Learning Session



Global Compact Network Kenya hosted four sessions on peer learning on human rights due diligence stages to support participating companies drawn from the agro-processing sector and those participating in the Business and Human Rights Accelerator.

The session enabled the participants to learn and discuss the UN Guiding Principles on Business and Human Rights, the thematic priorities covered in the National Action Plan on Business and Human Rights, basics of Human Rights Due Diligence and start working on their individual company human rights due diligence process using the Human Rights Due Diligence Workbook.

The session was co-facilitated by the Office of the High Commissioner on Human Rights and Kakuzi Plc.



Business & Human Rights Accelerator Peer Learning session

Peer Learning Group on Labour and Human Rights – Child and Forced Labour

Global Compact Network Kenya Programs team hosted the third session on Child and Forced Labour under the 2023 Peer Learning Group on Labour and Human Rights.

This session enabled the participants to have in-depth discussions and learn from one another on how to identify and prevent instances of child and forced labour. The discussions also covered the role of businesses in addressing the risks of child and forced labour within supply chains and business relations by performing relevant due diligence.

National Action Plan on Business and Human Rights



The Kenya National Action Plan on Business and Human Rights:

Implementation Progress



The need for recommitment and collective action amongst the Committee members was emphasized as planning for the year 2024 takes shape among the various organizations that are part of the Committee.

The Committee Meeting had representatives drawn from Global Compact, Kenya National Commission on Human Rights, Department of Justice, National Gender Equality Commission, State Departments of Foreign Affairs, Children Services and trade, The National Treasury, and the Kenya National Chamber of Commerce and Industry.

This session was co-facilitated by the Office of the High Commissioner on Human Rights.

Global Compact Network Kenya joined other Business and Human Rights stakeholders during the periodic Implementation Committee Meetings. These meetings are aimed at taking stock on the progress made towards the achievement of Kenya's National Action Plan on Business and Human Rights (NAP), emerging issues and challenges, and lessons learnt. Committee members reported the highlights of their actions in 2023 that centred around sensitization on the NAP.

Modern Slavery in Supply Chains

Strengthening Parliamentary Action to Address Gender-Based Violence and Modern Slavery



Global Compact Network Kenya participated in a Workshop on Strengthening Parliamentary Action to Address Gender-Based Violence and Modern Slavery in Supply Chains, delivered in partnership with the Commonwealth Parliamentary Action UK (CPA UK) and the National Assembly of Kenya. The workshop focused on addressing pressing humanitarian issues, noting that parliamentarians have a unique ability to enact laws for redress.

We participated in the panel discussion dubbed, Mandatory Human Rights Due Diligence: Realizing the duty of care to workers by managing supply chains responsibility in the private sector and public sector. Our participants Kakuzi Plc and Bidco Africa, took part as key speakers during the plenary session, contributing valuable insights to the discussion.

OUR ENVIRONMENT WORKSTREAM

Science Based Targets Sectoral Exchange sessions (SBTi)

SBT Sector Exchanges Series



Global Compact Network Kenya participants joined a series of sessions that provided a platform to engage with science-based targets experts and early adopters of science-based targets from the private sector. These moderated question-and-answer sessions gave participants clarity on the Science Based Targets Initiative (SBTi) and the net-zero concept, including methodologies, requirements, processes, benefits and applicability enabling them to create emission reduction targets using the science-based targets methodology.

Pre- Africa Climate Summit CEO Dialogue



Global Compact Network Kenya (GCNK), represented by the Board Chair, Martin Ochien'g, joined business leaders at a roundtable ahead of the Africa Climate Summit. Mr. Ochien'g, a member of the Africa Business Leaders Coalition joined a panel discussion where he shared insights on the progress made by participating companies on climate commitments made at COP 27 in Sharmel Sheikh.

56 African companies from a diverse range of sectors representing over \$150 Billion in combined revenue are making progress to increase their share of renewables in energy use, developing company resilience plans and are explicitly accounting for climate risks in business & investment plans.

GENDER EQUALITY WORKSTREAMS



WOMEN'S EMPOWERMENT PRINCIPLES (WEPS)



Global Compact Network Kenya in partnership with UN Women held the Women's Empowerment Principles Forum to allow signatories to take stock of the progress on women's empowerment as well as promote transparency and accountability by communicating progress, sharing experiences and lessons learned to sustain efforts made thus far.

Over 100 business representatives in attendance got into breakout sessions to share intimately and reflect on their experiences, insights and challenges faced in promoting gender equality and women's empowerment with the aim of collectively finding solutions and course correcting.

About Women's Empowerment Principles (WEPs) :

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.

Gender Equality, Diversity and Inclusion Workshop

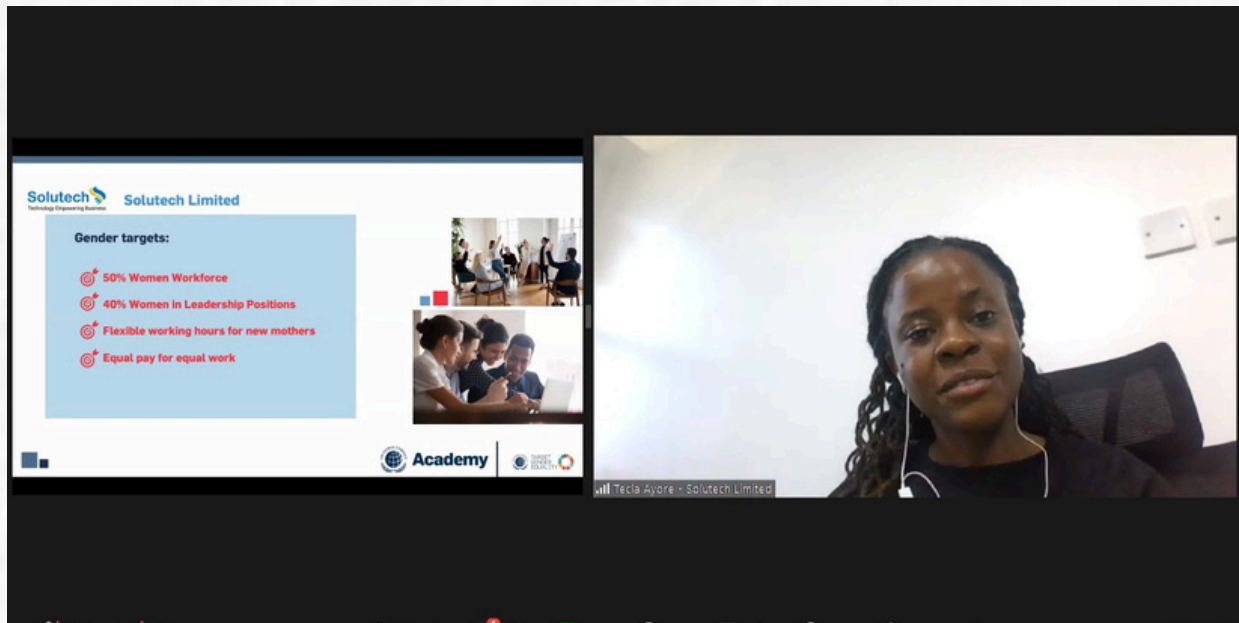
Global Compact Network Kenya in collaboration with the Confederation of Danish Industry (DI) held a one-day workshop on Gender Equality, Diversity and Inclusion.

The workshop was designed to allow participants to discuss and learn about the Women's Empowerment Principles, the various barriers, and strategies for successful mainstreaming of gender equality, diversity and inclusion in business strategies and operations.

The discussions were thought-provoking and instrumental in supporting participating companies to design ambitious organizational gender equality, diversity and inclusion action plans.



Target Setting for SMEs: Countdown to International Women's Day



Ms. Tecla Ayore, Head of Projects at Solutech Limited, delivered a presentation during the Target Setting for Small and Medium-sized Enterprises (SMEs) session at the regional deep dives for the Countdown to International Women's Day. The SME session equipped peer companies with tips and tools on how to prioritize gender equality efforts even when resource constraints exist.

Role of Men in achieving Gender Equality



Academy

CHANGEMAKER SERIES

The role of men in achieving gender equality featuring Martin Ochien'g from Sasini PLC

16 February 2023

REGISTER NOW ►



Global Compact Network Kenya participated in a Changemaker session featuring Mr. Martin Ochien'g, Group Managing Director, Sasini PLC and Board Chair Global Compact Kenya, on the role of men in achieving gender equality as we count down to International Women's Day.

OUR ESG INTEGRATION WORKSTREAM



With just six years remaining, current progress falls far short of what is required to meet the Sustainable Development Goals (SDGs). Without massive investment and scaled up action, the achievement of the SDGs – the blueprint for a more resilient and prosperous world and the roadmap out of current global crises – will remain elusive, warns The Sustainable Development Goals Report 2024.

The report reveals that only 17 per cent of the SDG targets are currently on track, with nearly half showing minimal or moderate progress, and over one-third stalled or regressing. The lingering impacts of the COVID-19 pandemic, escalating conflicts, geopolitical tensions and growing climate chaos have severely hindered progress. According to the report, an additional 23 million people were pushed into extreme poverty and over 100 million more were suffering from hunger in 2022 compared to 2019. The number of civilian deaths in armed conflict skyrocketed in 2023. That year was also the warmest on record, with global temperatures nearing the critical 1.5°C threshold.

SDG Ambition Accelerator



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

This initiative empowers companies to go beyond incremental improvements and drive transformative change—unlocking business value, building resilience, and fostering long-term growth. Kenyan companies participated in the program, gaining the tools and knowledge needed to develop and implement innovative business strategies that significantly amplify their positive impact on the SDGs.

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. The UN Global Compact encourage companies to make sustainability a priority beyond their operations into supply chains.

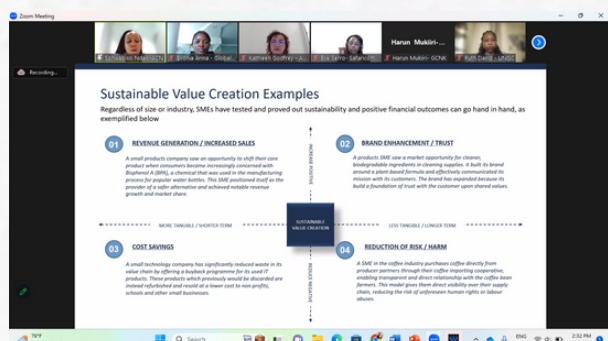
SME Growth Lab

Global Compact Network Kenya in collaboration with Transformational Business Network Africa hosted two sessions on Corporate Sustainability as part of the ongoing SME Growth Lab Programme.

Diving deep into the Ten Principles of the UN Global Compact, the participants learned the concept of a principles-based approach to corporate sustainability, roles and responsibilities under the corporate governance structure and how to integrate Sustainable Development Goals into their core business strategy.

The SME Growth Lab enables participating companies to acquire managerial skills, tools and build strategic networks they need to develop a successful business model, promote recovery and continuity and embed the Ten Principles of the UN Global Compact.

SSIP Live Touchpoint : Business Value of Sustainability



The partnership of UN Global Compact, Global Compact Network Kenya, Accenture, and Safaricom held the Kenya Sustainable Supplier Impact Programme (SSIP) 1st Live Touchpoint on Business Value of Sustainability which explored how incorporating sustainability into your operations can produce tangible benefits for the company.

The panelists; Evelyne Serro (Safaricom Ltd), Sharon Hatego (Cisco Networks), and Macharia Kinga (Camusat Kenya) shared insightful approaches they took for sustainable value creation in their respective companies and how they got their teams on board.

2023 SDG PIONEERS

Caly Flora, CEO, Catherine Gichungu named the UN Global Compact 2023 SDG Pioneer

Catherine Gichungu, CEO Caly Flora, was named among the 12 SDG Pioneers by UN Global Compact at the Leaders Summit in New York.

During a prestigious award ceremony at the UN Global Compact Leaders Summit in New York, Catherine was honored for her outstanding contributions to the advancement of the 17 Sustainable Development Goals (SDGs) through the implementation of the Ten Principles of the UN Global Compact on human rights, environment, labour and anti-corruption.

SDG Pioneer Programme drew participants from more than 100 nations, and Catherine stood out as one of just two Africans to attain this remarkable accomplishment in 2023.

Through her company Caly Flora and its subsequent brands Greenit Decors and Mizizi Eco Circle, Catherine spearheaded education initiatives and community engagement in promoting a sustainable way of life for Kenyans.

Caly Flora is the first in Kenya to use and create broader awareness of eco-friendly flower wraps to reduce its carbon footprint. In 2022 the Company sold record breaking bouquets in eco-friendly biodegradable wraps, saving numerous polythene floral wraps that would have had an effect on the environment.

Through Greenit Decors, Catherine is also addressing the Kenyan Ecosystem's rapid decline of indigenous tree species that play a vital role in curbing soil erosion, protecting water catchment areas, providing food, livelihoods, and promoting biodiversity in general.



Catherine Gichungu, CEO Caly Flora, with her husband during the presentation ceremony at the Annual General Assembly last year



JULIANA WANJIRU, SDG PIONEER 2023

Juliana Wanjiru, General Manager - Marketing, Communications, and Innovation at Kenya Women Microfinance Bank Plc (KWFT) was named among the Country Network Pioneers.

Juliana was recognized for her passion in research and development that has informed the development of new products and services that help customers improve their livelihoods, dignity, save money and time.

As part of the leadership team at KWFT, Juliana led the Bank in developing and implementing a strategic plan that drives financial performance, social & environmental impact, customer experience, human capital optimization, and strategic partnerships for global goals.

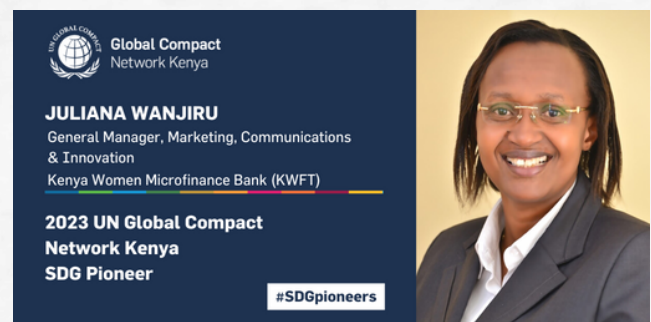
She championed the development of an Environment, Social and Governance (ESG) Framework for KWFT where the bank was able to measure its sustainability impact as well as manage risks and opportunities that the shifting market presents.

Juliana was involved in championing various projects aimed at developing affordable and customized financial products to support the vulnerable in society. She supported the design of an agribusiness portfolio. She also led partnerships with different vendors to provide customers with clean, affordable and easy-to-install energy products, and efficient cooking solutions such as LPG and Biogas which are environmentally friendly.

In addition, she also led the integration of Women's Empowerment Principles (WEPs) in the business strategy through various initiatives that promoted gender equality and women's economic empowerment in the workplace, marketplace, and community.



Juliana Wanjiru with her trophy during the annual general assembly



The Africa Waste is Wealth Series



Global Compact Network Kenya participated in the Africa Waste is Wealth Series, a collaboration of Taka Taka Ni Mali and Alliance for Science. The Sustainability breakfast Forum was themed: Navigating the Complexities of Sustainability Implementation.

The forum brought together sustainability heads from various private sector companies to discuss the increasing influence of Environmental, Social, and Governance (ESG) matters on business, with a particular focus on sustainable waste management as a key concept of the circular economy.

The forum aimed to highlight the opportunities, challenges, tools, and solutions to end-to-end waste management and resource efficiencies in organizations.

The breakfast session was a milestone event for private sector leaders to begin to discuss the complexities of implementing sustainability initiatives and sharing best practices in the lead-up to the 2023 UN Climate Change Summit (UNFCCC COP 28).

Kenya Textile and Apparel Sustainability for Competitiveness Workshop



Participants at the Textile and Apparel Sector training

Global Compact Network Kenya conducted a two-day sustainability workshop for key personnel in Government Ministries, Departments and Agencies (MDAs) tasked with supporting the Textiles and Apparel Sector in Kenya. The workshop was part of the Sustainability for Competitiveness Project by Kenya Association of Manufacturers (KAM) with support from IDH (The Sustainable Trade Initiative), to strengthen the competitiveness of the Textile and Apparel Sector in Kenya in global markets.

The training covered areas on Environment, Social and Governance (ESG) as well as sustainability reporting, communication and branding of the sector.

DTB Suppliers' ESG Conference



Global Compact Network Kenya (GCNK) joined Diamond Trust Bank for an insightful dialogue focused on sustainability and ESG integration within their supply chain. Led by Alkarim Jiwa, the Finance & Strategy Director, and Jamie Loden, the Chief Operating Officer, Diamond Trust Bank, along with the support of the sustainability team comprising Ann Nderi, Melody Kariuki, and Elly Oduk, demonstrated their commitment to fostering sustainable business practices.

As responsible business practices become increasingly vital, leading companies recognize the significance of their supply chains as both valuable assets and potential risks. The integrity of a brand, business continuity, and operational cost management are some of the business values that can be unlocked through sustainable supply chain management. Moreover, understanding the potential impacts on society and the environment allows companies to make informed decisions for greater positive change.

As the world moves closer to the 2030 Agenda deadline, the UN Global Compact encourages companies to scale up their efforts by engaging their ecosystem of business partners.

ESG for Business Webinar

Global Compact Network Kenya, jointly with Kenya Association of Manufacturers (KAM), hosted a webinar that aimed to sensitize companies on the Environment, Social and Governance (ESG) factors that are relevant to businesses. The webinar explored the importance of ESG integration and its benefits while outlining the risks of ignoring ESG factors in business decision-making. The 87 Participants in attendance were guided on some of the key considerations for implementing ESG integration successfully.

LEADERS DIALOGUE FORUM

Paul Polman Visit



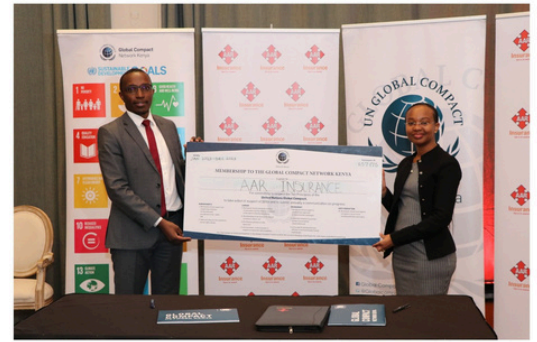
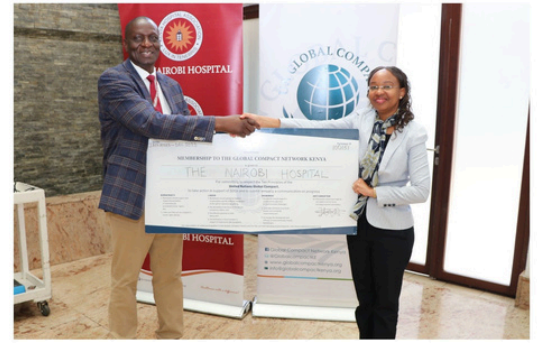
Global Compact Network Kenya hosted Mr. Paul Polman, Vice Chair, UN Global Compact Board and climate and equality campaigner for a Leaders Dialogue under the theme: Mobilizing principled businesses towards resilient and prosperous societies. The session was attended by business leaders drawn from the Kenya Network membership representing diverse sectors of the economy.

The session tackled real-life business dilemmas and the opportunities to future-proof business by providing leadership that can solve some of the world's most pressing challenges.

Paul Polman meeting with business leaders



CERTIFICATE HANDOVER CEREMONIES



NEW JOINERS INDUCTION



March

June



August

October



SUSTAINABILITY REPORT LAUNCHES



NCBA



ABSA



STANBIC



SASINI



2024/2025 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
 - Anti-corruption collective Action
-

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



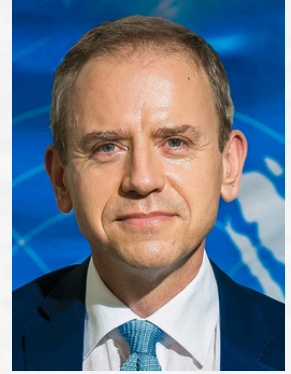
Martin Ochieng
Board Chairperson
Sasini PLC
Group Managing Director



Kariuki Ngari
Vice-Chair
Standard Chartered Bank
Managing Director and CEO
Africa



Judy Njino
Global Compact Network
Kenya
Executive Director



Dr. Stephen Jackson
United Nations
Resident Coordinator - Kenya



Abdi Mohammed
ABSA Bank Kenya PLC
Chief Executive Officer



Jane Karuku
East Africa Breweries Limited
Group Managing Director &
CEO



Sheila Masinde
Transparency International -
Kenya
Executive Director



Peter Ndegwa
Safaricom PLC
Chief Executive Officer



Jonty van Zeller
Alamaya Group
Director



Carole Kariuki
KEPSA
Chief Executive Officer

MEET THE SECRETARIAT



Judy Njino
Executive Director



Stephen Kimenye
Program Manager



Zak Irungu
Communications &
Marketing Manager



Evonia Arina
Participant Engagement
Assistant Manager



John Ndirangu
Project Coordinator-
USAID USAWA



Lorraine Kithinji
Project Coordinator



Elizabeth Gachiye
Finance and Admin
Officer

FINANCIAL OVERVIEW

For the period 1 January 2023 to 31 December 2023

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 2023 to 31 December 2023, 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 mainly Foundation for the Global Compact as its prime donor.

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 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 2023 to 31 December 2023 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 2023 to 31 December 2023 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.

FINANCIAL OVERVIEW



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Email: info@ke.ey.com
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LLP/2015/52

Global Compact Network Kenya (GCNK) Fund Accountability Statement For the period 1 January 2023 to 31 December 2023

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 2023 to 31 December 2023 which includes the following:

- Fund Accountability Statement submitted by the GCNK Programme management to the members for the period 1 January 2023 to 31 December 2023 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 GCNK Programme Management on 15/3/.....2024 and signed on its behalf by:


.....
Chief Executive Officer
KAM


.....
Chief Operating Officer
KAM


.....
Board Chairperson
GCNK


.....
Executive Director
GCNK

FINANCIAL OVERVIEW



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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 2023 to 31 December 2023 and notes to the Fund Accountability Statement, including a summary of significant accounting policies, as set out on pages 5 to 9.

In our opinion, the Fund Accountability Statement for the Global Compact Network Kenya Programme for the period 1 January 2023 to 31 December 2023 is prepared, in all material respects, in accordance with the basis of accounting described in Note 4.1.1 to the Fund Accountability Statement.

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)*, together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 on 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 account for the use of donor funds and membership subscription fees. As a result, the Fund Accountability Statement may not be suitable for another purpose. Our report is intended solely for GCNK, KAM and the Foundation of the Global Compact and should not be used by parties other than GCNK, KAM and the Foundation of the Global Compact. 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.

FINANCIAL OVERVIEW



3. REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)

Responsibilities of Management for the Fund Accountability Statement

GCNK programme management is responsible for the preparation of the Fund Accountability Statement in accordance with the basis of accounting disclosed in note 4.1.1 to the Fund Accountability Statement, and for determining that this financial reporting framework is acceptable in the circumstances. The programme 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

Global Compact Network Kenya
Fund Accountability Statement
For the period 1 January 2023 to 31 December 2023

4. FUND ACCOUNTABILITY STATEMENT

	Notes	2023 KShs	2022 KShs
INCOME			
Member Subscriptions	4.1.2	26,269,638	20,377,587
Restricted Grants	4.1.10	13,876,589	-
Unrestricted Grants	4.1.3	1,765,717	13,414,117
Interest Income	4.1.4	26,115	-
Other income	4.1.5	<u>1,204,454</u>	<u>2,796,170</u>
Total Income		<u>43,142,513</u>	<u>36,587,874</u>
EXPENDITURE	4.1.1 b		
Personnel		24,311,969	16,259,830
Organizational Development		252,195	128,485
Travel and accommodation		2,778,472	1,106,638
Workshops / Forums venue costs / Adverts		3,382,284	6,556,588
Staff training & welfare		190,153	783,836
AGM and Board Strategy Session		332,492	417,221
Repairs and Maintenance costs / ICT costs		598,098	307,809
Equipment costs		257,986	25,000
Printing costs		128,940	1,084,790
Audit fees		585,000	550,000
KAM Administration Costs		720,000	720,000
Bank Charges		35,463	84,106
Exchange Loss		<u>214,056</u>	<u>-</u>
Total Expenses		<u>33,787,108</u>	<u>28,024,303</u>
Surplus fund for the period		9,355,405	8,563,571
Opening Fund balance	4.1.7	<u>42,639,833</u>	<u>34,076,262</u>
Closing Fund balance	4.1.6	<u>51,995,238</u>	<u>42,639,833</u>
Represented by:			
Cash and Bank	4.1.8	70,608,231	47,324,111
Payables	4.1.9	-	(4,770,485)
Grants Payable	4.1.10	(18,612,993)	-
Receivables	4.1.11	<u>-</u>	<u>86,207</u>
		<u>51,995,238</u>	<u>42,639,833</u>

The Fund Accountability Statement was approved by GCNK board on 15/2/.....2024
and signed on its behalf by:

Chief Executive Officer
KAM

Chief Operating Officer
KAM

Board Chairperson
GCNK

Executive Director
GCNK



Global Compact Network Kenya

Visit: www.globalcompactkenya.org
or write to us at
info@globalcompactkenya.org

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