



New LEADER ESG Training

Helping your business navigate a
changing environment

Increasing expectations on business

The world is undergoing rapid social and environmental change which affects how companies conduct their business. Consumer and investor expectations around environmental, social and governance (ESG) issues, as well as the related global guidelines and national regulatory frameworks, are fast evolving, and companies are increasingly judged on their social and environmental footprint.

A positive social and environmental footprint strengthens positioning within existing supply chains and is increasingly a differentiating factor in new business development. More and more, a positive social and environmental brand is required to access capital markets. In addition, there are the first-mover benefits of getting ahead of imminent change in social and environmental policy and legislation.

In November 2021 the Nairobi Securities Exchange published the ESG Disclosures Guidance Manual. The Guidelines are aimed at improving and standardizing ESG information reported by listed companies in Kenya. Similarly, the Central Bank of Kenya published its Guidance on Climate-related Risk Management. The CBK Guidance contains requirements that ensure banking institutions adapt to effectively integrating climate-related financial risks in their management frameworks as well as business decisions and activities.

The bottom line is that if Kenyan enterprises want to access capital markets either locally or internationally or do business with these larger corporates, they will be subject to ESG screening.

Where to start with ESG requirements?

As regulatory frameworks expand, develop and innovate, all companies need to be strategically aware of how ESG issues impact on their businesses, directly and indirectly. However, a dizzying array of frameworks across sectors and industries await you.

Let us start with the obvious. These are not easy waters to navigate. The internationally agreed (by 191 governments) Sustainable Development Goals (SDGs) have 17 targets covering planet, peace, people, prosperity and partnerships, 169 targets and 232 indicators of success. Do firms tackle all of them, some of them, or just the ones relevant to their firm? You can be sure that competing voices will feature in the answer. The enormity and complexity of the issues means that without a carefully calibrated strategy which can institute and manage effective internal systems, firms have a good chance of missteps.

To support you on this journey, the Federation of Kenya Employers (FKE) offers training to members to help them in developing strategies to engage with and manage ESG risks and opportunities. The LEADER ESG Training is specifically developed for medium-sized to large Kenyan enterprises, the so-called 'Missing Middle': Companies that are increasingly feeling the upstream pull to have systems and processes in place to manage social and environmental risk, but that feel unsure how best to deal with such pressure. The LEADER ESG Training will help these companies gain insight into their risks and opportunities and importantly help them favourably position themselves as social and environmentally sound investment partners.

Why FKE can help your firm

- We have in-depth understanding of the international frameworks that underpin ESG issues through our work at international level.
- We can access global technical expertise on issues across the full range of ESG issues through our international networks.
- We have solid technical understanding of how socio-economic-political-environmental issues relate to both individual firms and the wider ecosystem in which they operate.
- We have the ability to view issues through a multi-stakeholder lens garnered through our partnerships with government, business, trade unions, civil society, media and academia.
- We have comprehensive understanding of policy processes, how they work and how to influence them.
- We can communicate solutions to business leaders in a language they can understand.



Issues addressed in the FKE LEADER ESG Training

- Analysis of legislative trends and how corporate behaviour is driving policy and legalisation
- Review of the frameworks, such as the Global Compact, International Labour Standards, and SDGs (what is in them; what and how they relate to your business)
- Overview of main industry/sector codes (what is in them and how they relate to your business in terms of costs and obligations)
- Developing a multi-stakeholder, multi-audience narrative that encapsulates how a firm wants to portray itself in a realistic and credible way
- How firms can manage political realities which may require binary commercial decisions
- What investors are looking for in terms of ESG and how you can promote your firm's ESG credentials
- Managing the huge range of overlapping and competing ESG issues
- Understanding the international frameworks on which ESG is based and the scoring systems ESG investors use, and how they can cause confusion, inaccuracy and contradictions. How to focus on the three Ms: *Make Money; Make a positive impact; Mitigate risk.*

Contact

Grace Kaome, Training Manager
Tel: +254 709 827101
Email: gkaome@fke-kenya.org

www.fke-kenya.org



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