



**THE REMARKS OF MR. EDDY NJOROGE,  
CHAIRMAN OF THE NAIROBI SECURITIES EXCHANGE,  
DURING THE SIGNING OF THE CODE OF ETHICS FOR BUSINESSES IN KENYA  
ON 30<sup>TH</sup> MAY 2016**

Ms. Phyllis Wakiaga, CEO, Kenya Association of Manufactures and Representative for the UN Global Compact;  
All protocols observed;  
Distinguished Guests;

It gives me great pleasure to extend to you all a very warm welcome, as we (the Exchange) commit to promote corporate sustainability practices in our organization and the capital markets at large.

Investors today expect businesses to be more transparent and accountable. We must communicate openly about our financial practices and more so about our social and environmental approaches. Globally majority of institutional investors now evaluate companies' performance on environmental, social and corporate governance (ESG) issues. Businesses that are transparent build trust and contribute to a strong and fair market. To guide organizations and governments on how to incorporate sustainability into their framework, the United Nations (UN) developed the Sustainable Development Goals (SDGs) which represent a unifying vision of the universal development need for all people, and is currently the most globally accepted set of development goals. There are 17 aspirational Goals with 169 targets aimed at transforming the world by 2030.

The NSE is at the forefront of promoting sustainable financial practices by creating markets that deliver greater value to society. In March 2015, the NSE joined the Sustainable Stock Exchanges (SSE) initiative to enhance corporate transparency and performance on ESG issues and



encourage sustainable investment among our listed companies. Our partnership in SSE allows us to learn and exchange ideas with 47 other exchanges from 51 countries.

In March this year, NSE signed on to the UN Women developed Women Empowerment Principles (WEPS), which are a set of Principles for businesses offering guidance on how to empower women in the workplace and the community. We joined over 1000 other organizations globally to support the WEPs, signaling our support for gender equality.

It is evident that the world around us is changing, and it can no longer be business as usual. Sustainable development is quickly becoming the new normal.

Today we join the UN Global Compact which is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. There are currently 144 members signed on in Kenya, with 21 of them being listed companies. We applaud the companies that are at the forefront of changing how we do business today, to ensure we are not compromising the well-being of future generations.

At a local level, we are reinforcing our commitment to principled corporate behaviour by signing on to the *Code of Ethics for Business in Kenya*. The "Code of Ethics" was developed on behalf of the private sector by Kenya Private Sector Alliance (KEPSA), Global Compact Network Kenya, and the Kenya Association of Manufacturers (KAM), and has been endorsed by H.E. President Uhuru Kenyatta as a key intervention towards addressing corruption and unethical practices within the government and private sector.

Corporate governance in Kenya has encountered a number of issues in recent times. The strengthening of consumer protection and winning back consumer trust is paramount. Investing in sustainability can help create more stable and prosperous economic systems. A report by *Morgan Stanley Institute for Sustainable Investing, 2015 concluded* that high sustainability firms significantly outperform low sustainability firms on return on investment by 46%. Financial markets continue to value firms that incorporate sustainability into their operations.

The Exchange continues to encourage listed companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle. We shall soon be providing



guidance and training for listed companies on reporting ESG information to investors to help them address the growing need for sustainability information.

As I conclude, let me commend the excellent job done by the UN Global Compact Network, the Kenya Association of Manufacturers (KAM) and the Kenya Private Sector Alliance (KEPSA) for coming together and creating these laudable initiatives. We must enhance global partnerships for sustainable development and encourage stakeholder associations that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals.

I urge you all to choose a path of sustainable development, restructure your organizations systems in line with people's needs and respond urgently to the challenge of human-induced climate change. I challenge you today, if not us who? And if not now when?

God Bless you all.

**EDDY NJOROGÉ**  
**CHAIRMAN**