

**Nairobi, 5<sup>th</sup> December 2023**

***Use of ESG Artificial Intelligence to Drive ESG Stewardship for Capital Markets in Kenya***

The African Securities Exchanges Association (ASEA), the premier Association of Securities Exchanges in Africa hosted its flagship Annual Conference, in Nairobi on 23<sup>rd</sup> - 24<sup>th</sup> November 2023, officiated by His Excellency Dr. William Ruto, President of the Republic of Kenya.

The Conference themed, “*Unlocking Africa’s Stock Exchange Potential for Sustained Economic Development*” brought together capital markets industry experts, regulators and thought leaders from the continent and across the globe to deliberate on topical matters impacting stock exchanges in Africa, whilst exploring opportunities for growth and collaboration to accelerate the continent’s sustained economic growth.

During the conference, Risk Insights, a leading Environmental, Social and Governance (ESG) data provider in Africa, presented Environmental data of six major African exchanges, including the Nairobi Securities Exchange (NSE). From the presentation, the opportunity to improve ESG disclosures to enable the capital markets going forward was highlighted.

Risk Insights, a data science company based in South Africa developed an artificial intelligence (AI) ESG rating tool dubbed the *ESG GPS*. The tool has encouraged the integration of ESG into disclosure practices.

Commenting on the matter of ESG ratings, the NSE Chief Executive Officer, Mr. Geoffrey Odundo noted *“as an Exchange, we are glad to see an increase in the level of ESG reporting amongst listed companies, as sustainability gains prominence. Companies are adopting sustainability reporting and integrating sustainability into their business operations as the imperative has become a key investment decision point for investors. Artificial intelligence tools for data collection, enhance efficiency in gathering and analyzing ESG-related information, providing a more comprehensive view of a company’s sustainability performance. This trend aligns with the growing emphasis on responsible and ethical business practices globally”*.

Mr Andrey Bogdanov, Chief Executive Officer of Risk Insights commented *“We are very pleased to support the Africa Securities Exchange Association and the Nairobi Securities Exchange, drive towards sustainability. We are committed to provide a powerful platform for insightful data and discussions on the changing world of ESG and its implications for companies operating in Kenya and the African continent. We hope to equip asset managers and help investors and other market participants to meet the growing demand for comprehensive ESG insights, allowing market players to integrate sustainability considerations into their investment strategies”*.

The integration of ESG data with AI in capital markets represents a significant and evolving trend. ESG factors have become increasingly important for investors seeking sustainable and socially responsible investments.

## Notes to the Editor

### About The Nairobi Securities Exchange

The Nairobi Securities Exchange (NSE) is the principal securities exchange in Kenya. It offers a world class trading facility for local and international investors and issuers looking to gain exposure to Kenya's and Africa's economic growth. NSE plays a vital role in the growth of Kenya's economy through mobilization of domestic resources and international capital. The NSE is a founder member of the African Securities Exchanges Association and the East African Securities Exchanges Association. It is a full member of the World Federation of Exchanges and the Association of Futures Markets, and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative (SSE). NSE operates under the jurisdiction of the Capital Markets Authority of Kenya. For follow up contact [corporateaffairs@nse.co.ke](mailto:corporateaffairs@nse.co.ke)

### About Risk Insights (Pty) South Africa

Risk Insights is a Data Science boutique with a key focus on ESG and risk management. Risk Insights launched the first in Africa, an AI-powered ESG rating tool in 2020 in South Africa- ESG GPS™ made for African, by Africans. ESG GPS™ ensures the balanced application of global ESG standards to local realities. All listed companies in major African Exchanges have been rated by ESG GPS™. Several of the ESG products have been launched by the company, including ESG GPS X-Ray, ESG GPS Ratings Watch, and A-Cubed. It is a member of the World Economic Forum New Champions and founder of the World Economic Forum New Champions South Africa Local Chapter. Risk Insights has won a number of awards for its ESG rating tool, ESG GPS™, including an award from the World Economic Forum.

For your ESG GPS™ rating and more information about ESG in Africa, please refer to <https://riskinsights.co.za/> or contact us at [info@riskinsights.co.za](mailto:info@riskinsights.co.za)

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