



## News Release

### **Banking Sector Stakeholders Launch IFRS S1 and S2 Reporting Template, Ushering in New Era of Sustainability Disclosures**

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**Nairobi, April 23, 2025...** Banking industry umbrella body, Kenya Bankers Association (KBA), in partnership with the Institute of Certified Public Accountants of Kenya (ICPAK), WWF-Kenya, and FSD Kenya, has launched the IFRS S1 and S2 Disclosures Reporting Template for Banks, in an initiative that seeks to standardize sustainability and climate-related risk reporting across Kenya's banking sector.

The template equips financial institutions to align with global benchmarks, enhance decision-making, and unlock opportunities in the transition to a low-carbon and socially inclusive economy. Developed through industry collaboration, the template is anchored on four pillars: governance, strategy, risk management, and metrics and targets. Through the template, banks will strengthen their capability to integrate mechanisms into their decision-making processes to effectively manage and mitigate climate and sustainability-related risks in both the short and long term.

Speaking during the launch event, KBA CEO Raimond Molenje acknowledged and lauded the International Sustainability Standards Board (ISSB) for its drive in developing a common reporting standard, noting that the move will, in many ways, reduce the disjointed global sustainability reporting landscape.

"I commend ICPAK for its leadership in rolling out a roadmap for the adoption of IFRS S1 and S2 Disclosure Standards in Kenya," he said. The template has been developed to provide guidance for general requirements of sustainability-related financial information (IFRS S1) and a thematic standard for climate-related disclosures (IFRS S2).

"At FSD Kenya, we are proud to have supported the development of this important tool, which will help Kenya's banks take a big step toward more transparent and consistent sustainability reporting. By enabling alignment with global standards, the IFRS S1 and S2 reporting template strengthens market confidence and opens the door for greater flows of climate finance. This initiative reflects our commitment to building resilient financial systems and supporting the private sector's role in driving Kenya's green transition," said Tamara Cook, CEO, FSD Kenya.

The ICPAK CEO, CPA Dr. Grace Kamau, highlighted the importance of the milestone and added, "At ICPAK, we steadfastly champion the development of sector-specific illustrative templates to guide sustainability reporting. The unveiling of the IFRS S1 and S2 disclosures template for banks is a significant stride toward enhancing consistency, comparability, and credibility in sustainability-related financial disclosures. This is a bold step in aligning the financial sector with global sustainability standards and strengthens climate resilience," she said.

On his part, Jackson Kiplagat, Head of Conservation Programmes at WWF-Kenya, said: “The IFRS S1 and S2 is more than just a compliance tool. These standards present a real opportunity to help investors and businesses recognize the material risks of environmental degradation, to steer finance towards low-carbon, nature-positive solutions, and to align Kenya’s economy with its climate goals. At WWF-Kenya, we are committed to supporting this journey by helping to connect science, finance, and policy.”

The initiative complements Kenya’s Sustainable Finance Principles and the Central Bank’s recently launched Climate Risk Disclosure Framework.

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### **About ICPAK**

The Institute of Certified Public Accountants of Kenya (ICPAK) is the statutory body of Accountants established in 1978 and draws its mandate from the Accountants Act No.15 of 2008. It is also a member of the Pan African Federation of Accountants (PAFA) and the International Federation of Accountants (IFAC), the global Accountancy umbrella body.

### **About Financial Sector Deepening Kenya**

Financial Sector Deepening Kenya (FSD Kenya) is an independent trust dedicated to the achievement of a financial system that delivers value for a green and inclusive digital economy while improving financial health and capability for women and micro and small enterprises (MSMEs). FSD Kenya works closely with the public sector, the financial services industry, and other partners to develop financial solutions that better address the real-world challenges that low-income households, micro and small enterprises, and underserved groups such as women and youth face.

### **About WWF Kenya**

World Wide Fund for Nature Kenya (WWF-Kenya) is a locally registered non-governmental conservation organization; an affiliate of WWF International. WWF has been working in Kenya since 1962 alongside the government, civil society, private sector organizations, and local communities to contribute towards providing an enabling environment for the achievement of a healthy natural environment supporting people and sustainable development in Kenya.

### **About Kenya Bankers Association**

KBA ([www.kba.co.ke](http://www.kba.co.ke)) was founded on 16th July 1962. Today, KBA is the financial sector’s leading advocacy group and banking industry umbrella body that represents total assets in excess of KES 7.7 trillion. KBA has evolved and broadened its function to include advocacy on behalf of the banking industry and championing financial sector development through strategic projects such as the launch of the industry’s first P2P digital payments platform Pesalink. In line with the Government’s policy on publicprivate partnerships, KBA and Central Bank of Kenya have implemented key projects such as modernization of the National Payments System through the Automated Clearing House, implementing the Real Time Gross Settlement System (RTGS), and the Kenya Credit Information Sharing Initiative. The KBA members are comprised of commercial banks and deposits taking microfinance banks.