ESG ADVISORY

Readiness | Data | Assurance

IFRS S1 & S2 in Kenya: Are You Ready for 2027?

Kenya's first mandatory sustainability reports are close. Here is what your board needs to know.

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M *Why This Matters*

From Narrative to Evidence

- **IFRS S1** shows how sustainability risks and opportunities affect cash flows, access to finance and cost of capital.
- **IFRS S2** does the same for climate, including Scope 1, 2 and 3 emissions.

The signal: ICPAK expects boards and audit committees to own disclosure quality. Board sign-off is a key governance indicator.

Source: ICPAK advisory on IFRS S1 & S2 timelines

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M *The Timeline*

Who Reports, and When

- **1 Jan 2027** Public Interest Entities: listed companies, banks, insurers, pension schemes, fund managers, deposit-taking SACCOs
- **1 Jan 2028** Large non-PIEs: above two of KES 100m turnover, KES 250m assets, 250 staff
- **1 Jan 2029** SMEs

> Dates apply to periods beginning on or after. Voluntary adoption is open to every organisation now.

Source: ICPAK advisory on IFRS S1 & S2 timelines

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M *Readiness*

Four Pillars Regulators Will Test

- **Governance:** board oversight and management responsibility
- **Strategy:** sustainability built into strategy and resilience planning
- **Risk management:** how risks are identified, assessed and managed
- **Metrics & targets:** systems to measure and monitor performance

> PIEs must submit a readiness assessment to ICPAK before publishing first disclosures.

Source: ICPAK advisory on IFRS S1 & S2 timelines

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M *Your Data*

Scope 1, 2 and 3: Numbers That Get Tested

- IFRS S2 requires Scope 1, 2 and 3 emissions, using recognised methods and factors such as IPCC, IEA and DEFRA.
- Data must be **accurate, consistent and auditable**.

> **Already using GRI 305?** Build one emissions inventory that serves both GRI and IFRS S2.

Source: ICPAK advisory on IFRS S1 & S2 timelines

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M *Assurance*

Assurance Is Coming

- Limited assurance first, then reasonable assurance.
- **PIEs:** limited from 1 Jan 2028, reasonable (excluding Scope 3) from 1 Jan 2029, full reasonable from 1 Jan 2030.
- Only ICPAK-licensed practitioners can assure.

> Engage your assurance provider early and fix controls and documentation now.

Source: ICPAK advisory on IFRS S1 & S2 timelines

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Work With Us

Get Ready Before Your First Report

Our ESG practice helps you:

- **Assess** ESG maturity and close gaps
- **Report** with GRI and IFRS S1/S2 support
- **Prepare** governance, data systems and assurance

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