

# Emerging Trends in Corporate Governance in Kenya

Why it matters for boards, investors,  
and business leaders now.





Corporate governance in Kenya  
has shifted from box-ticking to a  
**strategic lever.**

It now drives:

- ▶ Growth
- ▶ Resilience
- ▶ Investor confidence

Regulation, sustainability, and digital change are reshaping expectations.



# Stronger regulatory expectations.

Key moves by CMA and CBK:

- ▶ CMA Stewardship Code: pushes institutional investors to act as accountable stewards and integrate ESG in engagement with listed companies.
- ▶ CBK: expects annual board performance assessments and director independence in banks as part of prudential governance.

Even unregulated SMEs are formalizing governance to attract capital and build trust.



# Digital governance and cybersecurity.

With the Data Protection Act, 2019 in force, boards are expected to:

- ▶ Oversee data privacy policies and IT investments
- ▶ Ensure cyber resilience and business continuity

Digital fluency is now a board skill, not just an operational issue.



# ESG is now a baseline

NSE ESG Guidelines and global investor standards require:

- ▶ Disclosure of ESG risks and metrics
- ▶ Integration of sustainability into core strategy

Boards must move from ad hoc CSR to structured ESG oversight.



# Board diversity and succession

Governance codes increasingly  
emphasise:

- ▶ Gender and age diversity
- ▶ More independent directors
- ▶ Formal succession planning

Even family businesses are setting up  
advisory boards to bring in external  
perspectives.



# From compliance to value creation

Boards are reallocating time toward:

- ▶ Setting and monitoring corporate strategy
- ▶ Demanding evidence-based recommendations from management

Governance is expected to unlock value rather than slow decision-making.



# Talent and culture as board issues

Boards are increasingly asking:

- ▶ Are leadership gaps being addressed?
- ▶ Is culture aligned with purpose and values?
- ▶ Are key talent risks monitored at board level?

Governance now extends beyond structure to the people and culture that drive performance.



# Why this matters

Effective governance helps organisations:

- ▶ Attract and retain capital
- ▶ Attract and retain talent
- ▶ Build trust with regulators and stakeholders
- ▶ Reduce risk and support sustainable growth



Boards that adapt to these trends will be better positioned in a more demanding operating environment.