



ESG POLICY TEMPLATES

For MSMEs

BY: ALICE AYUMA

INTRODUCTION

This ESG Policy Kit helps SMEs adopt simple and practical policies that promote sustainability, accountability, and good governance. It provides templates that can be easily adapted to any business size or sector.

Why ESG Policies Matter

Written ESG policies help SMEs to:

- Set clear standards and responsibilities.
- Build stakeholder trust through transparency.
- Measure and report progress over time.
- Align with global and national sustainability expectations.



OVERALL ESG POLICY (TEMPLATE)

1. Purpose

This policy set out [Company Name]'s commitment to operate in a manner that protects the environment, respects people and communities, and ensures robust governance and ethical business conduct. It provided a practical framework for identifying, managing and improving material Environmental, Social and Governance (ESG) issues relevant to our operations and value chain.

2. Scope

This policy applied to all employees, contractors and business partners of [Company Name], and covered operations at all sites under our control and the principal activities of our suppliers that materially affected our business.

3. Definitions (short)

- ESG: Environmental, Social and Governance issues that can affect business value and stakeholders.
- Materiality: ESG issues that have the greatest potential to affect our business performance or stakeholders.
- MSME: micro, small or medium enterprise; sized and structured to require simple, practical governance.

4. Policy Statement (high level)

[Company Name] committed to:

- Complying with applicable environmental, labour and governance laws and regulations.
- Minimising environmental impacts through efficient use of energy, water, and materials and responsible waste management.
- Providing safe, fair and inclusive work conditions, and respecting human rights across our operations.
- Maintaining transparent, accountable governance, preventing corruption and protecting customer and business data.
- Engaging positively with suppliers and communities and continuously improving ESG performance.

5. Responsibilities

- Owner / Managing Director: ultimate accountability for ESG policy, approval of targets, and resourcing.
- ESG Focal Person: day-to-day coordination, data collection, training roll-out, and reporting. (If no dedicated role exists, the Office/Operations Manager acted as focal person.)
- Supervisors / Team Leads: implement policy actions in their areas and ensure staff compliance.
- All employees & contractors: comply with policy, report incidents and suggest improvements.
- Suppliers & business partners: expected to follow minimum ESG expectations included in purchase terms.

6. Implementation approach (practical)

We followed a four-step approach:

1. Assess: run a simple ESG self-assessment and identify top 3–6 material issues.
2. Plan: set 2–4 SMART targets for 12 months and allocate responsibilities.
3. Act: apply low-cost interventions (LEDs, leak repairs, segregation bins, basic H&S training).
4. Measure & report: collect simple monthly/quarterly KPI data and review annually.

7. Key commitments by pillar

Environmental

- Monitor energy and water consumption and reduce usage year-on-year.
- Reduce waste, implement segregation and send recyclable streams to licensed collectors.
- Seek climate-smart procurement (less packaging, energy-efficient equipment).
- Comply with environmental permits and local regulations.

Social

- Provide written employment terms, comply with national labour laws and pay at or above minimum wage.
- Maintain a safe workplace (PPE, basic safety training, incident log).
- Prohibit child and forced labour.
- Offer fair opportunities and reasonable accommodation for vulnerable groups.

Governance

- Maintain accurate financial and tax records; prevent fraud and bribery.
- Maintain a simple code of ethics/conflict of interest declaration.
- Protect customer and staff data; follow basic cybersecurity measures.
- Provide an anonymous channel for grievances and whistleblowing.

8. Monitoring, reporting & KPIs

- The ESG Focal Person tracked a core set of KPIs monthly/quarterly (see KPI annex).
- Management reviewed ESG performance quarterly and reported to staff annually.
- Material incidents were investigated and corrective action documented.

9. Training & awareness

- Provide basic induction on ESG and role-specific guidance (e.g., H&S for operations).
- Encourage employee suggestions for efficiency and social impact initiatives.

10. Continuous improvement & review

- The policy was reviewed at least once every 12 months or after material change.
- Target adjustments and additional measures were implemented based on results and stakeholder feedback.

11. Non-compliance & corrective actions

- Breaches were investigated, documented and corrective actions taken. Serious breaches (e.g., fraud, severe safety violation) could lead to disciplinary action or contract termination.

12. Approval

Signed: _____ Date: _____

(Name, Owner / Managing Director)

ENERGY MANAGEMENT POLICY (TEMPLATE)

Policy title: Energy Management Policy

Version / Date / Approved by / Next review / Owner

Purpose:

To reduce energy consumption and cost, increase energy efficiency and where practical support the transition to renewable energy.

Scope:

All premises, equipment, vehicles and activities where [Company Name] used energy directly or indirectly.

Policy statement:

We committed to measure and reduce our energy use, improve efficiency in operations and pursue cost-effective renewable options when feasible.

Objectives & targets (examples to adapt)

- Reduce electricity use by 10% per production/unit or per square metre over 12 months (from baseline).
- Replace 50% of lighting to LEDs within 6 months.
- Conduct an energy walk-through and implement 5 low-cost improvements within 3 months.

Roles & responsibilities

- Operations Manager: maintain monthly energy log, coordinate maintenance.
- ESG Focal Person: collate energy data, report to management, identify investment needs.
- All staff: switch off non-essential equipment, report faults.

Procedures & controls

1. Baseline & meter checks: record past 12 months of electricity and fuel use; set baseline kWh per unit or per month.
2. Low-cost interventions: LED replacements, timers, thermostats, sealing doors/windows, regular maintenance of motors and refrigeration units.
3. Behavioural measures: staff reminders, energy champions, switch-off checklist.
4. Capital investments: identify payback period for solar, efficient motors and prioritize projects with <3-year payback if cash flow allowed.
5. Transport/fuel: monitor fuel use for vehicles; schedule route optimisation; consider conversions to efficient vehicles as finances permit.

Records & documentation

- Monthly energy log (kWh, fuel litres, cost), equipment register, maintenance logs and invoices.

KPIs

- kWh per month; kWh per unit produced; % lighting upgraded to LED; fuel litres per 100km.

Training & communication

- At induction cover energy policy; quarterly briefings on progress.

Incident & corrective action

- Report equipment faults immediately; track corrective action closure.

Review

- Annual review with updated targets.

Annexes

- Energy log template (monthly table).
- Energy walk-through checklist.

WATER MANAGEMENT POLICY (TEMPLATE)

Purpose:

Manage water use responsibly, reduce waste, and avoid negative impacts on local water resources.

Scope:

All business locations, production processes, sanitation, and landscaping activities.

Policy statement & commitments

- Monitor water use monthly and set reduction targets.
- Repair leaks promptly and implement water-saving fittings.
- Where possible, reuse greywater for non-potable uses (e.g., gardens, cleaning).
- Ensure wastewater disposal meets local regulations and does not pollute community water sources.

Objectives & targets (examples)

- Reduce water consumption (m^3) per unit by 15% within 12 months.
- Fix reported leaks within 7 days.
- Install low-flow taps in 100% of washrooms within 6 months.

Responsibilities

- Facility Manager to monitor bills and repairs.
- ESG Focal Person to report monthly water KPIs.

Procedures

1. Meter all mains supply points if possible.
2. Monthly meter reading and log entry.
3. Leak detection routine (visual checks weekly; formal check quarterly).
4. Install aerators/low flow devices; optimise cleaning schedules to reduce water use.
5. Where wastewater is generated from production, engage licensed treatment/disposal or install appropriate settling/filtration.

Records

- Water meter log, repair tickets, vendor invoices for treatment.

KPIs

- m^3/month ; m^3/unit ; % leaks repaired within SLA.

Training

- Staff training on water-saving tasks and rapid reporting of leaks.

Review

- Annual assessment and update.

Annexes

- Water log template; leak report form.

WASTE MANAGEMENT POLICY (TEMPLATE)

Purpose:

Reduce waste, promote segregation and recycling, and ensure safe disposal of hazardous streams.

Scope:

Office and production waste, packaging, e-waste, and any hazardous by-products.

Policy statement

- Implement waste hierarchy: reduce → reuse → recycle → safe disposal. Use licensed waste collectors for residual and hazardous waste.

Targets & objectives

- Segregate at source (organic, recyclable, general, hazardous) across all sites within 1 month.
- Divert 50% of total waste from landfill in 12 months.

Responsibilities

- Admin / Operations: provide bins, coordinate with collectors.
- ESG Focal Person: monthly monitoring and reporting.

Procedures

1. Provide labelled bins; map bin locations.
2. Sign a service agreement with licensed waste collectors for recyclables and hazardous waste.
3. Maintain a waste log (weight or volume) monthly.
4. Reuse packaging where feasible (returnable crates).
5. Ensure e-waste sent to licensed refurbishers/recyclers.

Records

- Waste log, collection dockets & recycling receipts, hazardous waste manifest.

KPIs

- Kg waste generated/month; % diverted/recycled; number of hazardous disposal incidents.

Training

- Quick guidance for staff on segregation and cleanliness.

Annex

- Waste segregation poster & waste log template.

OCCUPATIONAL HEALTH & SAFETY (OHS) POLICY (TEMPLATE)

Purpose:

Provide and maintain a safe and healthy workplace and minimise work-related injuries and illnesses.

Scope:

All employees, contractors, visitors at workplaces or sites managed by the business.

Policy statement

- Commit to comply with national OHS legislation, provide PPE, train staff, and maintain incident reporting and first aid.

Objectives

- Zero fatalities; reduce Lost Time Injury Frequency Rate (LTIFR) by X% year-on-year.
- 100% staff receive basic safety induction within 1 week of joining.

Responsibilities

- OHS Officer / Supervisor: daily site inspections, PPE issuance, monthly safety checklists.
- Owner / MD: resource and approve improvements.
- Employees: follow safe procedures and report hazards.

Procedures

1. Conduct a simple risk assessment for main activities and maintain a risk register.
2. Issue and enforce PPE use.
3. Keep first aid kit and train first aider(s).
4. Hold regular toolbox talks and one annual safety drill (fire evacuation).
5. Report, investigate and record all accidents and near-misses within 48 hours. Implement corrective actions.

Records

- Incident reports, training attendance, PPE register, risk register.

KPIs

- LTIFR, number of incidents, % staff trained, % corrective actions closed on time.

Training

- Induction, job-specific training, periodic refreshers.

Audit & review

- Quarterly safety checks; annual review.

Annex

- Incident report form; basic risk assessment template.

HUMAN RIGHTS & LABOUR POLICY(TEMPLATE)

Purpose:

Ensure fair labour practices and respect for human rights consistent with national law and international best practice.

Scope:

All employees, direct contractors and suppliers where feasible.

Policy statement

- Prohibit child labour, forced labour or discrimination. Provide fair pay, reasonable hours, and respect employee dignity.

Key commitments

- Contracts for all permanent staff; pay at or above statutory minima; respect freedom of association; comply with working hours and overtime laws.

Procedures

1. Use written employment contracts specifying terms, wages and grievance mechanisms.
2. Ensure payroll records are accurate and auditable.
3. Establish grievance procedure (confidential) and response timelines (e.g., acknowledge within 7 days).
4. For suppliers: include commitment to not use child labour and ask for evidence where possible (supplier questionnaire).

KPIs

- % of staff with written contracts, % paid on time, number of grievances closed within target.

Annex

- Template employment contract checklist; grievance form.

ANTI-CORRUPTION & ETHICS POLICY (TEMPLATE)

Purpose:

Prevent bribery, fraud and unethical behaviour across the business.

Scope:

All staff, agents, suppliers and partners.

Policy statement

- Zero tolerance for bribery or facilitation payments. Gifts and hospitality to be declared and within set limits. Conflicts of interest to be declared.

Controls & procedures

1. Maintain a register of gifts & hospitality.
2. Require pre-approval for payments to third parties > [threshold].
3. Provide a conflict of interest declaration for senior staff annually.
4. Keep transparent procurement records and require 2 quotes for purchases above [amount].
5. Simple due diligence on agents/suppliers (screening questionnaire).

Reporting & whistleblowing

- Confidential whistleblowing channel; no retaliation.

KPIs

- Number of reports received, number of investigations closed, % staff trained on ethics.

Annex

- Conflict of interest form; gifts & hospitality log; supplier due diligence checklist.

COMMUNITY ENGAGEMENT POLICY (TEMPLATE)

Purpose:

Deliver positive impact in the communities where we operate and maintain constructive relationships.

Scope:

Local communities, civil society and beneficiaries of activities.

Policy statement

- Prioritise local hires and suppliers where possible, participate in local community initiatives and avoid activities that harm community interests.

Approach

1. Map community stakeholders and their interests.
2. Set annual community engagement activities (e.g., skills training, cleanups).
3. Monitor feedback and respond to community concerns.

KPIs

- % local hires; number of community engagements/year; community complaints and resolution rate.

Annex

- Stakeholder map template; community activity log.

SUPPLIER SUSTAINABILITY POLICY (TEMPLATE)

Purpose:

Raise ESG standards in our value chain and reduce supplier-related risks.

Scope:

All suppliers; priority focus on top 20 by spend or critical item categories.

Policy statement

- Expect suppliers to meet basic labour, environmental and governance standards. Include ESG clauses in contracts and screen new suppliers.

Procedures

1. Use supplier questionnaire for new suppliers and re-assess annually for top suppliers.
2. Prefer suppliers who demonstrate environmental efficiency, fair labour practice and ethical conduct.
3. Insert a standard clause requiring lawful labour practice and safe handling of hazardous materials.
4. Offer basic guidance to small suppliers on quick wins (waste segregation, energy savings).

KPIs

- % of spend with screened suppliers; number of supplier non-compliances; supplier remediation rate.

Annex

- Supplier ESG questionnaire (short)

DIVERSITY, EQUITY & INCLUSION (DEI) POLICY (TEMPLATE)

Purpose:

Build an inclusive workplace with equal opportunity and fairness.

Scope:

All staff and recruitment.

Policy statement

- Prohibit discrimination; promote gender balance and opportunities for youth and persons with disabilities where feasible.

Actions

1. Adopt fair recruitment practices (job descriptions, diverse shortlists).
2. Provide reasonable accommodations.
3. Provide training on unconscious bias and respectful workplace.

KPIs

- Gender split by level; % of positions recruited locally; staff survey results on inclusion.

GRIEVANCE REDRESS & WHISTLEBLOWING POLICY (TEMPLATE)

Purpose:

Provide safe channels to report concerns and resolve them fairly.

Scope:

Employees, contractors, suppliers and community members directly affected.

Policy statement

- Provide confidential reporting; protect whistleblowers from retaliation; investigate and resolve within defined timelines.

Process

- 1.Reporting channels: designated email/phone, suggestion box, anonymous form.
- 2.Acknowledge receipt within 7 days; conduct investigation; provide outcome within 30 days (or explain extension).
- 3.Maintain confidentiality and documentation.

Annex

- Grievance intake form; investigation checklist.



ALICE AYUMA

CERTIFIED ESG TRAINER & ADVISOR



+254728367758



aliceayuma28@gmail.com



Nairobi Kenya

PROFILE SUMMARY

I am an ESG advisor and trainer with six years of work experience. Within the consultancy space, I have worked on projects for the financial sector, manufacturing, telecommunication, NGO's, agricultural sector and SMEs. I am a certified trainer in resource efficiency, sustainable finance, net-zero standard, and science-based targets. My educational background is in engineering and accounting(CPA).

KEY TRAINING SECTORS

- ESG & Sustainability
- Sustainable finance
- Impact investment
- ESG for risk management
- Resource efficiency and circular production
- Climate change and adaptation
- Sustainable agriculture

EDUCATION & CERTIFICATIONS

Certificate	Institution
Chemical Engineering Degree	Technical University of Kenya
GRI	GRI Academy
Managing Social Impacts	International Trade Centre
CPA - Ongoing	KASNEB
Net Zero	UNGC Academy
CSRD	CSRD Academy
Sustainability Leadership	United People Global
Resource Efficiency and Circular Production	International Trade Centre
Setting Science Based Targets	UNGC Academy



ESG POLICY TEMPLATES