

UN GLOBAL COMPACT
COMMUNICATION ON ENGAGEMENT

ASSOCIATION OF GHANA INDUSTRIES

Message from the CEO

From: January 2016

To: December 2017

To our stakeholders:

I am pleased to confirm that the Association of Ghana Industries re-affirms its support for the United Nations Global Compact and its ten principles of the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents. In this Communication on Engagement, we describe the actions that our organization has undertaken to support the UN Global Compact and its principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Seth Twum-Akwaboah

Chief Executive Officer

DESCRIPTION OF ACTIONS

The Association of Ghana Industries (AGI) remains committed to the ten principles of the UN Global Compact. In our quest to promote best business practices, AGI first rolled out the Ghana Business Code (GBC) from 2006 to 2010. The Code was started as a set of norms based on the universal principles referred to in the U.N Global Compact relating to human rights, labour standards, environment and anticorruption, among others. AGI initiated this with other Business Associations and supported by the Danish Development Assistance.

Today we are happy to be part of the UN Compact and have linked our members to the UN Global Compact after the expiration of the Ghana Business Code. We consider the UN Global Compact as guiding principles and a benchmark in our business practices as an Association and will always uphold these principles. As an association with a diverse membership, we also feel challenged to ensure compliance with the principles by all our sectors as much as possible. In creating a conducive business environment, we have also denounced unfair and corrupt business practices that tend to give others an edge over their peers in doing business.

Some of our major activities undertaken within 2016 to 2017 include the following;

• **Promoting Sustainable Practices-**

- **AGI Awards-** AGI instituted the Best Practices in Sustainable Manufacturing Award category under the AGI Ghana Industry Awards. The Award seeks to identify and reward companies that adopt environmentally- friendly and sustainable business practices in their manufacturing processes and has been running for the past 5 years.
- **Plastic Waste Management-** The use and disposal of plastic waste has been a major concern in Ghana. The debate over plastic waste management continued from 2016 through to 2017. This took center stage in AGI's advocacy. Government had announced plans to ban the production and use of flexible plastics below 20microns. Subsequently, the Environmental Protection Agency of Ghana published a press release affirming the ban, further worsening uncertainty among businesses. With increasing public concern over plastic waste accumulation, pressure on policy makers to enact a law for the use of oxo-biodegradable additive (OBD) for flexible plastics kept mounting. Amidst the debates and meetings over the plastics waste management, AGI convened a broad stakeholder forum to discuss the way forward. The fallout of this meeting led to the formation of the Ghana Recycling Initiative by Private Enterprises, known as GRIPE for short.
- Today, GRIPE is an industry-led initiative by member companies of AGI with a focus to support government's efforts in proffering and implementing integrated sustainable plastic waste management solutions in Ghana through advocacy, public awareness and multi stakeholder collaborations. Currently GRIPE is piloting the use of modified concrete blocks, from recycled plastic waste, as a second life solution.

• **LEAN PROGRAMME-** The International Trade Centre (ITC) in Geneva and the Association of Ghana Industries (AGI) joined forces to support women led companies on methodologies, trainings and participatory interventions to improve operational and process efficiency of enterprises in agro progressing targeted to women led or managed enterprises. This initiative follows the ITC SME competitiveness survey as carried out by ITC/AGI in 2015. The objective of the LEAN Manufacturing Programme was to identify and reduce various forms of waste in

the company's production process in order to ensure the enterprise's competitiveness is enhanced.

- **Anti-corruption**– For the past three years, AGI has been advocating for the establishment of an International Trade Commission to replace its Tariff Advisory Board. AGI has repeatedly notified the Tariff Advisory Board in Ghana of cases of unfair taxes and under-invoicing that stifle local business. The International Trade Commission has powers to address unfair trade practices and this is what AGI has been asking for.

- **Workshop on energy**- Lately, industry has begun to pay considerable attention to the source of energy, its efficiency and cost. For AGI, the subject of the source of energy is a conversation that will continue over the next few decades as more businesses begin to realize the value of utilizing renewable energy. To this end, discussions on renewable energy sources for industry continued in 2017. Ghana's legacy hydro sources had shrunk with water levels for the Akosombo dam dropping significantly. Power generating mix which was about 70:30 percent ratio for hydro and thermal respectively had reduced to below 50% for hydro. The workshop solicited view from the captains of industry on other sources of renewable energy to augment the country's legacy hydro which has become a major concern. For Industry, a bigger proportion of hydro in the generation mix will help drive down the electricity tariffs.

MEASURE OF OUTCOMES

ILO SCORE- Representatives who participated in the LEAN were trained and benefited in the following technical areas:

- 1) LEAN operations management practice
- 2) Food safety and quality standards
- 3) Cost of goods sold
- 4) Sales and marketing
- 5) Operations and management.

Training on energy efficiency- In all, a total of 51 special load tariff consumers participated and benefited from the workshop on energy efficiency and conservation as organized by AGI

Anti-corruption and unfair trade practices

Our advocacy against unfair trade practices has led to the following;

- The passage of the International Trade Commission Bill into law to the extent that there is now Ghana International Trade Commission (GITC) to address cases of unfair trade practice. The board for the Commission was sworn in in 2018. Further to this, AGI has inaugurated its internal International Trade Commission to work closely with the National GITC. This is seen as a major breakthrough in AGI's advocacy.
- The Ghana Government has constituted a joint Committee comprising the AGI and the Ghana Revenue Authority to see to matters on imports.