UN GLOBAL COMPACT

Communication on Engagement

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I. INTRODUCTION

This report is submitted to the United Nations Global Compact (UNGC) as a periodic Communication on Engagement of the Ceylon Chamber of Commerce (CCC) in activities aligned with the 10 Principals of the UNGC under the themes of Human Rights, Labour, Environment and Anti-Corruption. It comprises of a synopsis of the key activities undertaken by the CCC in the recent past extending from the present to a maximum of three years prior.

In case of any clarification or request for elaboration on any of the undermentioned initiatives and activities, please feel free to contact:

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More information on the Chamber's activities can be found at www.chamber.lk.

II. THE CEYLON CHAMBER OF COMMERCE (CCC)

The Ceylon Chamber of Commerce (CCC) acts as a unifying voice for the country's business sector. This voice is facilitated by a formidable membership comprising the private sector ranging from multinational conglomerates to sole-proprietor enterprises, regional and sectoral Chambers of commerce and industry, trade and service associations, employer associations and bilateral business councils, while strategic alliances with public sector institutions add further impetus to this mandate. The Chamber's membership currently comprises over 500 corporates with an outreach of over 7,000.

It is also the founder of the Employers Federation of Ceylon, the Shippers Council, the Mercantile Services Provident Fund and the Sri Lanka Institute of Directors; it is also an initiating partner of the Sri Lanka Business and Biodiversity Platform also known as Biodiversity Sri Lanka - all of which are thriving independent institutions today, serving the needs of the business community and its stakeholders.

III. ACADEMIC

Incorporate the GC principles into internal operations

This is executed through the Core Values of the Chamber:

Members

Extending equal treatment to all members and to be the strategic partner for competitiveness and growth.

Employees

Harnessing their exceptional abilities and fulfilling their needs and aspirations.

Society

Maintaining highest ethical standards and promoting good corporate governance in the public.

Environment

Consciously safeguarding the environment.

Government

Continuing to be a catalyst for National Economic Development.

Given the increasingly urgent threat to environmental sustainability, the Chamber has taken steps to inculcate a precautionary approach to environmental challenges and undertake initiatives to promote greater environmental responsibility. This includes incorporating practices to reduce the carbon footprint, including incorporating energy efficient practices, and optimizing resource utilization. nergy

Promote the GC and its principles

Applied research and thought leadership in relation to the global compact

- As an island nation, Sri Lanka is very vulnerable to climate change impacts and hence joining hands with global decarbonisation initiatives is imperative for the country. The global climate risk index 2021, ranked Sri Lanka as the 23rd most affected country from extreme weather conditions during the period of 2000–2019. The Ceylon Chamber conducted research on how Sri Lanka can approach decarbonisation and published a research article on the results on this research, which can be accessed here.
- The Chamber's Steering Committee on Climate Action is currently preparing a white paper on Climate Action to disseminate to relevant stakeholders.

IV. BUSINESS ASSOCIATION

Attract new participants to the UN Global Compact through outreach efforts and awareness raising

The CCC is an over 500 corporate member strong entity and conducts meetings with its members based on various themes and under different contexts. As and when a suitable company is identified as one that upholds the principles of the United Nations Global Compact (UNGC) or has the potential to gear the organization in that direction, the CCC encourages such companies to become a part of the UNGC. This activity is most often carried out on a one on one basis under the Chamber's advocacy role which focuses on economic value enhancement within a framework of social equity.

Organize learning and dialogue events, workshops and training for Members on the UN Global Compact and specific topics relevant to corporate sustainability

The Chamber Academy is the knowledge sharing arm of the Ceylon Chamber of Commerce, dedicated to enhancing knowledge to develop awareness and understanding across a multitude of sectors. The Academy conducted a webinar on Understanding Sustainability

Reporting for the Plantation Sector, as well as a Virtual Event on 'The Business Case for Climate Change Adaptation for Agribusiness'.

Provide expertise to Global Compact working groups and special initiatives

• The Ceylon Chamber of Commerce was commissioned by UNDP Sri Lanka to develop a Sustainable Development Goals (SDG) Investor Map for Sri Lanka in collaboration with the Sustainable Development Council of Sri Lanka. The SDG Investor Map is a global market intelligence product produced by UNDP Country Offices (COs) to help private investors (funds, financiers, corporations) identify investment opportunities and business models that advance the SDGs. The SDG Investor Maps provide the insight and tools needed by the private sector to increase their investments towards the SDGs.

The SDG Investor Map for Sri Lanka, launched on August 30th 2022, highlights 15 Investment Opportunity Areas (IOAs) across 5 key sectors which include Renewable Energy, Healthcare, Food and Beverages, Consumer Goods and Infrastructure.

The Economic Intelligence Unit of the Ceylon Chamber conducted an analysis of priority sectors, sub-sectors and sub-regions at the country level to identify the most appropriate and sound business and investment opportunities aligned with SDGs. Through deep desk research, consultation and validation with 50+ government stakeholders, think tanks, enterprises and leading impact and commercial investors, the country specific map was developed to produce tangible market intelligence.

Several of the CCC's members are a part of the UNGC as its individual members. The UNGC
Working Groups and Special Initiatives benefit from the input of such members who attend
dialogues and activities of the UNGC on a regular basis.

Engage Members in collective action efforts on Global Compact related issues

The Ceylon Chamber of Commerce, which has played a pivotal role in shaping the Sri Lankan economy throughout its 184 year history, is guided by a set of 10 principles on its approach in influencing the trajectory of the private sector and the country's economy.

These principles, the first of its kind for a business chamber in Sri Lanka, form the basis of the Chamber's advocacy on pro-business policy and legislation, within a 'Nation-first' mind-set. The Chamber is keen to ensure that its activities, as well as its engagements within the private sector and between the private sector and the government, are based on consistent and coherent principles, instead of ad hoc stances taken from time to time.

Accordingly, the 10 principles are as follows:

- 1. Good Governance, Policy Stability and Regulatory Quality
- 2. National Integration, Harmony and Inclusiveness
- 3. A Market-Oriented and Private Sector-Led Economy
- 4. An Economy based on Competitiveness and Driven by Exports
- 5. Forging Mutually Beneficial Trade Agreements
- 6. A Strong and Thriving Small and Medium Enterprise Sector
- 7. Bridging Regional Growth Disparities through Business Partnerships
- 8. Attracting Quality FDI and Making Sri Lanka a Preferred Investment Destination

- 9. Sustainable and Development-focused Technology Advancement and Innovation
- 10. Demand-focused Education and Skills Development

The '10 Principles' are a part of the ongoing efforts of the Ceylon Chamber of Commerce to transform the organization's role to stay relevant to the modern day needs of its members, the wider private sector, the government and the general public, in the evolving social, political, economic scenario.

• The annual Best Corporate Citizen Sustainability Award, which is an initiative of the Ceylon Chamber, assesses the interactions of a corporate entity, private or public, listed or unlisted, with its stakeholders, environment, employees, customers, suppliers, community, government and the shareholders. The objective of this event is to promote the importance of corporate sustainability in Sri Lanka and encourage businesses to adopt best practices to create goods and services.

An independent evaluation panel evaluates the applications as per a pre-determined marking scheme to select the award winners. Short listed applicants are asked to make a brief presentation and face an interview with the panel of judges.

The Chamber has been appointed as a member of Asian Preparedness Partnership (APP), which was founded through a partnership between Asian Disaster Preparedness Center (ADPC) and Bill and Melinda Gates Foundation for improving the preparedness and emergency response to disasters in Asia by strengthening humanitarian leadership and technical capacity of National Governments and Local Humanitarian Organizations so that they can lead and better engage in the humanitarian framework. The focus countries of APP at present include; Cambodia, Myanmar, Nepal, Pakistan, Philippines, and Sri Lanka. The goal of Asian Preparedness Partnership is to improve the preparedness and emergency response to disasters by strengthening the interface between the government and local humanitarian organizations and enhancing capacities through partnerships, information exchange and knowledge resources, trainings, and networking opportunities.

V. CIVIL SOCIETY

Join partnership projects on corporate sustainability

The Chamber has been appointed as the Private Sector Co-Chair of the Sri Lanka Preparedness Partnership, which is the Sri Lanka Chapter of the Asian Preparedness Partnership (APP). APP was founded through a partnership between Asian Disaster Preparedness Center (ADPC) and Bill and Melinda Gates Foundation for improving the preparedness and emergency response to disasters in Asia by strengthening humanitarian leadership and technical capacity of National Governments and Local Humanitarian Organizations so that they can lead and better engage in the humanitarian framework. The goal of Asian Preparedness Partnership is to improve the preparedness and emergency response to disasters by strengthening the interface between the government and local humanitarian organizations and enhancing capacities through partnerships, information exchange and knowledge resources, trainings, and networking opportunities.

VI. PUBLIC SECTOR

Propose and join partnership projects

In a bid to tackle the escalating challenge of Sri Lanka's plastic waste management, the CCC initiated the implementation of an Extended Producer Responsibility (EPR) model, which will require all stakeholders generating plastic waste to take responsibility for recycling and minimising the use of plastic packaging.

Globally, EPR legislation aims to minimise the environmental risk caused by single-use plastic waste, based on the 'polluter pays' principle which requires plastic manufacturers, importers, and brand owners to be responsible for end-of-life management of plastic packaging.

The initiative aspires to increase plastic waste collection and recycling in order to minimise plastic pollution, and is funded by the United States Agency for International Development's (USAID) Clean Cities Blue Ocean (CCBO) programme.

The Ceylon Chamber, with the technical assistance of Biodiversity Sri Lanka (BSL) and funded by USAID's Municipal Waste Recycling Program (MWRP), developed an EPR Roadmap, proposing a 'Mandatory Reporting and CollectBack' (MRCB) Model, requiring plastic users to declare their annual usage and pledge to collect back an agreed-upon percentage, targeted to reach close to 100% over a five-year period.

Under the aegis of the 'Building Business' Disaster Resilience" (BBCR) Project, which is a
long-term initiative to develop 'innovative climate decision support tools for enhancing SME
resilience', a mobile app to help improve the disaster resilience of SMEs was developed and
tested, with the financial assistance of the Nordic Climate Fund (NCF) and will be launched in
the near future. The CCC partnered with the UNEP DTU Partnership (Denmark), ADPC (Sri
Lanka), and MPEnsystems (India) to implement the BBCR Project.

VII. MEASUREMENT OF OUTCOMES

- The SDG Investor Map for Sri Lanka, launched on August 30th 2022, highlights 15 Investment Opportunity Areas (IOAs) across 5 key sectors which include Renewable Energy, Healthcare, Food and Beverages, Consumer Goods and Infrastructure.
- The BCCS awards 2022received 64 applications which were evaluated by a well-qualified and experienced panel of evaluators and the shortlisted applications were reviewed by a panel of judges comprising heads of several international agencies. The awards ceremony was held on the 10th January 2023.
- The proposed Collect-Back Target model has been endorsed by the Ministry of Environment and the Central Environmental Authority (CEA), and is now under the administrative purview of the CEA.