



ESG DISCLOSURES GUIDANCE MANUAL

MD'S FOREWORD

Businesses across the world have moved beyond just profitability and now focusing on the impact of their operations on the larger community which requires transparency with various stakeholders. There is a strong call for businesses to be more responsible and transparent with their operations to positively impact the environment, society, and corporate governance.

Sustainability reporting has been embraced by organisations in various sectors to contribute towards the campaign for a sustainable world to be bequeathed to the next generation. Sustainability reporting helps companies communicate both positive and negative impacts of their actions on the environment, society as well as the economy, and accordingly set priorities.

Governments, market regulators, stock exchanges, civil society, and other stakeholders continue to place huge demands on companies to get information on the impact of their sustainability programs across the globe. GRI standards expect disclosure of efforts and progress being made by businesses to reach the environmental, social, and governance (ESG) goals.

The call for sustainability reporting is growing and it's now a topical subject in many boardrooms and corporate strategic sections. A lot of businesses in various sectors who are yet to subscribe to the ESG initiatives are increasingly gravitating towards embracing fully, the ESG goals to be seen as partners in supporting this global cause. Businesses also see it as a way of enhancing their corporate image as a responsible and transparent organisation.

Though sustainability reporting is not new in the Ghanaian landscape, there has been an increasing trend by businesses in embracing ESG goals to boost global competitiveness. The various business associations are championing its importance through multiple workshops and encouraging their members to embrace it if they want to be globally competitive. In the long term, sustainability reporting helps companies assess risks and opportunities and helps them drive green operations, align with CSR strategies, and increase cost-saving opportunities.

The GSE is very proud to collaborate with the African Securities Exchanges Association (ASEA), Swiss State Secretariat for Economic Affairs (SECO), and Seven Levers LLP for their support in producing this new ESG guide, which helps Ghanaian companies to be more accountable for the impact of their businesses and position themselves to be globally competitive by embracing the ESG initiatives.

We pledge our commitment to continue to work with the GRI, SECO and other partners in support of the sustainable future that is desired by all.



EKOW AFEDZIE
Managing Director



CEAO'S FOREWORD

Transparency on the impacts of a business is essential for continuous improvement as well as for stakeholder relationships. Without transparency, there is no trust – and without trust, markets do not function efficiently, and institutions lose their legitimacy. That is why the practice of sustainability reporting has been steadily growing over the past two decades. For 25 years GRI has been leading the way by providing the world's most widely adopted standards for sustainability impacts, the GRI Standards, that are according to a recent study are now being used by 78% of the 250 largest companies in the world.

Governments, stock exchanges, market regulators, investors, civil society and other stakeholders are demanding more and better information on the sustainability impacts of businesses. GRI recognizes the importance of aligning corporate sustainability reporting with the information needs of these stakeholders, providing decision-useful data to direct capital towards sustainable business practices.

Regulatory changes that make environmental, social and governance (ESG) disclosure a mandatory requirement are on the rise. Firstly, the upcoming EU Corporate Sustainability Reporting Directive (CSRD) and the new mandatory European Sustainability Reporting Standards (ESRS) that are currently being developed by the European Financial Reporting Advisory Group (EFRAG), which GRI is helping to co-construct, will contribute to the global convergence of reporting. Secondly, at the COP 26 in November 2021, the IFRS Foundation announced establishment of the International Sustainability Standards Board (ISSB) that is now in the process of developing enterprise value standards, so that financial reporting is inclusive of the risks and opportunities presented

by a company's sustainability performance. GRI has signed a Memorandum of Understanding with the ISSB, which is a second important step towards bringing sustainability and financial reporting on equal footing, whilst also ensuring global comparability.

What global trends such as these signify is the importance of providing robust guidance to companies on how to effectively disclose their sustainability impacts, as enabled by the GRI Standards. We therefore commend the Ghana Stock Exchange (GSE) for producing this new ESG guide, which will help Ghanaian companies to be accountable for their impacts while increasing their competitiveness in the global marketplace.

GRI appreciates the opportunity to collaborate on this publication with the GSE and the African Securities Exchanges Association (ASEA), and we acknowledge the Swiss State Secretariat for Economic Affairs (SECO) for their support. We look forward to continuing to work together with GSE in support of a sustainable future.



PETER PAUL VAN DE WIJS
Chief External Affairs Officer

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ABBREVIATIONS AND DEFINITIONS OF TERMS

1.0 ABBREVIATIONS AND DEFINITIONS OF TERMS

1.1 List of acronyms and abbreviations

ABBREVIATION	MEANING
CoP	Communication on Progress
CDP	Carbon Disclosure Project
DFI	Development Finance Institution
ESG	Environmental, Social and Governance
E&S	Environmental and Social
ESMS	Environmental and Social Management System
EMEA	Europe, the Middle East, and Africa
EPA	Environmental Protection Agency (Ghana)
EU	European Union
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
ISO	International Organisation for Standardization
IFC	International Finance Corporation
GSE	Ghana Stock Exchange
SDG	Sustainable Development Goals
SEC	Securities and Exchange Commission (Ghana)
SWOT	Strengths, Weaknesses, Threats and Opportunities
UNGC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment

1.2 Definitions of terms

Term	Meaning
GRI Standards Standards, 2018.	The Global Reporting Initiatives (GRI) Sustainability Reporting
Internal Audit	An organisational process that evaluates performance of internal controls over key risks identified by the organisation and provides assurance over performance of these internal controls to Senior Management and to the Board.
Management Systems	People, processes, and automated tools designed and working together to create efficiencies in operations and ensure predictability in process performance.
Materiality Assessment	The process of prioritizing ESG topics for reporting and based on the assessed needs of different stakeholders.
Responsible Investment	The practice of capital allocation that considers the wider environmental and societal impact of the investment in addition to financial returns
Sustainable Development Goals	The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.
Sustainability Reporting	An Organisation's practice of reporting publicly on its economic, environmental, and/or social impacts, and hence its contributions – positive or negative – towards the goal of sustainable development. Also commonly referred to as sustainability reporting or non-financial reporting.
Value Creation	Refers to creating (and preserving) financial and societal value for stakeholders by developing strategies that manage material ESG risks and capture related opportunities.



GETTING STARTED

2.0 GETTING STARTED

2.1 Introduction

Global trends in assessment of corporate performance indicate a shift in focus from a one-dimensional view focusing on just financial performance to a more holistic view on both financial and non-financial performance. To facilitate this assessment, organisations are required to disclose both financial and non-financial performance metrics to an increasingly diverse set of stakeholders. These stakeholders include - among others - investors, regulators, and customers keen to understand the wider economic, social, and environmental impacts the organisation has on society while in pursuit of shareholder value. The practice of reporting publicly on financial and non-financial impacts is variably referred to as Environmental, Social and Governance (ESG) reporting, Integrated Reporting or Sustainability Reporting.

According to GRI, Sustainability Reporting is an Organisation's practice of reporting publicly on its economic, environmental, and/or social impacts, and hence its contributions – positive or negative – towards the goal of sustainable development. Through this process, an Organisation identifies its significant impacts on the economy, the environment, and/or society and discloses them in accordance with a globally accepted standard. ESG reporting, and Sustainability reporting are used synonymously in this manual.

Engagement with listed companies in Ghana indicates a need for sustained capacity building on how they can integrate ESG into their strategies and ultimately, how to report on ESG performance. There is however some marked progress. Industry group such as the Bank of Ghana have developed guidelines to help organisations (banks) manage E&S risks better. Listed companies that have directly or indirectly benefitted from DFI funding have also developed environmental and social management systems as part of fund requirements to help integrate E&S considerations into core operations. The Securities and Exchange Commission of Ghana has also prescribed certain corporate governance indicators that listed companies should disclose in their annual reports.

There is consensus that embedding ESG into organisational strategy, operations and performance management generates significant value to stakeholders and builds organisational resilience. Further, there is a growing body of evidence that good ESG performance is positively correlated with higher returns and financial performance. ESG integration is further enhanced and demonstrated through transparency in ESG performance disclosures to stakeholders.

2.2 ESG disclosures guidance manual

The focus of this document is to guide how listed companies in Ghana and other organisations interested in ESG reporting can collect, analyse, and publicly disclose important ESG information using an approach that meets international standards in sustainability reporting. This document can also act a guide on how to progressively integrate ESG in strategy, operations, and performance management. This document is also available as a guide to other organisations that might be interested in ESG integration and reporting.

To help reduce uncertainties on which framework or standards to apply, this manual recommends the adoption of the GRI Standards as the common framework for ESG reporting by listed companies in Ghana. According to a 2020 Global Survey on Sustainability reporting conducted by KPMG, the GRI

¹ Global Reporting Initiative Standards 2021. [Link](#)

² UNPRI, 2018. Financial performance of ESG integration in US investing. [Link](#)

³ S&P Global Market Intelligence - ESG funds beat out S&P 500 in 1st year of COVID-19. [Link](#)

Standards are the most widely used framework for sustainability reporting. ⁴Further, the European Union (EU) has signed an agreement with GRI to help co-construct the EU Sustainability reporting standards. Given international trade and supply chains, and ownership structures, expectations to comply with EU sustainability reporting standards can be expected to extend beyond the EU borders. Refer to Annex 5 for criteria to claim a report has been prepared in accordance with the GRI Standards.

A common set of ESG metrics has also been proposed for reporting by all listed companies. These are described in Chapter 6 of this document. This is intended to help facilitate comparability of ESG performance of listed companies in Ghana – and especially where the common reporting framework has been adopted. Over time, and with improved maturity on ESG disclosures, stakeholders will be able to correlate financial performance with specific ESG indicators such as diversity and air emissions, as well as compare the ESG performance of organisations reporting within the same sector.

Examples of sector specific ESG disclosures have also been provided for reference in Annex 6 of this manual.

Applying this document should also assist listed companies comply with reporting requirements for other organisations such as the CDP and UNGC. This manual also includes a guide on how to meet corporate governance reporting requirements contained in the Securities and Exchange Commission Corporate Governance Code for Listed Companies⁵.

2.3 ESG and Investments

Applying ESG criteria in investment selection has gained momentum in recent years. This is a trend that is expected to continue. Along with national policies and directives, ESG considerations in investments has probably been the most important driving force for ESG integration and disclosure in capital markets. According to a survey done by IHS Markit⁶, the top ESG metrics commonly sought by investors are:

- Presence of an overarching ESG Policy
- Assignment of ESG management responsibility
- Corporate code of ethics
- Presence of litigation
- People diversity.
- Net employee composition
- Environmental policy
- Estimation of carbon Footprint
- Data and cybersecurity incidents
- Health and safety Events

According to a 2020 global survey by ⁷FTSE Russell, Sustainable Investment is now firmly part of the mainstream, with 81% of EMEA asset owners expressing interest in applying ESG considerations in investment criteria. With growing interest and appreciation of ESG issues such as climate change and human rights and their impact on businesses, there is an increasing number of regulations targeting these issues. An increasing number of organisations are pegging executive compensation to ESG performance.

⁴ The Time has Come - The KPMG Survey on Sustainability Reporting 2020. [Link](#)

⁵ Securities and Exchange Commission - The Corporate Governance Code for Listed Companies, 2020. [Link](#)

⁶ IHS Markit - Top 10 ESG Metrics for Private Equity. [Link](#)

⁷ Smart Sustainability: 2020 global survey findings from asset owners. [Link](#)

2.4 Expected benefits for listed companies

Transparency in ESG disclosures helps in building integrity and trust in the capital markets thus enhancing competitiveness to attract investment to the capital markets. Adoption and promotion of ESG reporting by the GSE will enhance trust and integrity of the capital markets in Ghana by providing valuable information that is of increasing importance to investors, thus contributing to more efficient capital allocation. Some of the expected benefits of integrating and disclosing ESG performance by listed companies in Ghana include:

- i. Investors can assess and preferentially invest in issuers that demonstrate better ESG linked financial performance, resulting in more efficient capital allocation.
- ii. Organisations that demonstrate responsible investment practices can access new sources of capital from sustainability conscious investors such as Development Finance Institutions (DFIs) and Private Equity firms.
- iii. A wholistic view of corporate value facilitates product innovation by enabling consideration and management of the embodied environmental and social impacts of products and services.
- iv. Measuring and reporting ESG performance enables organisations embed circularity in their operating models and achieve operational efficiencies by optimizing energy and raw costs in production.
- v. Organisations that demonstrate additionality of ESG integration into their supply chains, production systems and service delivery can benefit from preferential access to new markets.
- vi. The ESG value creation framework helps organisations proactively address non-financial but critical environmental and social risks, thereby preserving and creating long term value for stakeholders.
- vii. ESG integration enhances regulatory compliance and helps anticipate the impact of future ESG related regulations and policies.
- viii. Organisations are perceived as responsible corporate citizens and achieve brand value enhancement by systematically identifying and responding to stakeholder needs and expectations.

2.5 Primary references

This document should be read and applied together with the following documents as primary references. Additional references are provided as footnotes.

1. Securities and Exchange Commission of Ghana- The Corporate Governance Code for Listed Companies, 2020.
2. The Global Reporting Initiatives (GRI) Sustainability Reporting Standards.



ESG REPORTING PRINCIPLES

3.0 ESG REPORTING PRINCIPLES

To ensure quality of reported information, ESG reports should abide by a set of reporting principles. Quality information enables information users to make sound assessments of the Organisation's impacts and aids in decision making.

The GRI Reporting Principles

The GRI has proposed a set of reporting principles to guide organizations in ensuring the quality and proper presentation of the reported information. The organization is required to apply the reporting principles to be able to claim that it has prepared information in accordance with the GRI Standards.

These principles are summarised below:

Accuracy: The organization shall report information that is factually correct and sufficiently detailed to enable the assessment of the organization's impacts.

Balance: The organization shall report information in an unbiased way and provide a fair representation of the organization's negative and positive impacts.

Clarity: The organization shall present information in a way that is accessible and understandable.

Comparability: The organization shall select, compile, and report information in a consistent manner, to enable the analysis of changes in the organization's impacts over time and an analysis of these impacts relative to other organizations.

Completeness: The organization shall provide

sufficient information to enable the assessment of the organization's impacts during the reporting period.

Sustainability context: The organization shall report information about its impacts in the wider context of sustainable development.

Timeliness: The organization shall report information on a regular schedule and make it available in time for information users to make decisions.

Verifiability: The organization shall gather, record, compile, and analyse information in a way that the information can be examined to establish its quality.

For detailed guidance on how to apply the reporting principles, listed companies should refer to the GRI Standards 2021.

Reporting Principles: Source – Reproduced from GRI Standards 2021⁸

⁸ GRI Standards 2021 - Link



ESG REPORTING BOUNDARY

4.0 ESG REPORTING BOUNDARY

In accordance with the GRI Standards, 'Boundary' refers to the range of entities (e.g., subsidiaries, joint ventures, sub-contractors, etc.) whose performance is represented by the ESG disclosures report. Unless otherwise stated in the ESG report, the reporting boundary for the listed companies should at minimum include the financial reporting boundary. This is emphasized since investors and other stakeholders are interested in linkages between information publicly disclosed in annual financial reports and the listed company's wider ESG impacts.

In setting the boundary for its report, an organisation must consider the range of entities over which it exercises control (often referred to as the 'organisational boundary', and usually linked to definitions used in financial reporting) and over which it exercises influence (often called the 'operational boundary').

In assessing influence, the organisation will need to consider its ability to influence entities upstream (e.g., in its supply chain) as well as entities downstream (e.g., distributors and users of its products and services). The boundary may vary based on the specific type of information being reported.

SETTING REPORTING BOUNDARIES FOR ESG TOPICS

Examples of material topics: Air Emissions, Water & Effluents, Health & Safety, Diversity etc



Illustration: Boundary setting for ESG topics

As per the GRI Standards, the topic Boundary is a description of where the impacts occur for a material topic, and the organisation's involvement with those impacts. Organisations might be involved with impacts either through their own activities (e.g., in branches and subsidiaries) or as a result of their business relationships with other entities (e.g., suppliers and subcontractors). An organisation preparing a report in accordance with the GRI Standards is expected to report not only on impacts it causes, but also on impacts it contributes to, and impacts that are directly linked to its activities, products or services through a business relationship.

Example: A beverage manufacturing company operates a subsidiary in a water-stressed area that uses large amounts of water, which has significantly impacted on the availability of water for the local communities in the area. In this case, the description of the topic Boundary would include the beverage company's own direct water impacts as a result of its operations as well as consider the water impacts from this specific subsidiary where additional, yet material impacts occur.

For listed companies, the boundary setting process should include the following items:

- i. List all entities included in the organisation's audited financial statements.
- ii. Report whether any organisation covered in the consolidated financial statements is not included in the ESG report.
- iii. Define and document the process used to define the ESG report boundary.
- iv. For each assessed material ESG topic, state whether a) it is material inside the organisation or b) it is material outside the organisation, or both. The process of describing material topics is discussed in the Chapter 6 of this document.



KEY STEPS IN THE ESG REPORTING PROCESS

6.0 KEY STEPS IN THE ESG REPORTING PROCESS

5.1 Overview

Generally, the ESG reporting process is composed of the seven interconnected steps shown below:



Illustration: The ESG Reporting Process

Step 1: Governance over ESG reporting – The listed company obtains buy in from the Board and senior management on ESG reporting. An ESG committee of the Board is constituted and the ESG team appointed and resourced. The organisation sets the objective for ESG integration and reporting and appoints an ESG reporting team.

Step 2: Situational analysis and stakeholder engagement – The ESG reporting team obtains a clear understanding of the organisation’s strategy and stakeholders. An analysis is performed to assess the positive and negative ESG impacts the organisation has on the economy, environment, and society.

Step 3: Materiality analysis – The listed company identifies and prioritises material ESG issues and plans responses.

Step 4: Value creation - The listed company develops value creation strategies around risk and opportunity management for assessed material ESG topics.

Step 5: Content development – The listed company collects data - qualitative and quantitative - within the reporting boundary. This data is compiled, reviewed, signed off and reported externally (published) using an adopted reporting standard or framework for ESG reporting.

Step 6: Assurance – The listed company builds credibility over its public ESG disclosures through internal audit processes, quality assurance on reported data and by seeking external third-party assurance on ESG disclosure topics. Seeking external assurance on the ESG report is optional but is encouraged for issuers.

Step 7: Publish ESG report – The listed company publishes its final ESG report on its website, social media, and/or avails printed copies to stakeholders. Publishing the ESG report is covered in more detail in Chapter 8 of this document.

The ESG reporting process delivers an annual ESG report. Since the intended deliverable is clearly defined, the ESG reporting process is best projectized, i.e., implemented within a project management framework.

5.2 Detailed description of the key steps

Step 1: Governance over ESG integration and reporting

Sustainability integration into business strategies is a core component of good corporate governance practices. ESG issues pose significant business continuity and long-term viability risks for the organisation. They also present significant opportunities for shareholder value creation. It is the responsibility of the Board and senior management to ensure that a process exists to identify, assess, and manage ESG related risks and opportunities in the organisation. The Board retains overall accountability for ESG performance and disclosure to stakeholders.

What is the role of the Board?

The Board, on behalf of shareholders and other stakeholders is expected to ensure that the long-term sustainability of the organisation is assured and is demonstrated through senior management's decisions on operational aspects of the business. The Board holds the CEO and senior management to account on corporate sustainability performance as a fiduciary responsibility to stakeholders.

To facilitate integration of ESG into strategy, operations and performance management, the Boards of listed companies should form a committee of the Board that oversees sustainability matters in the organisation, including the ESG reporting process. Where a separate committee might not be feasible, the sustainability committee could sit within the strategy committee of the board – but with clear ESG related terms of reference. Some of the key roles and functions of the Sustainability Committee of the Board include:

1. Set and ratify the ESG strategy of the organisation.
2. Approve policies to guide senior management of implementing ESG directives.
3. Ensure a robust process exist for assessment of the organisation's stakeholders and their needs.
4. Assess materiality of ESG topics in the context of the business and its stakeholders.
5. Routinely evaluate ESG metrics and consider these as part of organisational and management performance appraisal.

6. Foster and embed a sustainability culture within the organisation by:
 - i. Setting and approving the annual ESG budget and implementation plan.
 - ii. Demonstrating consideration of ESG factors in strategic decision making, e.g., in market entry, product development and recruitment decisions.
 - iii. Disclosing ESG performance to stakeholders on an annual basis through the ESG reporting process.

The board can consider additional guidance on the composition and functions of a sustainability committee from the Social and Ethics committee requirements for South African Companies. ⁽⁹⁾⁽¹⁰⁾

The Board will also task the CEO to appoint and resource a focal point for sustainability within the organisation, otherwise referred to in this document as the Sustainability Manager. Some Organisations have set up the role/function of a Chief Sustainability Officer/ Sustainability Director.¹¹

What is the role the Chief Executive Officer?

The CEO provides sponsorship for the ESG reporting process, key of which is appointing and resourcing the Sustainability Manager for the organisation. The Sustainability Manager is responsible for tactically leading the ESG reporting process. Ideally, this person is also the Head of Sustainability and is part of the senior management in the organisation.

To ensure ESG integration in the organisation, the CEO should:

1. Routinely engage with internal and external stakeholders to assess needs and address concerns.
2. Assess materiality of ESG topics in the context of the business and its stakeholders.
3. Set policies and directives to guide management of material ESG issues.
4. Design ESG metrics and evaluate these as part of routine organisational performance management.
5. Ensure a capacity building plan is in place to create awareness of current and emerging ESG topics and build competencies in ESG management.
6. Foster and embed a sustainability culture within the organisation by:
 - iv. Appointing and sufficiently resourcing the Sustainability Manager
 - v. Developing and approving an annual ESG implementation plan for the organisation.
 - vi. Demonstrating consideration of ESG factors in strategic decision making, e.g., in market entry, product design and recruitment decisions.
 - vii. Disclosing ESG performance to stakeholders on an annual basis.
7. Chair the management committee on ESG. This committee should be composed of the CEO, the Sustainability Manager, and heads of department from across the organisation.

⁹ The Social and Ethics Committee - Section 72 of the Companies Act, 2008 of South Africa. [Link](#)

¹⁰ The Social and Ethics Committee Handbook – A Guidebook for South African Companies. [Link](#)

¹¹ The Chief sustainability Officer: Organizational strategist and futurist. [Link](#)

What is the role of the Sustainability Manager?

The Sustainability Manager is the focal point and primary contact for the ESG reporting exercise. The Sustainability Manager owns the reporting process, scope and timelines and is responsible for communicating progress to the executive team and to the CEO/project sponsor.

To kickstart the ESG reporting process, the Sustainability Manager should:

1. Recruit ESG champions from across the organisation

ESG reporting is a multidisciplinary undertaking. The Sustainability Manager should work with senior management to identify ESG champions from across the organisation. Ideally, every department should be represented by a person with decision making ability. This person can delegate tactical responsibilities such as data collection to a member of their department. They however retain full accountability for information related to their department.

2. Operationalise the management committee on ESG

The Sustainability manager is responsible for the operations of the management committee on ESG. This committee is chaired by the CEO and its membership is drawn from heads of department from across the organisation. Ideally, this committee should sit quarterly to discuss ESG related objectives, milestones and the ESG reporting process. The roles of the management committee on ESG should include:

- i. Setting the organisational ESG strategy in liaison with the Board and the CEO.
- ii. Ensuring the development of enabling policies and guidelines across the organisation to facilitate implementation of the ESG strategy.
- iii. Assessing how current ESG issues are likely to impact organisational performance, including monitoring ESG metrics and taking appropriate decisions.
- iv. Monitoring and reviewing the impact to the organisation of current trends, regulations, and international standards on ESG.
- v. Engagement with other management committees to discuss cross cutting themes such as human rights and identification of ESG risks and opportunities.
- vi. Making recommendations to the Board on ESG matters, including resourcing, ESG investments, and performance management.
- vii. Acting as a gate point in the ESG reporting process.
The Sustainability Manager will be responsible for coordinating the activities of the management committee on ESG.

3. Gather and familiarise the reporting team with the ESG reporting requirements and resources

The Sustainability Manager should ensure that the reporting team has a clear understanding of the ESG reporting process. The ESG reporting team should obtain and familiarise themselves with the following documents that form the basis of and provide guidance on sustainability reporting:

- i. Organisational strategy document.
- ii. Stakeholder engagement guidelines (can be obtained from communications and investor relations teams).
- iii. The SEC Code.
- iv. The GRI Standards.
- v. ESG Disclosure Guidance Manual for Listed Entities in Ghana (this document).

4. Raise awareness

The Sustainability Manager and project sponsor (CEO) should work towards obtaining sufficient buy-in from the executive team and the Board on the ESG reporting process.

The ESG reporting team is tasked with raising awareness in their own areas of operation on the business and societal case for ESG integration and reporting. They are also responsible for working with the departmental heads to implement any initiatives and recommendations that are generated from the ESG reporting process.

While various forms of ESG reporting could be mandated by policy and regulations, the best approach in seeking buy-in is to develop a quantified business case for ESG integration in the organisation.

5. Develop a project management plan

The Sustainability Manager should develop a project management plan that culminates in a published ESG report. The project management plan should contain:

- i. The business and societal case for ESG integration and reporting.
- ii. The ESG reporting process.
- iii. The ESG reporting team (internal and external).
- iv. The reporting boundary and scope of material issues for reporting.
- v. The standard and framework identified for reporting – in this case, the standard should be the GRI Standards.

- vi. Project timelines – should be same as financial reporting timelines for reporting companies.
- vii. Internal and external stakeholders that will be engaged in the reporting process.
- viii. Communication plan.
- ix. Budget allocation.
- x. Key measures of success.
- xi. Project review – an analysis of outcomes, lessons learnt and planning for the next reporting cycle.

6. Conduct kick-off meetings

The Sustainability Manager should facilitate kick-off meetings with internal and external stakeholders. The objective of the kick-off meeting is to familiarise stakeholders with the project management plan, important milestones in the ESG reporting process and to assign roles and responsibilities. External consultants and other identified external stakeholders e.g., publishing houses can be invited into the kick-off meetings. The Sustainability Manager will also use this opportunity to clarify any issues and set out expectations of all stakeholders involved in the reporting process.

Step 2: Situational analysis and stakeholder engagement

Situational analysis is a process by which an organisation's internal and external environment is analysed in order to evaluate its current and potential capabilities to build stakeholder value. In the ESG reporting context, a situational analysis is performed to achieve the following:

- i. An understanding of the organisation's strategy.
- ii. An understanding of the organisation's internal and external stakeholders and their respective needs or expectations of the organisation.
- iii. An assessment of the value that ESG integration brings (potentially) to the organisation.

The ESG reporting team should work with the organisational strategy team to understand the key strategic priorities of the business. The team should obtain a good enough understanding of the financial ambition, key products and markets and the business & operating model of the listed company.

SDGs progress reporting: As part of the situational analysis, the ESG reporting team can work with senior management and departmental heads to prioritise the most relevant Sustainable Development Goals (SDGs) for the organisation. A key emphasis of the SDGs is creating shared value (value to the business and to society) within the organisation's own core operations. The reporting process illustrated in this manual can be used to report progress on the SDGs within the ESG report. The GRI has developed a practical guide¹² on how to report on the SDGs.

¹² Integrating the SDGs into Corporate Reporting: A Practical Guide. [Link](#)

ESG reports target at a wider set of stakeholders compared to financial reporting. Stakeholder analysis, prioritization and engagement is therefore a critical step in the ESG reporting process to ensure that the ESG report meets the needs of these diverse sets of stakeholders.

Stakeholders refer to an entity or individual that can reasonably be expected to be significantly affected by the reporting Organisation's activities, products and services, or whose actions can reasonably be expected to affect the ability of the Organisation to successfully implement its strategies and achieve its objectives. In addition to investors and regulators, Stakeholders can include those who are invested in the Organisation (such as employees and shareholders), as well as those who have other relationships to the Organisation (such as other workers who are not employees, suppliers, vulnerable groups, local communities, and NGOs or other civil society Organisations, among others).

INTERNAL STAKEHOLDERS	EXTERNAL STAKEHOLDERS	
• Business owners	• Investors	• Community
• The Board	• Lenders	• Civil society
• Employees	• Regulators	• Media
• Joint venture partners	• Suppliers	• Political groups
	• Customers	

Illustration: Sample list of stakeholders.

When assessing stakeholder needs, the organisation can consider the following:

1. Economic influence – This is the ability to influence the ability to perform economic activities through provision of financial capital and through operating permits and licenses. Examples include shareholders, investors, regulators, and joint venture partners.

2. Social influence – This is the ability to influence the ability to acquire a social license to operate. Examples include politicians, local NGOs, and community groups.

3. Environmental impact – This refers to identifying stakeholders that rely on or are interested in the same natural resources exploited by the organisation and the organisation's environmental impacts.

4. Fiduciary responsibility – This refers to legal, financial, and operational responsibilities the organisation has to stakeholders such as financiers, regulators, suppliers, and customers.

5. Proximity – These are stakeholders directly affected by the day to day running of the organisation. They include employees, customers, suppliers, and local communities.

6. Dependence – These are stakeholders that rely on the organisation for their economic and social wellbeing. They include employees & suppliers along with their dependents and local communities.

Note: Stakeholders have different kinds and levels of needs. The ESG team should prioritise these stakeholders according to their level of influence and expectations from the organisation. An example of a stakeholder prioritization map is shown below.

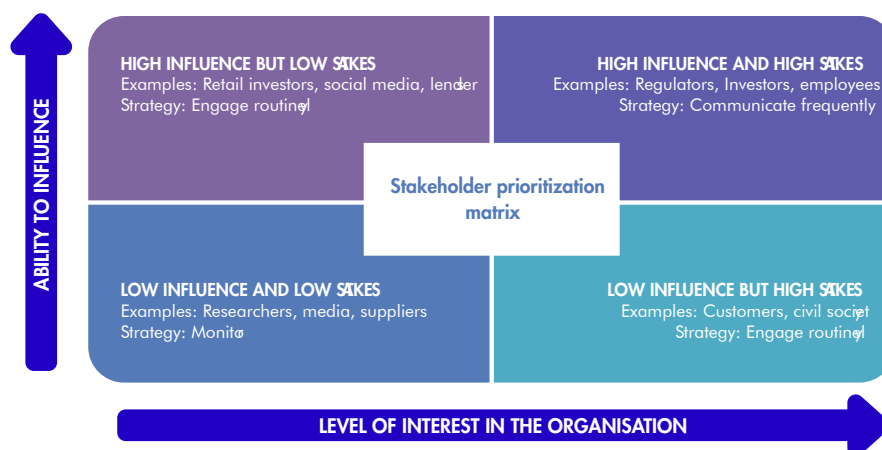


Illustration: Stakeholder prioritization matrix

Examples of stakeholder engagement strategies are provided in Annex 4.

The table below provides examples of different needs from different stakeholders that could be prioritised by listed companies and the various channels used to communicate with them.

STAKEHOLDER	KEY EXPECTATION	COMMUNICATION CHANNEL	FREQUENCY
<ul style="list-style-type: none"> Institutional investors 	<ul style="list-style-type: none"> Financial performance Financial stewardship Responsible investment Human rights 	<ul style="list-style-type: none"> Investor reports Annual reports Sustainability report 	<ul style="list-style-type: none"> Quarterly Annually
<ul style="list-style-type: none"> ESG Investors 	<ul style="list-style-type: none"> Financial performance Financial stewardship Fiduciary responsibility Responsible investment Environmental and social risk management Human rights 	<ul style="list-style-type: none"> Investor reports Annual reports Sustainability report Environmental and social monitoring reports 	<ul style="list-style-type: none"> Quarterly Annually
<ul style="list-style-type: none"> Impact Investors 	<ul style="list-style-type: none"> Financial stewardship Corporate social responsibility Social return on investment Human rights 	<ul style="list-style-type: none"> Annual reports Sustainability report Impact assessment reports 	<ul style="list-style-type: none"> Quarterly Annually
<ul style="list-style-type: none"> Retail Investors 	<ul style="list-style-type: none"> Financial performance Business continuity Human rights 	<ul style="list-style-type: none"> Quarterly returns Websites Sustainability report 	<ul style="list-style-type: none"> Quarterly Annually

STAKEHOLDER	KEY EXPECTATION	COMMUNICATION CHANNEL	FREQUENCY
<ul style="list-style-type: none"> • Lenders 	<ul style="list-style-type: none"> • Business continuity • Regulatory compliance • Response application of credit products • Human rights 	<ul style="list-style-type: none"> • Financial statements • Environmental and social monitoring reports • Sustainability report 	<ul style="list-style-type: none"> • Continuously
<ul style="list-style-type: none"> • Regulators *List relevant regulators as separate stakeholders 	<ul style="list-style-type: none"> • Regulatory compliance • Business continuity • Economic contribution • Human rights 	<ul style="list-style-type: none"> • Regulatory filings • Sustainability report 	<ul style="list-style-type: none"> • Continuously
<ul style="list-style-type: none"> • Customers* 	<ul style="list-style-type: none"> • Ethical business • Business continuity • Long term partnerships • Fair value for goods & services 	<ul style="list-style-type: none"> • Websites • Sustainability report • Supplier evaluations • Sustainability report 	<ul style="list-style-type: none"> • Continuously
<ul style="list-style-type: none"> • Customers 	<ul style="list-style-type: none"> • Value for money • Consumer protection • Data privacy • Responsible investment • Sustainable development • Human rights 	<ul style="list-style-type: none"> • Call centres • Social media • Websites • Sustainability report • Surveys • Branch network 	<ul style="list-style-type: none"> • Continuously
<ul style="list-style-type: none"> • Community 	<ul style="list-style-type: none"> • Economic empowerment • Business continuity • Local employment • Environmental protection • Access to natural resources • Human rights 	<ul style="list-style-type: none"> • Focus group meetings • Sustainability report • Websites 	<ul style="list-style-type: none"> • Scheduled • Annually
<ul style="list-style-type: none"> • Civil society 	<ul style="list-style-type: none"> • Equity and fairness • Diversity • Sustainable development • Environmental protection • Human rights 	<ul style="list-style-type: none"> • Focus group meetings • Sustainability report 	<ul style="list-style-type: none"> • Scheduled • Annually
<ul style="list-style-type: none"> • Media *Includes social media 	<ul style="list-style-type: none"> • Engagement • Responsible business • Recognition • Accountability • Human rights 	<ul style="list-style-type: none"> • Media briefings • Social media • Websites • Sustainability report 	<ul style="list-style-type: none"> • Continuously
<ul style="list-style-type: none"> • Political groups, including local governments 	<ul style="list-style-type: none"> • Local economy • Local employment • Environmental protection • Human rights 	<ul style="list-style-type: none"> • Focus group meetings • Memorandum of understandings • Sustainability report 	<ul style="list-style-type: none"> • Scheduled
<ul style="list-style-type: none"> • The board 	<ul style="list-style-type: none"> • Financial stewardship • Fiduciary responsibility • Responsible investment 	<ul style="list-style-type: none"> • Quarterly returns • Annual report • Sustainability report 	<ul style="list-style-type: none"> • Quarterly • Annually
<ul style="list-style-type: none"> • Employees 	<ul style="list-style-type: none"> • Engagement • Career progression • Fair remuneration • Ethical conduct • Business continuity • Human rights 	<ul style="list-style-type: none"> • Quarterly returns • Annual report • Sustainability report 	<ul style="list-style-type: none"> • Continuously
<ul style="list-style-type: none"> • Joint venture partners 	<ul style="list-style-type: none"> • Financial stewardship • Fiduciary responsibility • Responsible investment 	<ul style="list-style-type: none"> • Annual report • Sustainability report 	<ul style="list-style-type: none"> • Scheduled
<ul style="list-style-type: none"> • Trade associations Examples: Ghana Bankers Association, Ghana Association of Manufacturers etc. 	<ul style="list-style-type: none"> • Socio-economic contributions • Sector sustainability 	<ul style="list-style-type: none"> • Annual report • Sustainability report 	<ul style="list-style-type: none"> • Annual

Illustration: Typical stakeholder groups for listed companies in Ghana

Step 3: Materiality analysis

ESG reporting should be on a materiality basis. In ESG reporting, materiality is the principle that determines which relevant topics are sufficiently important that it is essential to report on them. Not all ESG topics are of equal importance to an organisation, and the emphasis within a report is expected to reflect their relative priority. Materiality is defined within the reporting boundary.

Listed companies should have **a structured, documented process** on assessment of materiality for ESG disclosure topics. A materiality assessment exercise should be conducted at a minimum on an annual basis, and as part of every new ESG reporting exercise. The organisation's approach to materiality assessment should be disclosed within the ESG report.

In financial reporting, materiality is defined as a threshold for influencing the economic decisions of those using an Organisation's financial statements. A similar concept is also important in ESG reporting. According to the GRI Standards 2016, the ESG report should cover topics that:

- i. reflect the reporting Organisation's significant economic, environmental, and social impacts; or
- ii. substantively influence the assessments and decisions of stakeholders.

Note: A topic can be relevant – and so potentially material – based on only one of these dimensions.

A materiality assessment grid can be used as a structured guide in prioritizing ESG topics to report on. By applying an internally developed rating criteria, organisations can plot ESG topics on a grid or heat map indicating the assessed level of importance considering both dimensions of materiality.

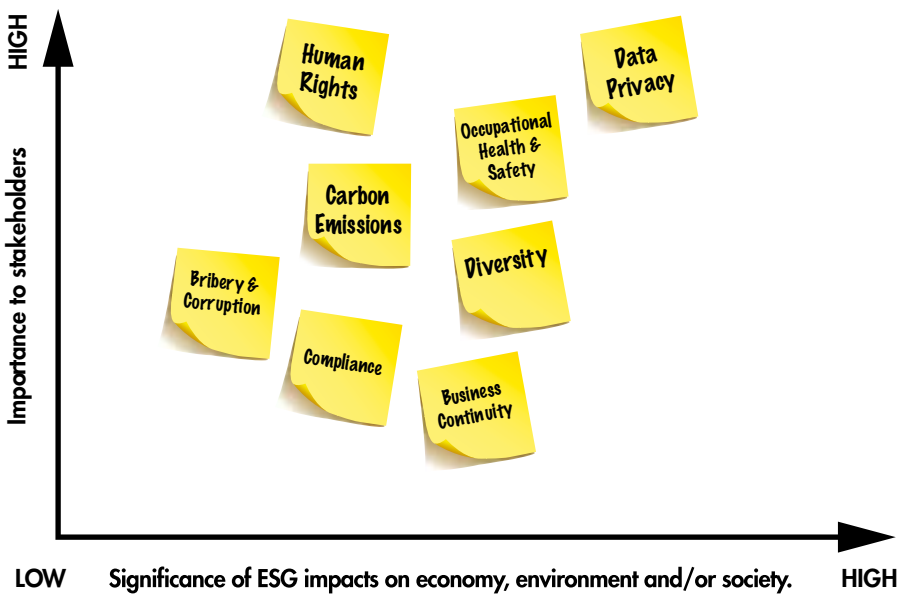


Illustration: Materiality assessment grid

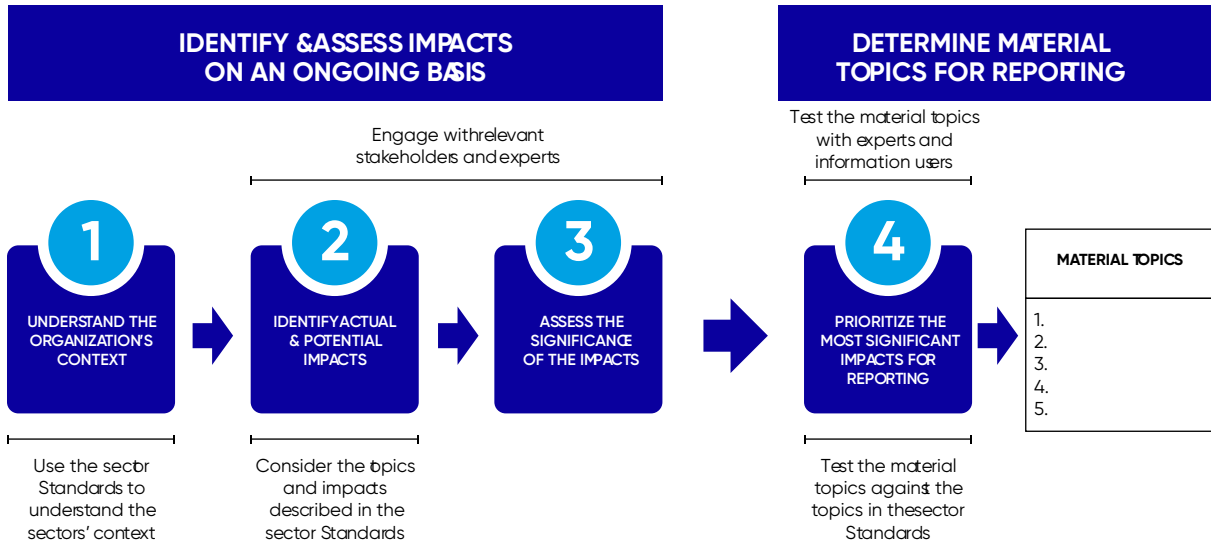


Illustration: Steps for identifying material topics. Reproduced from GRI Standards 2021.

I. GRI guidance on identifying material topics

GRI has produced detailed guidance that listed companies can refer to when identifying material topics. The process is depicted in the illustration below. This has been reproduced from GRI 3: Material Topics 2021.¹³

The approach applied for each step will vary according to the specific circumstances of the Organisation, such as its business model; sector; geographic, cultural, and legal operating context; ownership structure; and the nature of its impacts. Given these specific circumstances, the steps should be systematic, documented, replicable, and used consistently in each reporting period. The Organisation should document any changes in its approach together with the rationale for those changes and their implications.

The Organisation’s highest governance body should oversee the process and review and approve the material topics.

Detailed guidance on the GRI materiality assessment process can be obtained in the GRI Standards 2021.

A sample materiality assessment scoring model has been provided for reference in Annex 3.

II. Additional guidance on materiality analysis

The SDGs can also help in the identification of material topics and or impact. By aligning organisational objectives with the SDGs, organisations can identify significant impact areas that affect their contribution to the SDGs.

Recent discussions around assessment of materiality in ESG reporting has introduced the concept of double materiality. As proposed by the European Commission (European Commission, 2019) in Guidelines on Non-financial Reporting, double-materiality refers to assessing materiality from two perspectives:

¹³ GRI 3: Material Topics 2021. Link

- i. The extent necessary for an understanding of the company’s development, performance and by position” and “in the broad sense of affecting the value of the company”; and
- ii. Environmental and social impact of the company’s activities on a broad range of stakeholders.

The concept also implies the need to assess the interconnectivity of the two.

GRI has commissioned a white paper that investigates how double-materiality is implemented in ESG reporting, and the benefits and challenges of doing so. ¹⁴ Key findings in the paper include:

- i. The identification of financially materiality issues is incomplete if companies do not first assess their impacts on sustainable development.
- ii. Reporting material sustainable development issues can enhance financial performance, improve stakeholder engagement, and enable more robust disclosure.
- iii. Focusing on the impacts of Organisations on people and planet, rather than financial materiality, increases engagement with the Sustainable Development Goals.

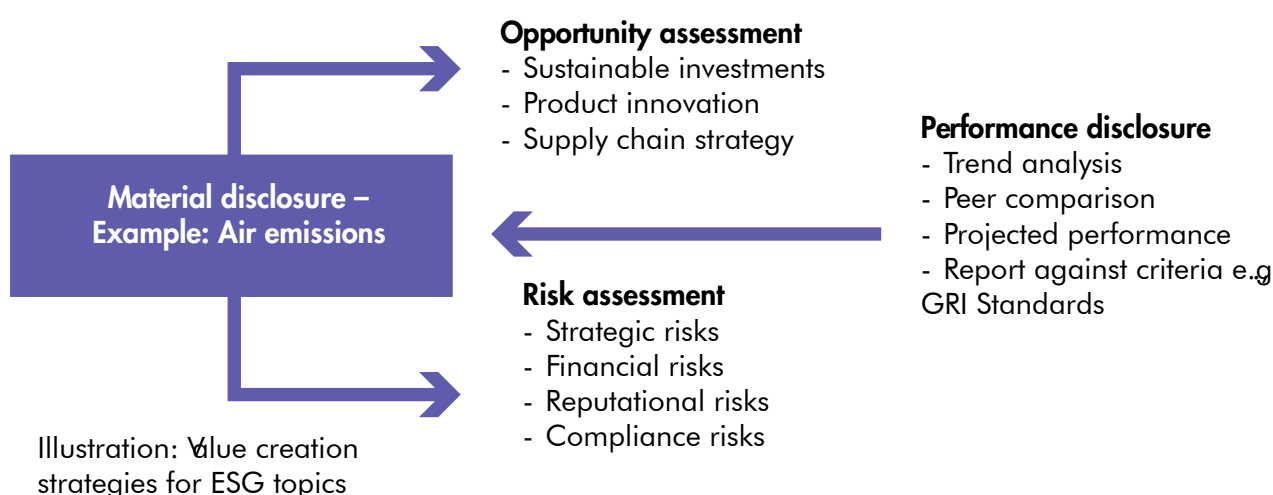
Listed companies are therefore encouraged to assess impact of ESG issues to their organisations (such as climate change and human rights) in addition to their organisations own ESG impacts to society (such as material resource use and emissions) when determining material ESG impacts for disclosure.

Step 4: Value creation

Value creation refers to creating (and preserving) financial and societal value for stakeholders by developing strategies that manage material ESG risks and capture related opportunities. From a GRI perspective, three aspects are important to value creation:

- i. Value is created within the context of sustainability.
- ii. Value creations delivers benefits beyond financial gain.
- iii. Value creation is about delivering value to multiple stakeholders.

Material ESG topics invariably present significant business risks and opportunities for organisations and their stakeholders. Organisations should therefore develop value creation strategies around these material topics to ensure that risks are identified, assessed, and managed - and opportunities captured.



¹⁴ The double-materiality concept. Application and issues. Link

I. Opportunity assessment

Organisations should identify impacts on future strategy, i.e., impacts on future revenues, cash flows and operating costs by emerging trends in ESG, and implement scenario-based solutions that capture new opportunities for stakeholders. The ESG reporting team can work with the corporate strategy unit within the Organisation to perform the Organisational SWOT in the context of current and emerging ESG issues. Opportunities to create shared value for the organisation based on the SDGs can also be performed at this stage.

For example, to capture climate related opportunities, organisations can raise capital to finance “green projects” through issuance of green bonds that target an increasing number of ESG focused investors. Organisations can also implement energy efficiency programs and invest in renewable energy to cut future energy costs and ensure compliance with emerging climate related regulations. Such an approach also helps the organisation demonstrate contribution to the SDGs, in this case SDG 13 on Climate Action.

Note: Organisations can justify ESG related investments by setting an internal price of ESG impacts, e.g., setting an internal price for carbon emissions, water abstraction or use of natural resources that the organisation extracts freely from the environment. This approach facilitates quantitative cost analysis, e.g., through discounted cash flow analysis and subsequent justification of investments that mitigate the organisation’s impacts in these areas.

II. Risk assessment

Global studies have shown environmental and social related risks to be the most significant risks that business leaders are concerned about. ¹⁵ Business leaders globally acknowledge the impact that ESG related risks are likely to have on their strategies and business models.

Most GSE listed companies have implemented an enterprise risk management framework. As a starting point, ESG risks can be identified, analyzed, and managed as part of this wider enterprise risk management process. Listed companies should however seek expert ESG subject matter advise on how to mitigate significant ESG risks. The organisation should continuously evaluate the strategic, financial, operational and compliance risks that the organisation is exposed to relative to its ESG risk profile. Increasing emphasis on climate change mitigation by regulators and investors exposes organisations to non-compliance risks and possible divestment by investors. Human rights issues in the supply chain, whether real or perceived expose organisations to significant reputational risks. The Board should be appraised on a regular basis on how the organisation is managing these risks.

III. Performance disclosure

Performance disclosure on ESG performance demonstrates transparency to stakeholders and a commitment to responsible investment by the Board and Senior management of the reporting Organisation. Listed companies should document a process for collecting, analyzing, and reporting ESG performance data to stakeholders. ESG disclosure/sustainability reports assess prior period (usually financial year) performance of identified material ESG topics within the reporting boundary against set criteria. This manual provides guidance to listed companies on how to report on a variety of typical material ESG topics in various sectors while applying the GRI Standards.

¹⁵ World Economic Forum, Global Risks Report, 2021. Link

What gets measured get managed. Organisations that set ESG metrics and implement a system of collecting, analyzing, and reporting ESG performance see improvements in their ESG performance over time. Content development on performance of material ESG topics is discussed in the sections below on content development.

Step 5: Content development

After identifying material ESG topics within its reporting boundary, the listed company embarks on content development for the ESG report by collecting quantitative and qualitative information to describe prior period (usually past financial year) ESG performance.

Content development consists of the following steps:



1. Adopt reporting standard – The GRI Standards have been recommended as the standard for ESG reporting by listed companies in Ghana. The GRI Standards are the most widely used standards for ESG reporting globally.

2. Apply reporting principles – All ESG performance data should be checked against the reporting principles discussed in Chapter 4 of this manual.

3. Prepare a list identified material topics to report on – These are composed of the issues identified from the materiality assessment and the mandatory disclosures (proposed) for listed companies.

4. Check internal and external systems – the ESG reporting team should identify and validate sources of internal and external ESG performance data.

5. Gather and report information – All quantitative and qualitative information should be sourced from verifiable sources with checks and balances to ensure accuracy and completeness. Internally sourced information should be signed off by respective heads of department before it is processed for ESG reporting. Information obtained from external sources should be clearly referenced and linked back to the source.

Note: For an entity to claim that their ESG report has been prepared in accordance with the GRI Standards, the ESG report must comply with the Reporting Principles and the reporting criteria outlined in the Annex 5.

The content development steps are described in detail in the sections below:

I. Adopt reporting standard

The GRI Standards have been recommended as the framework for ESG reporting for listed companies in Ghana. The GRI standards are the most comprehensive and widely used standards for ESG and sustainability reporting globally and have been the standard of choice for listed companies in Ghana that already publish sustainability reports.

The GRI Standards create a common language for Organisations to report on their sustainability impacts in a consistent and credible way. This enhances comparability and enables transparency and accountability by listed companies.

II. Apply reporting principles

GRI has developed Reporting Principles for ensuring quality of the reporting process and information. These are discussed in Chapter 4. Listed companies should use these as their point of reference when gathering information for reporting as well as when writing the report. Listed companies should apply the tests under each principle to each ESG disclosure topic and overall report content. A data collection template that can help listed companies apply these principles is provided in Annex 2.

Note: Where the GRI standards are adopted as suitable reporting criteria, external assurance methodologies place an emphasis on application of the reporting principles in the disclosed ESG information. It is therefore important that the listed company can demonstrate application of these principles before seeking assurance services on any ESG subject matter.

III. Prepare list of disclosures

The list of ESG topics for disclosure will at minimum consist of the proposed mandatory ESG disclosures. Additional topics for disclosure can be identified through the materiality assessment exercise.

Mandatory ESG Disclosures

To promote compliance with existing policies and achieve comparability of ESG reports prepared by listed companies in Ghana, listed companies will report on the following ESG topics:

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Corporate governance • Corporate strategy • Environmental and social risk management • Stakeholder engagement • Regulatory compliance • Data privacy 	<ul style="list-style-type: none"> • Economic performance • Taxes • Anti-corruption 	<ul style="list-style-type: none"> • Human rights • Labour and working conditions • Occupational health and safety • Training and education • Diversity and equal opportunity 	<ul style="list-style-type: none"> • Environmental oversight • Environmental compliance • Emissions (Carbon footprint)

In reporting against the mandatory ESG disclosures, listed companies should refer to the following resources that define these proposed mandatory disclosures in the Ghanaian context:

- i. Securities and Exchange Commission - The Corporate Governance Code for Listed Companies, 2020.
- ii. The Global Reporting Initiative (GRI) Standards for Sustainability Reporting.
- iii. IFC Performance Standards on Environmental and Social Sustainability.
- iv. UN Guiding Principles on Business and Human Rights.
- v. World Federation of Exchanges ESG Metrics.
- vi. The Environmental Protection Act (Ghana).
- vii. Consumer Protection Act (Ghana).
- viii. Data Protection Act (Ghana).
- ix. The Sustainable Development Goals.

Listed companies are also encouraged to report on the following (optional) ESG topics that are gaining in prominence with diverse sets of stakeholders in the Ghanaian capital markets:

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Supply chain screening • Risk management and internal controls • Ethics and integrity • Shared value -Sustainable Development Goals 	<ul style="list-style-type: none"> • Indirect economic impacts • Market presence • Local content 	<ul style="list-style-type: none"> • Consumer protection • Pay ratios (CEO, Gender) 	<ul style="list-style-type: none"> • Water and effluents management • Waste management • Energy consumption (Usage, intensity, and mix) • Climate risk mitigation

Note 1: The mandatory ESG disclosures above represent the ESG topics that must be disclosed by listed companies in Ghana. This should however not restrict a listed company's initiative in reporting on additional ESG topics. A materiality assessment process has been provided to guide identification of additional ESG topics for disclosure.

Note 2: As part of the situational analysis process, the regulations that a listed companies are subject to are identified and their requirements analysed. Where some of the proposed mandatory disclosures have not been explicitly defined by local regulations, e.g., diversity and training & education, the listed companies can use the materiality assessment approach to identify and prioritise the various sub-components of these proposed mandatory disclosures for reporting. These components are provided within the GRI Standards for reference.

Sector Specific ESG Disclosures

Different sectors will have different types and levels of ESG impacts, positive and negative, to the economy, environment and to society. Examples of the most commonly reported ESG topics for GSE listed companies, by sector, are provided in the Annex 6.

The guidance on materiality assessment provided in this document should be used to facilitate identification of these unique but material sector specific ESG issues.

Listed companies are also encouraged to report progress made and contribution towards to the Sustainable Development Goals (SDGs). The identified material ESG disclosures can be linked with the specific targets for the prioritised SDGs and progress reported using the approach presented in this manual.

IV. Check internal and external data systems

Once the list of ESG disclosure topics and reporting standard (the GRI Standards) have been selected, the organisation is now ready to collect performance data on the ESG topics.

Information on ESG performance data should be reliable, accurate and complete for the disclosure being reported on.

Internal data systems generate internal ESG performance data such as employee demographic data, water consumption and energy consumption. To ensure accuracy and completeness of data sourced from internal systems, such systems should ideally be composed of:

- i. Standardised operating procedures that outline how data is generated, collected, and processed.
- ii. Trained personnel responsible to collecting and recording the performance data.
- iii. Auditable management systems that are subject to annual quality assurance reviews.

Information can also be sourced from external sources. The sources will be informed by the reporting boundary and the choice of material ESG topics. Examples of information sourced externally include industry statistics, general population data and economic performance data. Before external data is used for reporting, the organisation must ensure the following:

- i. An internal system exists to check that such information is reliable, accurate and complete.
- ii. The external data enables comparability between listed companies.
- iii. The external data is available and relevant within the ESG reporting period.

V. Gather and report information

Qualitative and quantitative information is sourced from internal and external sources to describe organisational ESG performance. Listed companies should describe the management approach for each material topic along with the specific disclosures. Management approach is discussed in detail

under GRI 103.¹⁶ The ESG reporting team should ensure the following when collecting, monitoring, and reporting ESG information:

- i. Determine a schedule of when information on each ESG disclosure is received and is available for measurement and validation. Some data might be available on a weekly or a monthly basis. Externally sourced data could only be available annually.
- ii. Allocate responsibilities within the reporting team on who collects and monitors different kinds of ESG data. For example, a team could be tasked with collection and monitoring of environmental and energy performance data, while another could be tasked with collection of relevant external data such as industry statistics.
- iii. Ensure that information collected from various units or departments within the organisation is signed off by the respective heads of department.
- iv. All information should be clearly referenced and stored in a central location. The Sustainability Manager should ensure that all information used in the ESG report can be reconciled with source data.
- v. Prepare the detailed management approach for each material ESG topic reported along with the specific disclosures.
- vi. Ensure there is a consistent, systematic method of communicating progress on ESG performance internally (e.g., to the Board and CEO) and externally through a published ESG report. Publishing the ESG report is discussed in Chapter 8.

To help consolidate and report on the identified material topics in a balanced and using a principle-based approach, listed companies should refer to the GRI Standards introduced earlier in this document. The GRI Standards provide a comprehensive set of standards for reporting publicly on a wide set ESG disclosures – including those proposed as mandatory disclosures for listed companies.

VI. Examples of content on mandatory ESG topics

The reports published by the organisations listed below contain practical examples on how your own organisation can report on a variety of ESG topics while applying the GRI Standards.

¹⁶ GRI 103: Management Approach. Link

Domain	Example report	Web reference
General Disclosures	<p>Kenya Commercial Bank General disclosures: Governance Disclosures 102-19 to 102-39 (Governance).</p> <p>ADAPT IT General disclosures: Stakeholder engagement • Disclosures 102-40 to 102-44 (Stakeholder engagement).</p>	<p>https://kcgroupp.com/wp-content/uploads/2021/05/KCB-SUSTAINABILITY-REPORT-2020.pdf</p> <p>https://www.adaptit.com/sustainability</p>
Economic impacts	<p>Safaricom PLC Economic disclosures: Economic Impacts • Disclosure 201: Management Approach: Economic Performance • Disclosure 201-1: Direct economic value generated and distributed • Disclosure 201-2: Financial implications and other risks and opportunities due to climate change • Disclosure 201-3: Defined benefit plan obligations and other retirement plans</p> <p>Absa Group Limited Economic disclosures: Anti-corruption • Disclosures 205-01 to 205-03 (Anti-corruption)</p>	<p>https://www.safaricomco.ke/sustainabilityreport_2020/our-business/</p> <p>https://www.absa.africa/content/dam/africa/absafrica/pdf/reports/2019/annual/absa-group-2019-environmental-social-and-governance-report.pdf</p>
Social impacts	<p>Diageo Social disclosures: Occupational Health and Safety • Disclosures 403-01 to 403-10 (Occupational Health and Safety)</p> <p>Merck Group Social disclosures: Human Rights • Disclosures 412-01 to 412-03 (Human Rights Assessment)</p>	<p>https://www.diageo.com/en/investors/financial-results-and-presentations/sustainability-responsibility-performance-addendum-2020/</p> <p>https://www.merckgroup.com/en/sustainability-report/2020/servicespages/downloads/files/entire-merck-sr20.pdf</p>
Environmental impacts	<p>Lafarge Holcim Environmental disclosures: Emissions • Disclosure 305-1 Direct (Scope 1) GHG emissions • Disclosure 305-2 Energy indirect (Scope 2) GHG emissions • Disclosure 305-3 Other indirect (Scope 3) GHG emissions</p> <p>AngloGold Ashanti Environmental disclosures: Water • Disclosure 303-1 Total water withdrawal from surface water in megalitres</p>	<p>https://www.lafargeholcim.com/sustainability-reports</p> <p>https://www.aga-reports.com/20/sr/</p>

Step 6: Assurance and internal controls

To enhance credibility of reported information, organisations can seek external assurance on information reported on material ESG topics. The use of external assurance for sustainability reports is advised in addition to any internal resources, but it is not required to make a claim that a report has been prepared in accordance with the GRI Standards.

Note: The Verifiability Principle in GRI Sustainability reporting requires that the Organisation shall gather, record, compile, and analyse information in such a way that the information can be examined to establish its quality. (See Chapter 4 on ESG Reporting Principles)

I. External assurance

There is a growing trend towards seeking assurance on publicly disclosed ESG information. This further enhances credibility of the information – which is important for decision making by investors and other stakeholders.

External assurance is a process where a third-party service provider evaluates a subject matter, e.g., air emissions data contained in the ESG report against suitable criteria. Suitable criteria are usually publicly available standards such as the GRI standards or a publicly disclosed Organisational policy document, e.g., an environmental and social management policy published on the company’s website.

The GRI Standards use the term ‘external assurance’ to refer to activities designed to result in published conclusions on the quality of the report and the information (whether it be qualitative or quantitative) contained within it. External assurance can also refer to activities designed to result in published conclusions about systems or processes (such as the process for defining report content, including the application of the Materiality principle or the stakeholder engagement process). This is different from activities designed to assess or validate the quality or level of performance of an Organisation, such as issuing performance certifications or compliance assessments.

Like standards on assurance of financial information, several standards exist for assurance over non-financial information. The International Standards on Assurance Engagements (ISAE) 3000 is the most used standard for assurance of ESG related information.¹⁷ Other leading assurance standards include the AccountAbility AA1000 Assurance Standard.¹⁸

Prior to seeking external assurance services, organisations should conduct an assurance readiness self-assessment. The self-assessment process is briefly outlined below:

- i. Ensure the process for report boundary setting and materiality assessment is documented. Results of the stakeholder engagement and materiality assessment (ideally performed annually) should be signed off by the CEO and the Board.
- ii. Identify and have a clear view of the subject matter e.g., health and safety incident rate, carbon footprint or diversity indicators selected for assurance.
- iii. Ensure information relating to each subject matter is clearly referenced (using internal document management protocols) and can be traced back to source data e.g., signed log sheets and utility invoices.
- iv. Review performance of the subject matter within the reporting boundary. Ensure all relevant quantitative and qualitative performance data is collected, analysed, and filed in a centralized location.
- v. Assess the robustness of internal controls that ensure completeness, accuracy and reliability of information presented on the subject matter. Internal controls refer to the people, processes and systems relied upon to generate information on subject matter performance.
- vi. Check and test the information presented on ESG subject matter performance against the Reporting Principles. These are discussed in Chapter 4 of this document.

¹⁷ International Standard on Assurance Engagements (ISAE) 3000 Revised - Assurance Engagements other than Audits or Reviews of Historical Financial Information. [Link](#)

¹⁸ The AA1000 Assurance Standard (AA1000AS v3). [Link](#)

- vii. Implement corrective action on gaps identified during the assurance self-assessment exercise. Listed companies should ensure that they “pass” this self-assessment before procuring external assurance services. External assurance can be obtained as an extension of the financial statement audit services or by bringing on board specialized assurance providers that focus on non-financial (environmental and social) performance indicators.

Benefits of external assurance

Some of the benefits of seeking external assurance services on ESG disclosures include:

- i. Enhances credibility, reliability, and accuracy of ESG information disclosed in the ESG report.
- ii. Facilitates compliance with current and emerging ESG related regulations.
- iii. Strengthens internal awareness of material ESG topics and strengthening of internal controls around ESG performance management.
- iv. Demonstrates commitment to responsible investment practices.
- v. Positively influences the Organisation’s credit, risk, regulatory and sustainability rankings.

II. Internal controls and management systems

In addition to external assurance, an Organisation can have systems of internal controls in place to enhance credibility of reported information. Management can further improve quality of reported information by implementing management systems that capture and report ESG performance data.

Internal controls

As discussed in this document, material ESG topics can pose significant threats while also presenting opportunities to the listed company and its stakeholders. Organisations will therefore design internal controls to manage these risks within their appetite and tolerance levels and capture opportunities for stakeholders.

The organisation should ensure that the internal audit team is empowered to review performance of controls over these ESG issues and periodically report to senior management and the Board on their performance. Examples of internal controls and internal audit scope for various ESG topics could include the following:

Internal control	Control description	Internal audit scope
Personnel	The organisation has recruited competent personnel that oversee the environmental, health and safety management of the organisation.	<ul style="list-style-type: none"> • Review recruitment process. • Review training, learning and development processes. • Review staff capacity and adequacy to manage ESG risks.
Processes	The organisation has developed policies and procedures around: <ul style="list-style-type: none"> • Corporate governance • Human resource management • Outsourcing operations • Effluent and solid waste management 	<ul style="list-style-type: none"> • Perform diagnostic reviews against leading best practice. • Review adequacy to manage inherent ESG risks. • Assess regulatory compliance. • Assess operational compliance levels across the organisation.
Management systems	The organisation has implemented the following management systems: <ul style="list-style-type: none"> • ISO 14001 • Energy management system 	<ul style="list-style-type: none"> • Review quality assurance procedures. • Review General Information Technology Controls embedded in management systems.

Illustration: Internal audit scope for various ESG topics

Management systems

Some high impact E&S organisations (such as those in the energy, manufacturing, construction, and agricultural sectors) will have implemented management systems such as energy management systems and environmental management systems such as ISO 140001. These management systems are subject to annual quality assurance audits. The quality assurance protocols applied ensure accuracy, completeness, and reliability of information sourced from these systems.

Organisations that have implemented environmental and social management systems accrue the following benefits:

- i. Management systems helps optimize process performance.
- ii. They demonstrate management's commitment to sound environmental and social management to internal and external stakeholders.
- iii. They significantly reduce time and costs incurred in external assurance and performing internal audit reviews.

Note: Management systems refer to people, processes and automated tools designed and working together to create efficiencies in operations and ensure predictability in process performance. A management system is most effective when these three components work together in tandem.

5.3 Responsibility assignment matrix for the ESG reporting process

Listed companies can adopt and refine the responsibility assignment matrix below for the ESG reporting process.

Reporting Step	Responsible	Accountable	Consulted	Informed
Step 1: Governance	• The Board	• The Board	<ul style="list-style-type: none"> • Sustainability Manager • Chief Sustainability Officer • The CEO • ESG management committee 	• Regulators
Step 2: Situational analysis	• Sustainability Manager	• Project sponsor	<ul style="list-style-type: none"> • The Board • The CEO • Chief Sustainability Officer • ESG management committee • Head of strategy • Head of communications • Departmental teams 	• The Board
Step 3: Materiality assessment	• Sustainability Manager	• Project sponsor	<ul style="list-style-type: none"> • The Board • The CEO • Chief Sustainability Officer • ESG management committee • Company secretary • Departmental heads • Sustainability Manager • ESG Reporting team • Head of Enterprise Risk 	<ul style="list-style-type: none"> • Regulators • The Board • Investors • Customers • Employees • Suppliers
Step 4: Value creation strategies	• Sustainability Manager	• Project sponsor	<ul style="list-style-type: none"> • The CEO • ESG management committee • Chief Sustainability Officer • Departmental heads • Head of Enterprise Risk • Investors • Customers • Employees • Suppliers 	<ul style="list-style-type: none"> • Regulators • The Board
Step 5: Content development	• Sustainability Manager	• Project sponsor	<ul style="list-style-type: none"> • Reporting standards • Corporate communications • Investor relations • ESG management committee • Departmental heads 	<ul style="list-style-type: none"> • Regulators • Media
Step 6: Assurance	<ul style="list-style-type: none"> • Internal audit • External assurance providers 	<ul style="list-style-type: none"> • The Board • Project sponsor 	<ul style="list-style-type: none"> • Chief Sustainability Officer • Sustainability Manager • The CEO • ESG management committee • Departmental heads 	• Regulators

Illustration: Sample responsibility assignment matrix for ESG reporting



INTEGRATING ESG REPORTING WITH THE SUSTAINABLE DEVELOPMENT GOALS

(Reporting on Sustainable Development Goals)

6.0 INTEGRATING ESG REPORTING WITH THE SUSTAINABLE DEVELOPMENT GOALS (Reporting on Sustainable Development Goals)

Through the ESG reporting process, listed companies can also demonstrate their contribution to the Sustainable Development Goals (SDGs) by aligning their material ESG topics with the targets contained in SDGs. GRI has published a detailed guide on integrating the SDGs into corporate reporting.¹⁹

The guide below shows how this manual can be applied in SDG reporting.

Step 1: Define priority SDG targets	
<p>Key steps:</p> <ul style="list-style-type: none"> • Understand the SDGs and their targets. • Conduct principled prioritization of SDG targets. • Define your SDG-related report content. 	<p>How this manual can help:</p> <ul style="list-style-type: none"> • As part of the situational analysis process, the ESG reporting team identifies and prioritises the relevant SDGs along with their respective targets for the organisation. • Content creation phase demonstrates how ESG data such as the SDGs can be collected in a structured way.
Step 2: Measure and analyse	
<p>Key steps:</p> <ul style="list-style-type: none"> • Understand the SDGs and their targets. • Conduct principled prioritization of SDG targets. • Define your SDG-related report content. 	<p>How this manual can help:</p> <ul style="list-style-type: none"> • Appropriate disclosures can be identified through the materiality assessment process and linking back the ESG topics with the targets contained in the SDGs. • Collection and analysis of data follows the same data collection process outlined in this manual for ESG performance data.
Step 3: Report, Integrate and implement change	
<p>Key steps:</p> <ul style="list-style-type: none"> • Consider general features of good practice when reporting on the SDGs. • Consider data users' information needs. • Report and implement change. 	<p>How this manual can help:</p> <ul style="list-style-type: none"> • The Reporting Principles can be used as a guide on good practice SDG reporting. • The stakeholder assessment process helps identify the unique needs of different stakeholders, including how the different SDGs apply to them. • The GRI standards can be used to report performance and progress on the SDGs. • Progress reporting helps measure progress against peers and implement targeted measures to improve performance.

Illustration: Reporting on the SDGs within the ESG report

Note: By using this reporting approach, progress on the SDGs is reported within the ESG report rather than as a separate report.

¹⁹ GRI Guide to Integrating SDGs into Sustainability Reporting. Link



PUBLISHING YOUR ESG REPORT

7.0 PUBLISHING YOUR ESG REPORT

A sample outline for an ESG report is provided in Annex 1. To facilitate a consistent approach to reporting, the GRI provides a content index template that organisations can use to organise information for the ESG report. The GRI content index is included as part of the published ESG report. It is commonly referred to by users of the ESG report as a guide or index on where to locate relevant ESG information. The ESG reporting process is strategic, generally high stakes investment by the reporting organisation. It is therefore important that the listed company gets the final deliverable right, i.e., the published ESG report on time and on budget.

Organisations can use their internal communications and branding teams to generate the final published copies of the report based on reporting content prepared by the ESG reporting team or outsource this process. The report generation process typically follows the following steps:

- i. **Content creation** – This is done by the ESG reporting team as part of the ESG report development process. Content creation is done right if the ESG report content is aligned with the GRI Reporting Principles discussed in Chapter 4 of this manual.
- ii. **Writing the report** – This can be done by the ESG reporting team or specialised strategic communications firms. These are usually firms with expertise in piecing together diverse sets of information into a publication document that effectively communicates a particular selected theme.
- iii. **Copy, editing and typesetting** – This usually checks for grammar and text consistency and ensures that the report style is consistent with the reporting style of the organisation.
- iv. **Imagery and graphic design** – Graphic design helps to visually illustrate the ESG report and highlight important areas of information to different users. The organisation will typically provide the imagery and colour schemes to be used in the ESG report to ensure compliance with internal branding guidelines.
- v. **Publication** – The complete and finalised ESG report is now ready for publication. The complete document is usually availed on the company website and a few copies printed for circulation to interested stakeholders. Organisations that claim compliance with the GRI Standards must make all content required to be in accordance with the GRI Standards available to the public in one complete document.

The report generation phase involves multiple communication channels with internal and external parties. It needs to be carefully managed to ensure that the reporting timelines communicated to the project sponsor and other stakeholders are adhered to. It is therefore important that the ESG reporting team and the project sponsor sufficiently budgets for this phase of the project and ensures that any parties to be involved in getting the final report published are engaged as early as possible in the reporting process.

Typically, organisations will also organise a formal launch event for the ESG report and run social media campaigns to create awareness on the report and its contents. Social media is a convenient and effective medium to direct stakeholders to specific sections of the report that contain relevant information based on their prior assessed needs. Organisations will also have a dedicated webpage on the corporate website that contains the consolidated ESG report, important messages, and highlights of the report.



ESG REPORTING REQUIREMENTS FROM OTHER ORGANISATIONS

8.0 ESG REPORTING REQUIREMENTS FROM OTHER ORGANISATIONS

Listed companies that prepare a comprehensive ESG report can meet the reporting requirements of several other organisations that require specific sets of ESG information. The listed company can extract sections of the ESG report to communicate progress on ESG performance to these different organisations, thereby creating efficiencies in corporate reporting processes.

Note: The specific ESG reporting requirements of other organisations should be identified and prioritised during the situational analysis & stakeholder engagement and materiality assessment phases of the ESG reporting process outlined in this manual.

Some of the organisations that GSE listed companies are or could potentially engage with on various ESG topics are described below:

8.1 The Securities and Exchange Commission of Ghana

The Securities and Exchange Commission (SEC) published the Corporate Governance Code for listed companies in 2020. Listed companies are required to explain in their annual reports how they have applied the recommendations contained in the Code. With specific reference to this Code, corporate governance has been proposed as a mandatory disclosure topic for all listed companies.

The ESG reporting approach suggested in this manual can be used to meet the reporting requirements of the SEC code by:

- i. Identifying the SEC as a key stakeholder for listed companies within the situational analysis & stakeholder engagement phases.
- ii. Analysing the SEC's expectations of the organisation and the reporting requirements contained in the SEC Code.
- iii. Including disclosures requirements of the Code as part of the assessed material ESG topics for disclosure. These have been proposed as a mandatory disclosure topic for all listed companies, i.e., corporate governance under general disclosure topics.
- iv. Generating content on the organisation's performance around these topics using the guide proposed in this manual and reference to the GRI Standards on governance disclosures.
- v. Submitting extracts or the full ESG report discussing performance on these indicators to the SEC within the agreed timelines with the SEC. In this case, the ESG report should be published within the reporting timelines required for SEC submissions.

8.2 Investor groups

To help manage assessed environmental and social risk in debt and equity investments, some institutional investors will typically mandate implementation of an environmental and social management system. Depending on the assessed risk profile, beneficiary organisations are required to report at least annually on performance on several preidentified environmental and social performance metrics. Through the

reporting process proposed in this manual, listed companies should be able to develop content around the organisation's approach to these topics and demonstrate performance during the reporting period.

Environmental and social risk management is one of the mandatory ESG topics proposed for all listed companies. The International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability provides examples of ESG indicators and metrics that investors commonly refer to when evaluating investments.²⁰

8.3 United Nations Global Compact

The UNGC has developed a set of 10 principles that organisations can voluntarily adopt and integrate into their own strategies and operations. These principles cover four issue areas, i.e., Human Rights, Labour, Environment and Anti-corruption.

The Ten Principles of the United Nations Global Compact

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: the elimination of all forms of forced and compulsory labour.

Principle 5: the effective abolition of child labour.

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: undertake initiatives to promote greater environmental responsibility.

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Human Rights, Labour, Environment and Anti-corruption.

The UNGC encourages participants to self-assess, prepare, and submit a Communication on Progress (CoP) report to the UNGC on their performance around these four topical areas. According to the UNGC, "Your CoP should be fully integrated into your company's main stakeholder communications, most often your annual or sustainability report." By developing an annual ESG report discussing organisational performance around these topics, listed companies can submit an extract of the ESG report to fulfil the requirements of the annual CoP submissions to the UNGC. Further, applying the GRI standards ensures compliance to the CoP reporting requirements. Organisations can also refer to the UNGC guidance document on Using GRI's Guidelines to Create a COP.²¹

8.4 The CDP

The CDP is a non-profit charity that promotes transparency in environmental reporting by cities and companies around the world. Signatory companies provide performance data on climate change, water security and deforestation on a self-disclosure basis. This self-reported data is then used by investors

²⁰ The International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability. Link

²¹ Making the Connection - Using GRI's Guidelines to Create a COP. Link

and other stakeholders to make informed data driven decisions with regards to the reporting company's environmental impacts. For example, investors can use data in the CDP database to calculate the carbon intensity of their portfolio. Investors can also select entities that demonstrate climate resilience by evidenced implementation of strategies that future proof their organisations against climate related polices and regulations.

The CDP and GRI use common/similar metrics on reporting on carbon emissions. The ESG reporting presented in this manual can be used to collect and report data to the CDP. Organisations can select any or all the disclosure topics as part of their materiality assessment exercise and build reporting content within the ESG report that meets the CDP self-disclosure requirements.

8.5 Industry level reporting

Certain industry groups in Ghana have developed voluntary ESG related guidelines for consideration by member organisations. For example, the Bank of Ghana in 2019 launched the Ghana Sustainable Banking Principles (SBPs) to provide the guiding principles to underpin effective Environmental and Social Risk Management (ESRM) policy frameworks for banks.²² The principles should serve as a good starting point in prioritizing relevant ESG topics for disclosures by Banks in Ghana. With current trends on ESG and emphasis placed by investors on ESG integration, it is expected that more trade associations and industry groupings in Ghana will develop specific ESG guidelines for adoption by their members.

Industry guidelines provide relevant insights on ESG issues impacting the industry. In addition to the proposed mandatory disclosures, listed companies can refer to such guidelines when identifying additional yet material ESG topics for disclosure using the framework proposed in this manual.

²² Bank of Ghana Sustainable Banking Principles. [Link](#)



ANNEXES

9.0 ANNEXES

Annex 1: Sample outline framework for an ESG report

Introduction

Message from the Board Chair – The Board Chair’s message should contain, i) the steps the Board has taken to embed a culture of sustainability in the organisation, ii) how stakeholder expectations are identified and the framework that exists to ensure that these are addressed, and iii) overview on corporate governance.

Message from the CEO – The CEO’s message should outline, i) the organisation’s commitment to sustainability, ii) its sustainability strategy, iii) important updates on ESG performance and management approach in the reporting period, and iv) how ESG performance has influenced the financial position of the organisation.

Financial year review

ESG report overview

Strategic Outlook, Governance and Ethics

- Organisational profile
- Organisational strategy
 - Financial ambition
 - Business model review
 - Operating model review
- Supply chain analysis
- Environmental and social risk management
- How we are governed – Corporate Governance
- Ethics and integrity

Reporting boundary and approach to ESG reporting

- ESG impacts reporting boundary
- Framework for ESG reporting – *The GRI Standards are the proposed standards and framework for reporting.*

Stakeholder engagement

- Approach to identifying and prioritizing stakeholders
- Stakeholder engagement strategies – For prioritised stakeholders

Materiality analysis and ESG Impact

- Approach to materiality assessment
- Our material topics
 - Governance
 - Economic
 - Social
 - Environmental

Organisations must demonstrate the Reporting Principles in their ESG performance disclosures. Value creation strategy for material ESG topics – includes content creation for the material topics using the GRI standards.

Ambitions and future targets – Provide an outlook on the Organisation’s main challenges and targets for the next year and goals for the coming 3–5 years

Assurance Statement

GRI Content Index – Also refer to criteria for claiming a report has been prepared in accordance with the GRI Standards

Annex 2: Data collection template (Quantitative and qualitative data)

Reporting period – January 01, 2021 – December 31, 2021

Material ESG topic: Environmental performance

Responsibility: Environment Manager/Sustainability Manager

Performance indicators	Description	Data source	Data custodian
Water and effluents	<ul style="list-style-type: none"> • Water abstraction • Water use efficiency • Waste water management 	<ul style="list-style-type: none"> • Management systems • Utility bills 	<ul style="list-style-type: none"> • Utilities manager • Finance department
Waste	<ul style="list-style-type: none"> • General waste • Chemical waste • Hazardous waste 	<ul style="list-style-type: none"> • Management systems • Utility bills 	<ul style="list-style-type: none"> • Environmental manager
Emissions	<ul style="list-style-type: none"> • Air emissions • Carbon emissions 	<ul style="list-style-type: none"> • Carbon footprint assessment 	<ul style="list-style-type: none"> • Environmental manager

Section 1 – Management approach must demonstrate the reporting principles.

1. How is environmental performance managed in the organisation?
2. Why is environmental performance considered important by the organisation?
3. Where do environmental impacts occur in the organisation’s value chain?
4. How has the organisation linked environmental performance targets with the SDGs?
5. What are the most significant events related to environmental performance in the last year?

Section 2 – Quantitative performance data - can be traced back to management systems and source data e.g., utility bills.

Water consumption data – Yearly comparison

Year	2021	2020	2019	2018	2017	2016	2015	2014	2013
Consumption (M3)									

Monthly comparison data

Month	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Consumption (M3)												

General commentary

1. What is in place to ensure environmental performance data is accurate, complete, and reliable?
2. Explain any data estimates and observed data trends including any measures of relativity used e.g., consumption per unit of production or per full time employee.
3. What is the projected performance in the next reporting cycle? What is the basis of this estimate?

Positive performance commentary

1. What are the various factors that contributed to the improved performance on water use?
2. How can these improvements be sustained over the long term?
3. What is planned to ensure that these targets will be met?

Negative performance commentary

1. What contributed to negative performance?
2. What improvements can be made to improve performance in the next reporting cycle?

Section 3: General review on environmental performance – should demonstrate principles of report content and report quality

1. Comment on progress made on commitments made to stakeholders. These could include commitments made to regulators and other entities such as the CDP and the UNGC.
2. Describe any initiatives, projects and investments planned in the next year to improve environmental performance, including justifications.
3. Describe any awards or recognitions placed on the organisation on environmental performance.
4. Describe any sanctions and/or improvement action orders received from authorities.

Annex 3: Sample materiality assessment scoring model

Organisations can develop scoring criteria to objectively gauge materiality of ESG topics for consideration for disclosure. These criteria need to be documented, embedded in a controlled model, and approved by the sustainability or designated committee of the Board.

The questions below can be used as a starting point in building a simple binary (Yes/No) scoring model for various ESG topics. Further guidance can be obtained within the GRI Standards on performing tests for materiality.

Mat:1. Is the issue identified as important by stakeholder/s?

Mat:2. Does it represent a signal of change or emerging trend in your sector?

Mat:3. Is it mandated as part of regulations or guiding policy frameworks for your sector?

Mat:4. Does its present investment, branding and /or cost reduction opportunities for your organisation?

Mat:5. Does it present a material risk exposure to the organisation?

Mat: 6, 7, 8, ...n. The organisation can design additional criteria to enhance the scoring model

Different organisations will assign different weightings to each criteria item to come up with a representative overall score for their organisation.

ESG topicG	RI Ref:	Mat:1	Mat:2	Mat:3	Mat:4	Mat:5	Score
Energy	302-1, 301-3	Yes	No	Yes	Yes	No	10
Materials	301-2	Yes	Yes	No	Yes	No	8
Biodiversity	304-1	Yes	No	No	No	No	8
Governance	102-18 to 102-22	Yes	No	Yes	No	No	8
Diversity	405-1	Yes	Yes	Yes	Yes	No	7
Labour	402-1	Yes	No	Yes	No	Yes	7
Health and safety	403-1	Yes	No	Yes	No	Yes	5
Economic performance	201-1	Yes	No	Yes	No	Yes	5

Illustration: Sample materiality assessment scoring model

Annex 4: Stakeholder engagement strategies

A stakeholder engagement process is critical to the ESG reporting process in determining materiality of ESG topics for disclosure. This process, discussed in Chapter 6 should be disclosed in the ESG report. The stakeholder prioritization matrix can be used to assess the importance of an organisation's ESG impacts to the decision-making activities of these stakeholders. The is illustrated below:

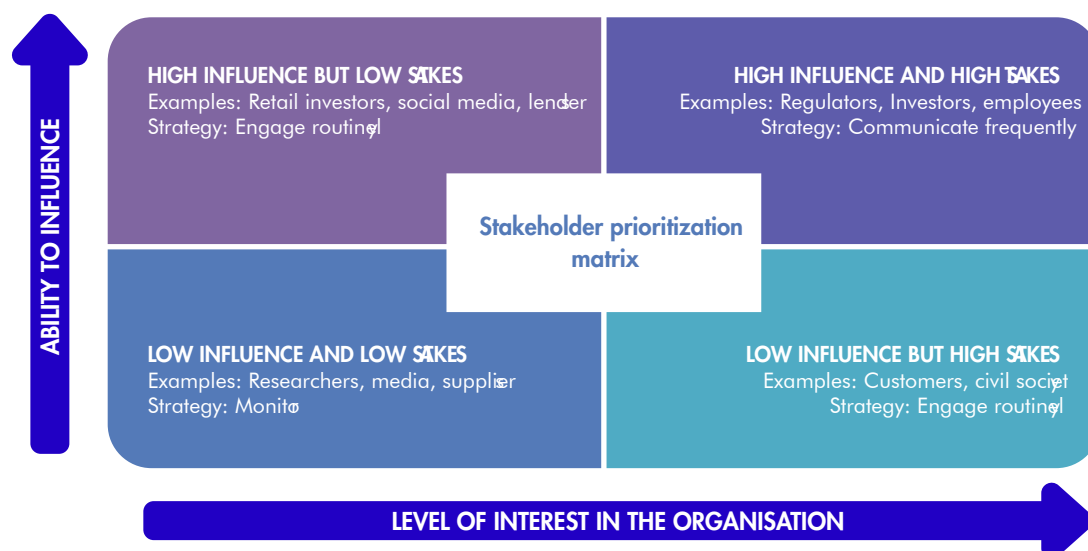


Illustration: Stakeholder prioritization matrix

Based on this analysis, the organisation should ensure that effective stakeholder engagement strategies are designed that help meet the evolving needs and expectations of these stakeholders. Some of the strategies listed companies could adopt are outlined in the table below.

Stakeholder engagement strategies	
<p>High influence but low stakes stakeholders</p> <ol style="list-style-type: none"> 1. Solicit their focused involvement and input regularly. 2. Involve them in key decision points. 3. Actively solicit views on the organisation's performance with regards to ESG issues. 4. Manage emerging issues immediately. 5. Review analysis of their position regularly. 	<p>High influence and high stakes stakeholders</p> <ol style="list-style-type: none"> 1. Incorporate them part of the governance structure in the organisation. 2. Communicate ESG impacts frequently. 3. Actively solicit views on the organisation's performance with regards to ESG issues. 4. Manage emerging issues immediately.
<p>Low influence and low stakes stakeholders.</p> <ol style="list-style-type: none"> 1. Actively influence positive perception through media channels. 2. Publicly acknowledge the organisation's interest in their views by soliciting comments on ESG performance. 3. Invite them to launch of the ESG report. 4. Review analysis of their position regularly. 5. Review analysis of their position regularly. 	<p>Low influence but high stakes stakeholders</p> <ol style="list-style-type: none"> 1. Provide regular updates on ESG performance. 2. Regularly solicit views on the organisation's performance with regards to ESG issues. 3. Ensure communication is targeted to their specific needs and expectations on the organisation. 4. Manage emerging issues immediately.

Annex 5: Criteria to claim an ESG report has been prepared in accordance with the GRI Standards

In the tables below are examples of sector specific ESG topics publicly disclosed by companies representing each of the GSE Sectors. These should serve as a guide in identifying relevant topics. A materiality assessment process has been provided to guide identification of ESG topics for disclosure, in addition to the proposed mandatory disclosures.

Reporting in accordance with the GRI Standards

Reporting in accordance with the GRI Standards enables an organization to provide a comprehensive picture of its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts. This allows information users to make informed assessments and decisions about the organization's impacts and its contribution to sustainable development.

The organization must comply with all nine requirements below to report in accordance with the GRI Standards.

Overview of in accordance requirements

- Requirement 1:** Apply the reporting principles.
- Requirement 2:** Report the disclosures in GRI 2: General Disclosures 2021.
- Requirement 3:** Determine material topics.
- Requirement 4:** Report the disclosures in GRI 3: Material Topics 2021.
- Requirement 5:** Report disclosures from the GRI Topic Standards for each material topic.
- Requirement 6:** Provide reasons for omission for disclosures and requirements that the organization cannot comply with.
- Requirement 7:** Publish a GRI content index.
- Requirement 8:** Provide a statement of use.
- Requirement 9:** Notify GRI.

These requirements are explained in detail in the GRI Standards 2021.

If the organization does not comply with all nine requirements, it cannot claim that it has prepared the reported information in accordance with the GRI Standards. In such a case, the organization may be able to claim that it has prepared the reported information with reference to the GRI Standards, provided it complies with the requirements specified in 'Reporting with reference to the GRI Standards' listed below:

- Publish a GRI content index
- Provide a statement of use
- Notify GRI

These requirements are explained in detail in the GRI Standards 2021.

Source: – Reproduced from GRI Standards 2021

Annex 6: Sector specific ESG topics for GSE Listed Companies

In the tables below are examples of sector specific ESG topics publicly disclosed by companies representing each of the GSE Sectors. These should serve as a guide in identifying relevant topics. A materiality assessment process has been provided to guide identification of ESG topics for disclosure, in addition to the proposed mandatory disclosures.

Telecommunications sector

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Governance • Strategy • Ethics and integrity • Stakeholder engagement • Political accountability • Network quality • Intellectual property rights • Sourcing strategy and policies • Supply chain screening • Climate related financial disclosures • Shared value – Sustainable Development Goals 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Government subsidies • Local employment • Taxes 	<ul style="list-style-type: none"> • Labour and working conditions • Occupational health and safety • Training and education • Customer health and safety management • Customer privacy and data protection • Product access • Management of access to content • Product design • Anti-trust and monopoly practices • Consumer protection • Electromagnetic radiation • Cyber security 	<ul style="list-style-type: none"> • Environmental compliance • Supplier environmental assessment • Materials • Energy consumption • Biodiversity • Emissions • Toxic substances • Water and effluents • Waste management • Electronic waste management • Land management and site rehabilitation

Insurance sector

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Governance • Strategy • Ethics and integrity • Stakeholder engagement • Business lines, products, and services • Risk management and internal controls • Climate related financial disclosures • Shared value – Sustainable Development Goals 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Community investments • Socially Responsible Investments • Local economic development • Taxes 	<ul style="list-style-type: none"> • Labour and working conditions • Occupational health and safety • Training and education • Financial products and services information to customers • Consumer protection • Financial inclusion, accessibility, and financial education • Political funding • Cyber security 	<ul style="list-style-type: none"> • Environmental compliance • Materials sourcing and use • Emissions • Paper and waste IT products management • Portfolio environmental performance

Banking sector

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Governance • Strategy • Ethics and integrity • Stakeholder engagement • Business lines, products, and services • Business models • Risk management and internal controls • Climate related financial disclosures • Shared value – sustainable development goals 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Community investments • Socially responsible investment and local development • Taxes 	<ul style="list-style-type: none"> • Labour and working conditions • Occupational health and safety • Training and education • Financial inclusion and accessibility • Products and services information to customers • Consumer protection • Political funding • Cyber security 	<ul style="list-style-type: none"> • Environmental compliance • Materials sourcing and use • Emissions • Energy consumption • Waste management • Electronic waste management • Environmental impacts of investments, products, and services

Sales and distribution

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Governance • Strategy • Ethics and integrity • Stakeholder engagement • Risk management and internal controls • Regulatory compliance • Environmental and social risk management • Supply chain performance • Shared value – sustainable development goals 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Local employment • Taxes 	<ul style="list-style-type: none"> • Labour and working conditions • Occupational health and safety • Training and education • Services' quality and accuracy • Customer service • Consumer protection • Talent management • Data privacy 	<ul style="list-style-type: none"> • Environmental compliance • Emissions • Energy consumption • Renewable and/or alternative energy sources • Product packaging and distribution • Water management • Waste management

Energy and mining sectors

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Governance • Strategy • Ethics and integrity • Stakeholder engagement • Business context • Sourcing strategy and policies • Supplier screening • Customer portfolio • Product portfolio • Emergency preparedness • Outsourcing strategy • Climate related financial disclosures • Shared value – sustainable development goals 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Carbon emission trading • Local content • Government subsidies • Anti-corruption • Taxes 	<ul style="list-style-type: none"> • Labour and working conditions • Occupational health and safety • Training and education • Community health and safety • Impacts on local communities • Local community engagement • Energy access • Demand side management • Land use rights 	<ul style="list-style-type: none"> • Environmental compliance • Energy consumption • Materials sourcing and use • Energy production • Infrastructure • Water consumption and efficiency • Biodiversity • Emissions • Fugitive emissions • Land rehabilitation • Waste management

Agriculture Sectors

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Corporate governance • Business strategy • Political accountability • Agricultural machinery use • Land tenure • Resource use efficiency • Sourcing strategy and policies • Supplier screening • Shared value - Sustainable Development Goals 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Government subsidies • Local employment • Socio-economic benefits • Taxes 	<ul style="list-style-type: none"> • Labour and working conditions • Occupational health and safety • Training and education • Child labour • Consumer product safety • Agricultural genetic engineering • Food security 	<ul style="list-style-type: none"> • Environmental compliance • Materials sourcing • Supplier environmental assessment • Energy consumption • Emissions • Water and effluents • Waste management • Biodiversity • Soil management • Deforestation • Seed quality

Food and Beverage Sector

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Governance • Strategy • Ethics and integrity • Stakeholder engagement • Business context • Political accountability • Resource use efficiency • Sourcing strategy and policies • Supplier screening • Customer portfolio • Product portfolio • Shared value - Sustainable Development Goals 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Government subsidies • Local employment • Taxes 	<ul style="list-style-type: none"> • Labour and working conditions • Occupational health and safety • Training and education • Water use rights • Consumer health and safety • Health and safety impacts of products and services • Consumer protection • Product labelling • Lobbying 	<ul style="list-style-type: none"> • Environmental compliance • Materials sourcing • Supplier environmental assessment • Energy consumption • Renewable and/or alternative energy sources • Product packaging and distribution • Emissions to air • Water and effluents • Waste management • Circular economy

Education Sector

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Governance • Strategy • Ethics and integrity • Stakeholder engagement • Intellectual property rights • Shared value - Sustainable Development Goals 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Local employment • Taxes 	<ul style="list-style-type: none"> • Labour and working conditions • Occupational health and safety • Training and education • Customer privacy and data protection • Access to education • Consumer protection • Diversity and equal opportunity 	<ul style="list-style-type: none"> • Environmental compliance • Energy consumption • Emissions • Toxic substances • Water and effluents • Waste management

Information Communication and Technology

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Governance • Strategy • Ethics and integrity • Stakeholder engagement • Network quality • Intellectual property rights • Sourcing strategy and policies • Supply chain screening • Shared value - Sustainable Development Goals • Cyber security 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Local employment • Taxes 	<ul style="list-style-type: none"> • Labour and working conditions • Occupational health and safety • Training and education • Customer health and safety • Customer privacy and data protection • Product access • Anti-trust and monopoly practices • Consumer protection • Electromagnetic radiation 	<ul style="list-style-type: none"> • Environmental compliance • Energy consumption • Emissions • Toxic substances • Water and effluents • Waste management • Electronic waste management

Advertising

General	Economic	Social	Environmental
<ul style="list-style-type: none"> • Governance • Strategy • Ethics and integrity • Stakeholder engagement • Network quality • Intellectual property rights • Shared value - Sustainable Development Goals 	<ul style="list-style-type: none"> • Economic performance • Market presence • Indirect economic impacts • Local employment • Taxes 	<ul style="list-style-type: none"> • Labour and working conditions • Occupational health and safety • Training and education • Customer privacy and data protection • Consumer protection 	<ul style="list-style-type: none"> • Environmental compliance • Energy consumption • Emissions • Toxic substances • Water and effluents

Annex 7: Additional resources

Issuers and other organisations in Ghana reporting on ESG performance can also refer to the following additional resources:

Organisation	Description
Value reporting Foundation https://www.valuereportingfoundation.org/	The Value Reporting Foundation supports business and investor decision-making with three key resources: Integrated Thinking Principles, Integrated Reporting Framework and SASB Standards.
The International Cocoa Initiative https://cocoainitiative.org/	The International Cocoa Initiative promotes child protection in cocoa-growing communities.
Responsible Minerals Initiative http://www.responsiblemineralsinitiative.org/	The Responsible Minerals Initiative provides companies with tools and resources to make sourcing decisions that improve regulatory compliance and support responsible sourcing of minerals from conflict-affected and high-risk areas.
Taskforce for Climate Related Financial Disclosures https://www.fsb-tcf.org/	The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. Organisations can refer to the recommendations of the TCFD on climate related disclosures.
The International Council on Mining and Metals https://www.icmm.com/	The International Council on Mining and Metals is an international organisation dedicated to a safe, fair and sustainable mining and metals industry.
UN Principles for Responsible Investment (PRI) https://www.unpri.org/pri/about-the-pri	The United Nations launched the Principles for Responsible Investment (UNPRI) to help investors incorporate ESG factors into their investment and ownership decisions.



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