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Expert Analysis Chapters

Q&A Chapters

Q&A Chapters Continued

Ghana


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1 Setting the Scene – Sources and Overview

1.1 What are the main substantive ESG-related regulations?

There is no consolidated law or regulation that governs ESG in Ghana. There are, however, varied laws and regulations that pertain to aspects of ESG in Ghana. These include:

a. the 1992 Constitution of Ghana;
b. the Labour Act, 2003 (Act 651);
c. the Environmental Protection Act, 1994 (Act 490);
d. the Minerals and Mining Act, 2006 (Act 703);
e. the Petroleum (Exploration and Production), Act 2016 (Act 919);
f. the Companies Act, 2019 (Act 992)
g. the Commission on Human Rights and Administrative Justice Act, 1993 (Act 456);
h. the State Interests and Governance Authority Act, 2019 (Act 990);
i. the Securities Industry Act, 2016 (Act 929); and
j the Securities Industry (Amendment) Act, 2021 (Act 1062).

1.2 What are the main ESG disclosure regulations?

The main ESG disclosure regulations in Ghana include:

a. the Securities and Exchange Commission Regulations, 2003 (L.I. 1728);
b. the Environmental Assessment Regulations, 1999 (L.I. 1652);
c. the Securities and Exchange Commission Corporate Governance Code for Listed Companies, 2020;
d. the Securities Industry (Over-the Counter Market) Guidelines, 2022;
e. the Bank of Ghana Corporate Governance Directives, 2018;
f. the Bank of Ghana Corporate Governance Directive for Rural and Community Banks (2021);
g. The Bank of Ghana Corporate Governance Disclosure Directive, 2022; and
h. the Petroleum (Local Content and Local Participation) Regulations 2013 (LI 2204), as amended.

1.3 What voluntary ESG disclosures, beyond those required by law or regulation, are customary?

A number of voluntary ESG-related guidelines have been developed by certain industries for consideration by their member organisations. These ESG-related guidelines seek to encourage voluntary ESG-related disclosures. They include:

- the Ghana Sustainable Banking Principles and Sector Guidance Notes (SBPs), which provides the guiding principles for underpinning effective Environmental and Social Risk Management (ESRM) policy frameworks for banks.
- the ESG Disclosure Guidance Manual for Listed Entities in Ghana which complements the Securities and Exchange Commission Corporate Governance Code for Listed Companies, 2020 and guides 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.

Additionally, other universally accepted standards that are typically used by Ghanaian organisations for ESG disclosures include the following:

- The International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability which provides examples of ESG indicators and metrics that investors commonly refer to when evaluating investments.
- The Global Reporting Initiative (GRI) Reporting Standards which cover sector-specific and topic-based sustainability reporting across all the ESG elements.
- The United Nations Global Compact (UNGC) which encourages participants to self-assess, prepare, and submit a Communication on Progress (CoP) report to the UNGC on their performance on Human Rights, labour, the environment and anti-corruption.
- The IFRS Foundation which supports business and investor decision-making with three key resources: Integrated Thinking Principles, Integrated Reporting Framework and SASB Standards.
- The International Cocoa Initiative which promotes child protection in cocoa-growing communities.
- The Responsible Minerals Initiative, which 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.

- The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) which is meant to improve and increase reporting of climate-related financial information.
- The International Council on Mining and Metals is an international organisation which provides standardised frameworks dedicated to ensuring a safe, fair and sustainable mining and metals industry.
- The United Nations Principles for Responsible Investment (UNPRI), which helps investors incorporate ESG factors into their investment and ownership decisions.

Further, some organisations disclose their ESG principles as well as the state of their ESG-related activities on their website.

1.4 Are there significant laws or regulations currently in the proposal process?

The Securities and Exchanges Commission (SEC) has recently issued the Securities Industry (Green Bond) Guidelines 2023 for public comments prior to finalisation and publication for use by the Capital Market Operators.

These Guidelines follow the Green Bond Principles ("GBP") published by the International Capital Market Association ("ICMA"), and were drafted pursuant to sections 3 and 209 of the Securities Industry Act, 2016 (Act 929) as amended for the issuance of Green Bonds.

The Guidelines will facilitate the development of a domestic green securities market, maintain the credibility of green securities, and prevent greenwashing.

1.5 What significant private sector initiatives relating to ESG are there?

Numerous private sector ESG-related initiatives have been launched in Ghana:

- The IFC, a private sector-focused development institution of the World Bank Group together with the Swiss State Secretariat for Economic Affairs (SECO) launched the Integrated ESG (IESG) programme for Ghana, to assist the country's banks and businesses in strengthening their environmental, social, and governance (ESG) practices.
- Further, the Ghana Climate Innovation Centre (GCIC), an institute at the Ashesi University in Ghana which was setup in 2016 to support Ghanaian entrepreneurs and new ventures, particularly focuses on developing and growing green, profitable, and sustainable businesses, led by ethical leaders with critical thinking skills and a deep commitment to gender equality and social responsibility, and undertakes numerous ESG initiatives. It has organised national green roadshows across Ghana, held a number of symposiums and masterclasses on ESG with a focus on six thematic sectors, namely: Solar energy; Energy efficiency; Waste management; Climate-smart agriculture; and Water management and purification; and engaged in partnerships such as the Strengthening Climate Change Collaboration.
- Audit firms in Ghana such as PWC and KPMG frequently put together write-ups and workshops and meetings to create awareness on the development of ESG in Ghana in financial institutions and throw insight on the ESG agenda and ESG reporting. In June this year, KPMG partnered with PROPAK Ghana to organise a breakfast meeting on ESG dubbed: "ESG in Emerging Markets – Driving Sustainability and Resilience in a Changing World".
- Law firms and other stakeholders are frequently engaging in ESG-centred conversations via social media to ensure public education and awareness.

2 Principal Sources of ESG Pressure

2.1 What are the views and perspectives of investors and asset managers toward ESG, and how do they exert influence in support (or in opposition) of those views?

Investors and asset managers in Ghana hold different views and perspectives on ESG. In recent times, the prevailing view among them has been that ESG considerations are fundamental to responsible and sustainable investment practices. They regard ESG issues as front and centre in defining corporate purpose. The COVID-19 pandemic has also accelerated the ESG focus, highlighting fundamental societal shifts in the context of environmental, social and healthcare crises. Stakeholder demands are also driving their ESG focus.

Many investors and asset managers view ESG as:

- Integral to their investment strategies. They recognise that ESG considerations can have a material impact on investment performance, risk management, and long-term sustainability.
- A means of identifying and mitigating various risks, including environmental risks (e.g., climate change), social risks (e.g., labour issues or supply chain disruptions), and governance risks (e.g., board oversight and ethics). By incorporating ESG factors into their analysis, investors aim to reduce exposure to these risks.
- A potential source of excess returns. Some investors believe that companies excelling in ESG areas may outperform their peers in the long run, leading to financial benefits.
- A means to align their investment choices with the values and preferences of their stakeholders, including clients and beneficiaries, as well as applicable regulations and standards.

Investors and asset managers exert their influence in support of these views through:

1. Active engagements with companies in which they invest.
2. The incorporation of ESG criteria into their investment strategies.
3. Collaborations with other stakeholders, including fellow investors, NGOs, and local communities, to address specific ESG concerns and drive positive change.
4. Advocating for stronger ESG regulations and standards at the national or regional level, and aligning government policies with their ESG goals.
5. The adherence to national and global codes and principles.

2.2 What are the views of other stakeholders toward ESG, and how do they exert influence in support (or in opposition) of those views?

The views of other stakeholders, including employees, clients, boards, regulators, policymakers and other interested parties, vary widely on ESG.

- Employees: Most employees are supportive of ESG initiatives. They see these efforts as a way for their employers to make positive contributions to society and the environment. They may express their support through internal advocacy, such as participating in sustainability or diversity and inclusion programmes, and promoting ESG practices within the company. On the other hand, some employees may have concerns about how ESG initiatives impact job security or the company's financial performance. Concerns may be related to potential job cuts in cost-cutting efforts.
- Boards of Directors: Many boards support ESG integration into corporate strategy and decision-making through board-level discussions, setting ESG goals, and overseeing ESG

performance. In some cases, boards may be more focused on short-term financial results and may resist ESG initiatives that they believe could negatively impact profitability.

- Regulators and Policymakers: Regulators and policymakers support ESG through developing and enforcing ESG-related regulations and policies that encourage businesses to address ESG issues.
- Clients and Customers: Many clients and customers prefer companies that demonstrate strong ESG performance. They may choose to do business with organisations that align with their values and preferences. Some clients or customers, however, may prioritise other aspects, such as price or product quality, over a company's ESG performance.

2.3 What are the principal regulators with respect to ESG issues, and what issues are being pressed by those regulators?

In Ghana, the principal regulators for ESG issues are the Environmental Protection Agency (EPA), and the Securities and Exchange Commission (SEC).

1. Environmental Protection Agency (EPA): It is responsible for enforcing environmental laws and regulations. It oversees and ensures compliance with issues such as pollution control, waste management, and sustainable resource use. It enforces standards related to air and water quality, waste management, and emissions control, to minimise environmental impacts.
2. Securities and Exchange Commission (SEC): It encourages ESG reporting and disclosure among publicly traded companies. It advocates for greater transparency in reporting ESG-related information. It seeks to protect investors by ensuring that companies provide accurate and comprehensive ESG-related information.
3. The Bank of Ghana (BoG): It oversees the implementation of sustainable banking practices to foster greater financial inclusion, social responsibility and environmental consciousness within the banking sector.

Other government agencies and bodies that oversee specific facets of ESG issues in Ghana include:

- Ministry of Environment, Science, Technology and Innovation (MESTI): which is tasked with the development and implementation of environmental policies and regulations. It collaborates closely with the EPA to tackle environmental challenges.
- Ministry of Lands and Natural Resources: which is responsible for the regulation and management of Ghana's land and mineral resources, which are pivotal ESG concerns in the nation, particularly in the context of the mining industry. It supervises matters related to land tenure, mining concessions, and the exploitation of mineral resources.
- Ministry of Energy: which is involved in the formulation and regulation of energy policies, including those associated with renewable energy sources and energy efficiency.
- National Labour Commission (NLC): which addresses labour disputes, labour rights, and concerns linked to equitable labour practices.
- Social Security and National Insurance Trust (SSNIT): which is responsible for matters relating to social security and pensions. It contributes to the effective management of employees' social security contributions, which constitutes an important social dimension of ESG.
- Ghana Stock Exchange (GSE): which assumes a role in regulating and supervising Ghana's securities market. It may proactively promote ESG principles through listing requirements and disclosure regulations that encourage companies to provide ESG-related reports.

Issues being pressed by these regulators include the following:

1. Environmental Protection and Sustainability (EPA).
2. Corporate Governance (SEC).
3. Social Responsibility (SEC, EPA, and MESTI).
4. Climate Change and Renewable Energy (MESTI).
5. Disclosure and Reporting (SEC and GSE).
6. Sustainable Banking (BoG).

2.4 Have there been material enforcement actions with respect to ESG issues?

The various regulators are continuously engaged in the process of ensuring compliance with the applicable laws with respect to ESG issues.

Some years ago, Newmont Ghana Gold was fined for a cyanide Spill in Ghana at the site of its open-pit gold mine. The company had to pay $4.9 million as compensation to be split among the affected communities, the Ghanaian Environmental Protection Agency (EPA), and the Inspectorate Division of the Minerals Commission.

In September 2023, the Executive Director of the Environmental Protection Agency (EPA), ordered the arrest of the owner of Sta Addsams Enterprise over an explosion at its quarry site.

2.5 What are the principal ESG-related litigation risks, and has there been material litigation with respect to ESG issues, other than enforcement actions?

ESG-related litigations can be triggered by various factors including:

- Non-Compliance with Regulations: Companies that fail to comply with ESG-related regulations may face legal action. For instance, if a company does not meet environmental standards, it can be sued for environmental violations.
- Lack of Disclosure and Transparency: Investors and stakeholders may sue a company for not providing accurate ESG data, for misrepresenting facts or for concealing negative ESG impacts.
- Breach of Fiduciary Duties: Directors and executives have a fiduciary duty to act in the best interests of shareholders. If they neglect ESG risks that could impact the company's financial performance or violate their fiduciary duties in ESG matters, shareholders can take legal action.
- Consumer and Employee Claims: Consumers or employees may file lawsuits against companies for ESG-related issues, such as product safety, workplace conditions, or discrimination. These claims may have ESG implications.
- NGO and Stakeholder Pressure: Non-governmental organisations (NGOs) and stakeholders may bring legal action against companies to pressurise them to improve their ESG practices. This is often done in the public interest.

One example of ESG-related litigation in Ghana is the issue of "Galamsey". In Ghana, "galamsey", the illegal mining of gold, is a major environmental and social concern. Although regulatory authorities have taken measures to address the issue, various civil society groups, environmental organisations, and local communities have filed lawsuits and engaged in legal actions against companies involved in galamsey activities, as well as the government for its alleged failure to enforce regulations and protect the environment. Persons found culpable may be fined or imprisoned.

2.6 What are current key issues of concern for the proponents of ESG?

Currently, the primary areas of concern for ESG proponents are the lack of common, quantitative definitions of greenwashing, data inconsistency, complex regulatory landscape, and the absence of clear guidelines on how to measure ESG performance and impact.

- Lack of common, quantitative definitions of Greenwashing: Greenwashing occurs when companies falsely present their products or practices as environmentally or socially responsible. In the absence of clear, quantifiable criteria for identifying greenwashing, it is challenging to distinguish genuine ESG efforts from misleading marketing claims.
- Data Inconsistency: ESG data inconsistency arises from variations in how companies report ESG metrics. Two companies in the same industry may report their carbon emissions differently, making it challenging to compare their environmental performance. This can hinder investors' ability to assess and rank companies based on their ESG data.
- Complex Regulatory Landscape: The ESG regulatory landscape is intricate, with a multitude of regional, national, and global regulations and standards. Companies operating in multiple countries must comply with varying ESG regulations, which can lead to compliance challenges and reporting burdens. Simplifying and harmonising ESG regulations is vital to streamline compliance.
- Absence of Clear Guidelines on Measuring ESG Performance and Impact: Different organisations may assess their social impact differently. For instance, one company may measure its social impact in terms of the number of community initiatives supported, while another may evaluate it through employee wellbeing indicators. This makes it challenging to benchmark and compare these diverse social impacts.

2.7 Have ESG issues attracted shareholder activism, and from whom?

ESG issues have in recent times, increasingly attracted shareholder activism. The ultimate goal of shareholder activism is to influence companies to adopt more responsible and sustainable approaches to their business operations. The specific issues related to shareholder activism on ESG often include corporate governance, environmental sustainability, social responsibility, and ethical business practices.

Shareholder activism related to ESG issues usually comes from:

- Shareholders or Investors: Investors are increasingly championing and demanding ESG-driven transformations within the companies they invest in. They utilise their substantial ownership positions to initiate ESG conversations, submit resolutions as shareholders, and cast their votes on proposals related to ESG matters during meetings. They do this to increase their chances of attracting more investors (who may measure the success of the companies using ESG parameters) for the benefit of the company.
- Non-Governmental Organisations (NGOs): Some NGOs and advocacy groups use their influence to press for corporate responsibility and sustainability.
- Regulators and Government Initiatives: Regulatory bodies such as the SEC can influence shareholder activism by requiring increased ESG disclosure and reporting by publicly listed companies.
- Global ESG Initiatives: International initiatives and standards related to ESG, such as the United Nations Principles for Responsible Investment (PRI), may encourage local investors in Ghana to focus on ESG factors and engage in activism.

3 Integration of ESG into Strategy, Business Operations and Planning

3.1 Who has principal responsibility for addressing ESG issues? What is the role of the management body in setting and changing the strategy of the corporate entity with respect to these issues?

It is the responsibility of the board of directors and senior management to ensure that a process exists to identify, assess, and manage ESG-related risks and opportunities in the organisation. However, the Board retains overall accountability for ESG performance.

In setting and changing the strategy of an organisation with respect to ESG issues, management performs varied roles including the following:

a. routine engagement with internal and external stakeholders to assess needs and address concerns;
b. assessment of materiality of ESG topics in the context of the business and its stakeholders;
c. designing ESG metrics and evaluating these as part of routine organisational performance management;
d. ensuring a capacity-building plan is in place to create awareness of current and emerging ESG topics and building competencies in ESG management;
e. assessing how current ESG issues are likely to impact organisational performance, including monitoring ESG metrics and taking appropriate decisions;
f. engagement with other management committees to discuss cross-cutting themes such as human rights and identification of ESG risks and opportunities;
g. making recommendations to the Board on ESG matters, including resourcing, ESG investments, and performance management; and
h. acting as a gate point in the ESG reporting process.

3.2 What governance mechanisms are in place to supervise management of ESG issues? What is the role of the board and board committees *vis-à-vis* management?

A company's internal governance mechanism for supervising the management of ESG issues may vary, as there is no standard practice. For instance, the boards of listed companies form board committees, which oversee sustainability matters in the organisation, including the ESG reporting process. The board committee, generally referred to as the sustainability committee, supervises the management of ESG issues by:

a. approving policies to guide senior management in implementing ESG directives;
b. assessing the materiality of ESG topics in the context of the business and its stakeholders; and
c. routinely evaluating ESG metrics and considering them as part of organisational and management performance appraisal.

The board holds the CEO and senior management to account for corporate sustainability performance as a fiduciary responsibility to stakeholders. The board essentially sets and ratifies the ESG strategy of the organisation while management implements ESG directives set by the board.

3.3 What compensation or remuneration approaches are used to align incentives with respect to ESG?

An increasing number of organisations are pegging executive compensation to ESG performance. Companies operating in the Agriculture and Forestry, Construction and Real Estate, Manufacturing, Oil and Gas, Power and Energy sectors in Ghana are now compelled to set measurable ESG targets for their CEOs and introduce ESG targets in executive remuneration packages, as this forms part of the due diligence requirements that banks are mandated to satisfy when transacting with clients operating in the aforementioned sectors.

Furthermore, the Securities and Exchange Commission Corporate Governance Code for Listed Companies 2020 mandates that the remuneration of executive directors in all listed companies in Ghana must include an element that is linked to corporate performance. The link to corporate performance must be such as to give priority to longer-term sustainable performance over short-term performance.

3.4 What are some common examples of how companies have integrated ESG into their day-to-day operations?

Organisations have embedded a sustainability culture within the organisation in the following ways, among others:

a. Drafting sustainability-related policies that are approved by the board and senior-level management and are communicated to staff. These policies include a Human Resources Policy, an Environmental Policy, a Health and Safety Policy, and a Community Engagement Policy.
b. Drafting of a Code of Conduct approved by the board and senior-level management and adhered to by both management and staff. The code often includes a provision to comply with labour and social standards such as those put forward by the International Labour Organisation (ILO) and/or the United Nations Declaration of Human Rights.
c. Introduction of an award or awards for other members of staff to recognise proactive leadership in the implementation of the Internal Sustainability Strategy.
d. Disclosing ESG performance to stakeholders on an annual basis through the ESG reporting process.
e. Setting up the role/function of a Chief Sustainability Officer/Sustainability Director.

3.5 How have boards and management adapted to address the need to oversee and manage ESG issues?

The boards of companies have typically formed board committees, called sustainability committees, that oversee sustainability matters in the organisation. Where a separate committee is not feasible, the sustainability committee sits within the strategy committee of the board, but with clear ESG-related terms of reference.

4 Finance

4.1 To what extent do providers of debt and equity finance rely on internally or externally developed ESG ratings?

In recent times, as part of efforts to manage assessed environmental and social risk in debt and equity investments, providers of debt and equity finance 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 pre-identified environmental and social performance metrics.

The majority of the debt and equity finance providers in Ghana are within the banking sector. By virtue of Principle 1 of the Sustainable Banking Principles and Sector Guidance Notes – Guidance, entities in the banking sector should identify, measure, mitigate and monitor environmental and social risks in business activities.

In doing this, the banking institutions are expected to ensure that their clients report on their environmental and social performance, so as to help monitor compliance with the bank's environmental and social risk management policy and procedures. The banks are encouraged to rely more on external ESG ratings such as GRI reporting standards, UN Global Compact.

It is, however, important to note that although ESG ratings are more often than not considered in debt and equity financing, not all institutional investors integrate ESG factors in their investment decision-making process at the moment.

4.2 Do green bonds or social bonds play a significant role in the market?

Green bonds are fixed-income instruments for raising money for climate and environmental projects. Ghana's Green Bond Market is currently developing. The Ghanaian Green Bond Market, when developed, will play a significant role in the market as the green bonds will provide diversity in investment securities, and support Ghana's transition to a lower-carbon future, as specified in the country's agreed contributions under the Paris Climate Agreement.

For instance, with the development of a well-functioning green bond market, green bonds can be issued, with the proceeds channelled to finance the installation of wind turbines. Wind turbines have the potential to supply clean energy and shore up the country's power generation.

The Ghana Stock Exchange, together with the Securities and Exchange Commission, recently issued the Securities Industry (Green Bond) Guidelines 2023 (Draft) to facilitate the development of a domestic green securities market, maintain credibility of green securities and preventing greenwashing.

4.3 Do sustainability-linked bonds play a significant role in the market?

Sustainability-linked bonds are an emerging concept in Ghana.

In April 2022, requirements and guidance on how to issue Sustainable Bonds were added to the GFIM Listing Rules, enabling issuers (corporates, government) to refine their green, social and sustainability growth strategies, and tap into increasing investor demand for such instruments.

The Government of Ghana has also set up a Sustainability-Linked Finance Framework (SLFF) within the broader Sustainable Financing Framework to evidence its ambitions towards sustainability financing.

The SLFF has been developed to demonstrate how the Government of Ghana, through the Ministry of Finance, will further entrench its commitment toward achieving specified environmental and/or social objectives under key targeted flagship policy initiatives from the government. The achievement of the targets under this framework will support Ghana's journey toward achieving the Sustainable Development Goals

(SDGs) and Africa's Agenda 2063. The Framework will also manifest Ghana's commitment toward deploying its National Budget to achieve a measurable environmental hospital to better serve its patients.

4.4 What are the major factors impacting the use of these types of financial instruments?

In Ghana, green bonds are recognised as one of the most significant developments in the financing of low-carbon, climate-resilient investment opportunities and an innovative solution to addressing social-related issues like affordable basic infrastructure (sanitation, clean drinking water, etc.), food security, and health pandemics such as the COVID-19. Therefore, there is a huge market potential to be realised in the issuance of sustainable bonds.

4.5 What is the assurance and verification process for green bonds? To what extent are these processes regulated?

The assurance and verification process for green bonds is provided under paragraph 7 of the Securities Industry (Green Bond) Guidelines 2023 (Draft).

An issuer of green bonds is required to provide an independent external review of: (a) the green nature of eligible projects before the green bonds are issued; and (b) compliance with the obligations to which the green bond issuance is subject.

The external review must be: (a) provided by a qualified and independent expert; (b) aligned with the International Capital Market Association (ICMA) Green Bond Principles; and (c) submitted to the SEC at the time of issuance, together with the Green Bond Framework.

The issuer may obtain additional assurance through certification or green bond scoring/rating of the green nature of the bonds.

In addition to the above, an issuer may also use other types of reviews as described in the Guidelines at the time of, or after the issuance.

The independent expert or third party used by the issuer must have the experience and skills to assess the green characteristics of the bond issuance. As part of its review, the independent expert should mention his references and skills, the scope of the review, and any contextual information relevant to the investor.

The report must contain at least:

a. a general description of the objectives and scope of the review;
b. qualifications and key references of the review;
c. a declaration of independence and conflict of interest management policy;
d. a description of the analytical approach and methodology used; and
e. the conclusions and possible limitations of the external review.

The due diligence report provided by the independent expert contains:

a. an assessment of the expected environmental impact of projects to be financed or refinanced by the green bond;
b. the verification and recommendation in terms of aligning the green bond with the elements with which it must comply; and
c. an assessment of the material environmental risks associated with eligible projects and the management of these risks by the issuer.

Currently, the assurance and verification process for green bonds is not specifically regulated in Ghana, as the Securities Industry (Green Bond) Guidelines 2023, which provides for the process, is only a draft document and thus is not yet binding on issuers of the green boards in Ghana.

5 Trends

5.1 What are the material trends related to ESG?

There are several material trends related to ESG in Ghana, including:

- Growing demand for renewable energy: There is an increased demand for renewable energy in Ghana. This can be attributed to the fluctuating price and environmental impact of non-renewable energy sources such as crude oil and natural gas as well as the fact that renewable energy is viewed as a means of minimising the adverse environmental effects of energy production. The government has introduced initiatives to support the development of renewable energy projects and has also set a national target of a full transition from fossil fuels to renewable energy. In September 2023, Ghana launched a $550 billion Energy Transition and Investment Plan for achieving net zero as part of its commitment to addressing climate change while promoting economic growth. This plan outlines a credible roadmap toward achieving net-zero energy-related carbon emissions by 2060. It focuses on the adoption of low-carbon solutions across critical sectors of Ghana's economy, encompassing areas such as oil and gas, industry, transportation, cooking, and power generation. If successfully implemented, approximately 400,000 net jobs would be created within the economy.
- Support for social development: The Government and the Ghanaian corporate society have accelerated their investment in social development initiatives such as education, healthcare, clean water, sanitation and job creation to improve social inclusion. Businesses in Ghana are placing increasing importance on socially responsible practices and actively engaging with local communities through CSR initiatives.

For instance, the IFC provided Nyaho Medical Center, a leading healthcare provider, with a $5.2 million loan to support the expansion of Nyaho outside Accra and to upgrade its existing hospital to better serve its patients. IFC advisory services will help Nyaho secure EDGE certification in the main hospital and ensure all facilities comply with IFC's Environmental and Social standards.

Recently, Standard Chartered Bank through a transaction that had been specifically structured to comply with the recently published Social Loan Principles (SLP), provided a €280 million export credit agency (ECA)-backed facility to the Government of Ghana for road construction.

- Strengthening corporate governance: Ghana has taken key steps to strengthen its corporate governance framework, through the introduction of a new Companies Act which was passed in 2019. This contains enhanced corporate governance standards with a strict monitoring and regulatory regime. Additional steps have been taken by the Government through the introduction of other laws and policies to promote transparency and accountability in businesses and to protect the rights of shareholders, investors and other business stakeholders.
- Responsible Mining Practices: Ghana's significant role in gold and mineral production has placed responsible mining at the forefront of ESG concerns. Addressing issues like "galamsey" and minimising the environmental impact of mining activities are key. The Minerals

Commission has acquired marine vessels to combat illegal mining in various water bodies. Trained river wardens have been stationed to deter the return of illegal miners. The Commission plans to procure more vessels, hire additional river wardens, and expand community mining initiatives. In 2019, specialised courts were set up to deal with illegal mining in Ghana.

- Governance and Anti-Corruption Measures: Promoting transparency, accountability, and the fight against corruption are integral components of the ESG agenda. Ghana was the first African country to establish a country financing roadmap for the UN's Sustainable Development Goals (SDGs) and listed companies on the Ghana Stock Exchange are expected to comply with an ESG Disclosure Guidance Manual. The Bank of Ghana has also issued a Sustainable Banking Principles Guidelines for banks.
- Ensuring Human Rights and Fair Labour Standards and Promoting Gender Equality and Inclusivity: There is a growing emphasis on fostering gender equality and inclusion in the workplace. Many organisations prioritise diversity, equity, and inclusion as part of their ESG commitments. They also implement policies to ensure fair labour practices, respect for human rights, and provide enhanced working conditions.

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Christian Konadu Odame is a highly skilled attorney renowned for his expertise in a diverse range of practice areas including Corporate Law, Employment Law, Real Estate Law, Family Law, and Debt Recovery. Christian has extensive experience in handling employment-related issues, including wrongful termination, redundancy, and contract disputes. In the field of real estate law, Christian offers comprehensive legal services to clients involved in property transactions, leasing agreements, land use and zoning matters, and real estate disputes. Christian played an active role in the publication of the *2023* Mondaq *Private Mergers and Acquisitions Comparative Guide* (Ghana Chapter).

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