



# CORPORATE DISCLOSURE ON BUSINESS INTEGRITY IN ASEAN

21 July, 2016



Centre for Governance, Institutions & Organisations  
NUS Business School



## RESEARCH CONDUCTED BY



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# AGENDA

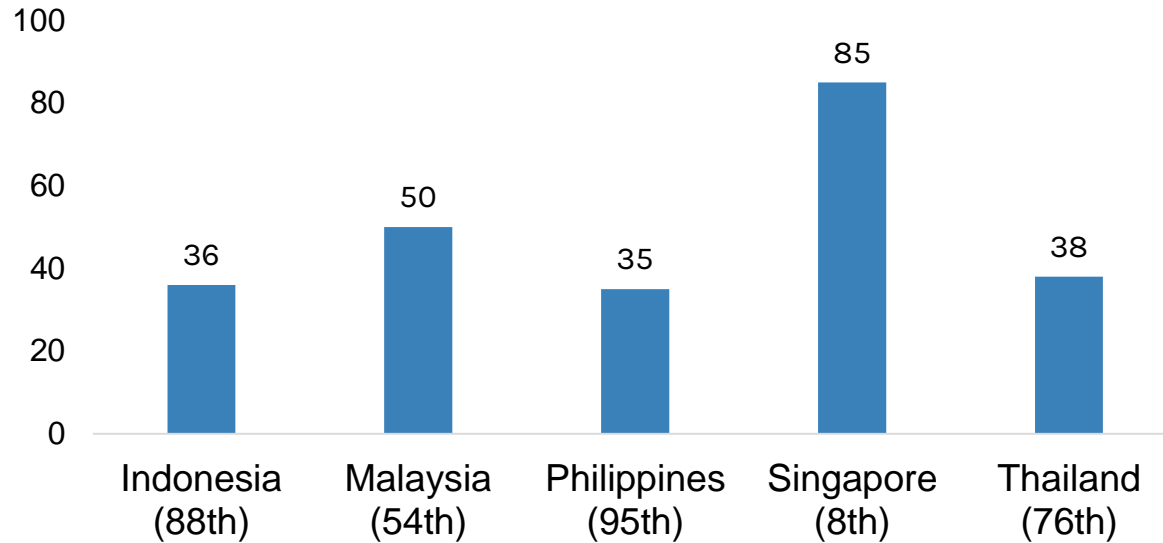
- ▶ Background
- ▶ Methodology & Limitations
- ▶ Findings for Top 50 Companies per Country
- ▶ Top 10 Companies with Highest Disclosure Rates



1.

# BACKGROUND

## 2015 Corruption Perception Index Rankings & Scores



# 2.

## **METHODOLOGY & LIMITATIONS**



# DATA COLLECTION

## Company Selection

Top 50 companies in 5 ASEAN countries by market capitalisations

- ▶ Indonesia
- ▶ Malaysia
- ▶ Philippines
- ▶ Singapore
- ▶ Thailand

## Questionnaire

13 questions from Transparency International's study: *Transparency in Corporate Reporting*

## Sources

- ▶ Companies website
- ▶ Annual reports, Sustainability reports, Corporate governance reports
- ▶ Code of Conduct

## Scoring

1 = Fully Satisfied  
0.5 = Partly Satisfied  
0 = Not Satisfied

## Limitations

- ▶ Language barriers
- ▶ Absence of public disclosure
- ▶ Ambiguous cases



**3.**

**FINDINGS  
FOR TOP 50  
COMPANIES  
PER COUNTRY**





# ASPECTS & QUESTIONS

## Aspect 1

Internal  
Commitment to  
Anti-Corruption

- ▶ Question 1
- ▶ Question 2
- ▶ Question 3
- ▶ Question 4
- ▶ Question 7

## Aspect 2

External  
Commitment to  
Anti-Corruption

- ▶ Question 5
- ▶ Question 6
- ▶ Question 8
- ▶ Question 9
- ▶ Question 13

## Aspect 3

Reporting &  
Monitoring

- ▶ Question 10
- ▶ Question 11
- ▶ Question 12

## **ASPECT 1**

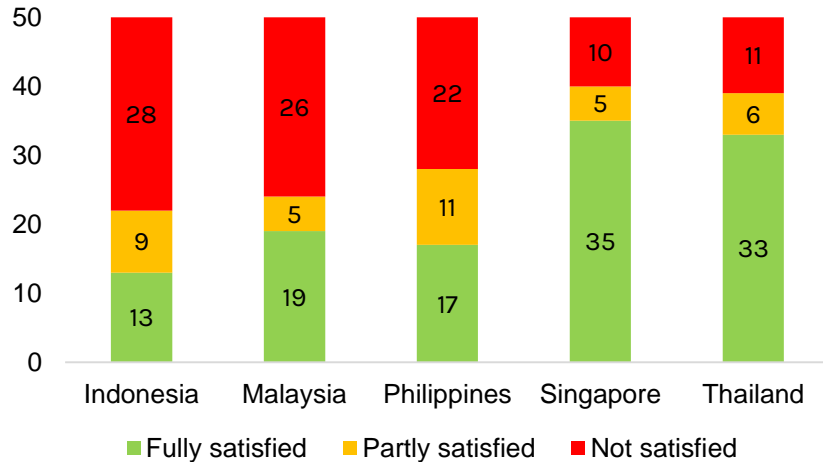
### **INTERNAL COMMITMENT TO ANTI-CORRUPTION**

- Question 1 Does the company have a publicly stated commitment to anti-corruption?
- Question 2 Does the company publicly commit to be in compliance with all relevant laws, including anti-corruption laws?
- Question 3 Does the company leadership demonstrate support for anti-corruption?
- Question 4 Does the company's code of conduct/anti-corruption policy explicitly apply to all employees and directors?
- Question 7 Does the company have in place an anti-corruption training programme for its employees and directors?

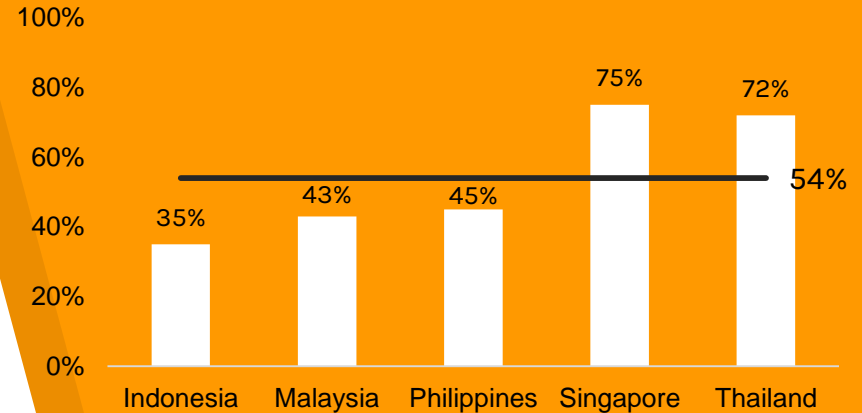
# QUESTION 1

## STATEMENT ON ANTI-CORRUPTION

Q1. Does the company have a publicly stated commitment to anti-corruption?



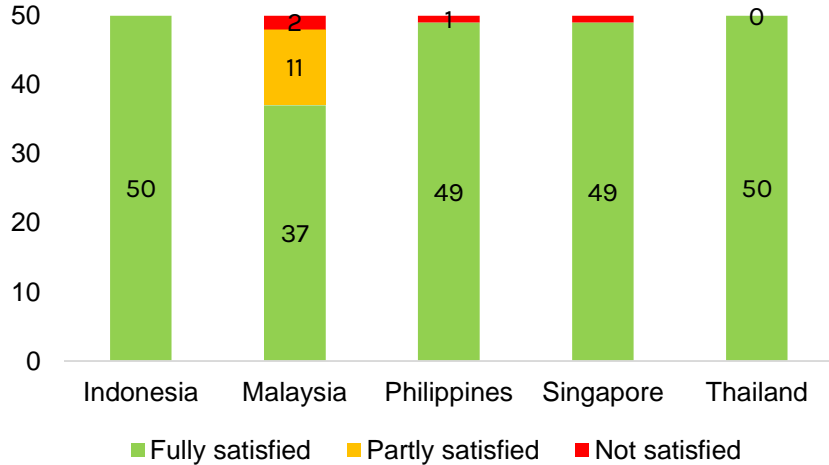
Q1. Average Level of Disclosure



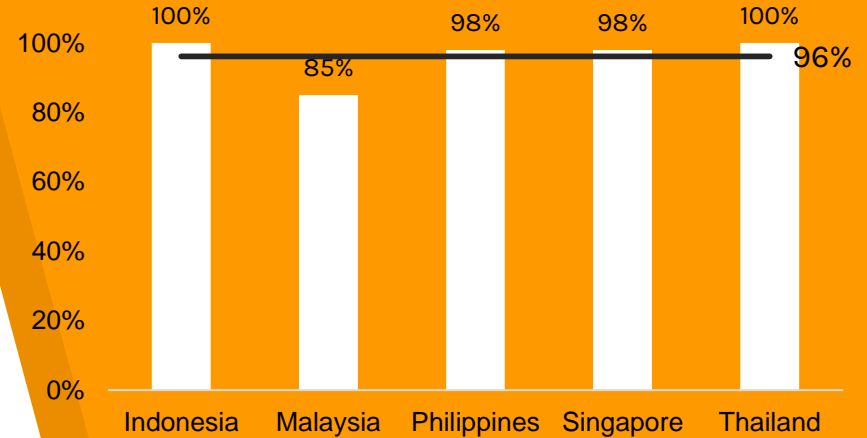
# QUESTION 2

## COMMITMENT TO COMPLY WITH LAWS & REGULATIONS

Q2. Does the company publicly commit to be in compliance with all relevant laws, including anti-corruption laws?



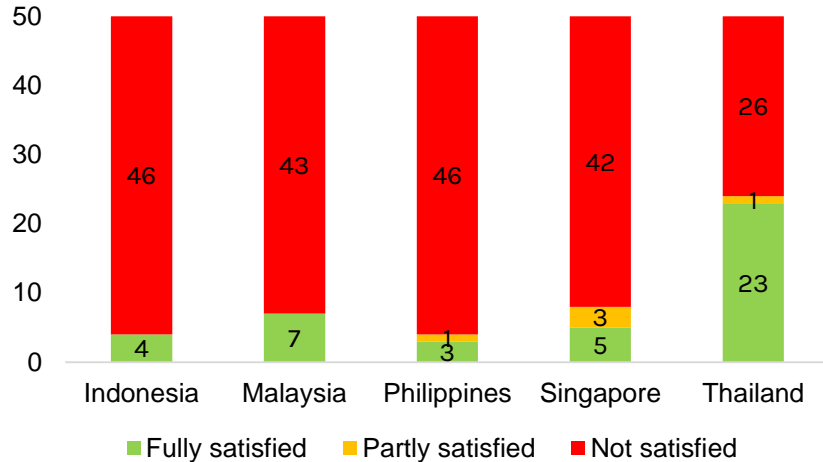
Q2. Average Level of Disclosure



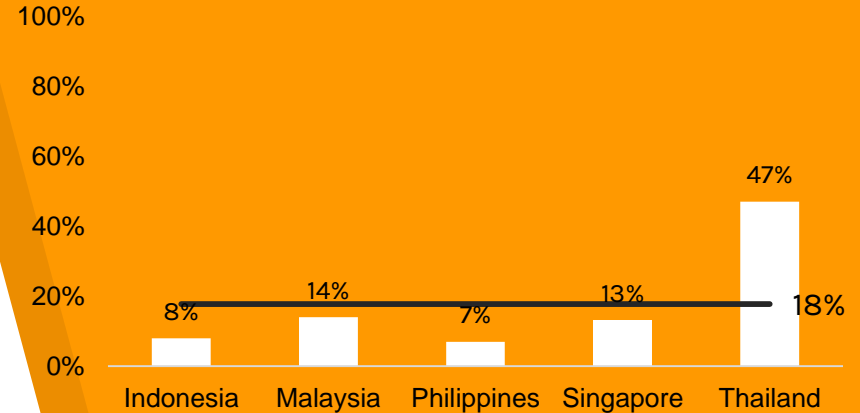
# QUESTION 3

## LEADERSHIP SUPPORT FOR ANTI-CORRUPTION

Q3. Does the company leadership demonstrate support for anti-corruption?



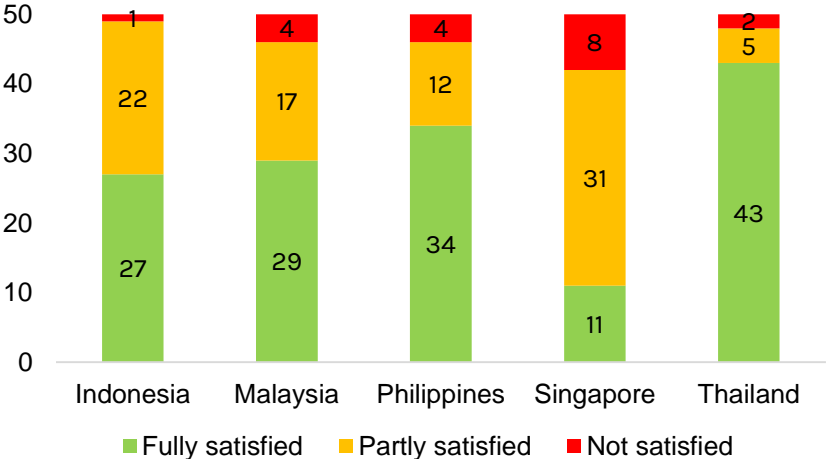
Q3. Average Level of Disclosure



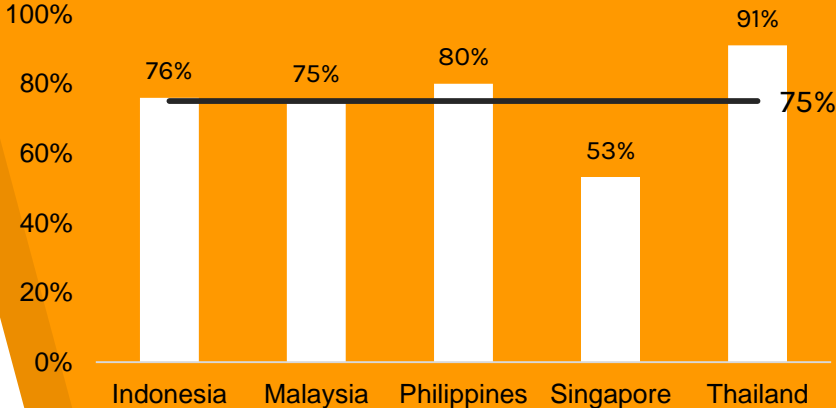
# QUESTION 4

## CODE OF CONDUCT TO ALL DIRECTORS & EMPLOYEES

Q4. Does the company's code of conduct/anti-corruption policy explicitly apply to all employees and directors?

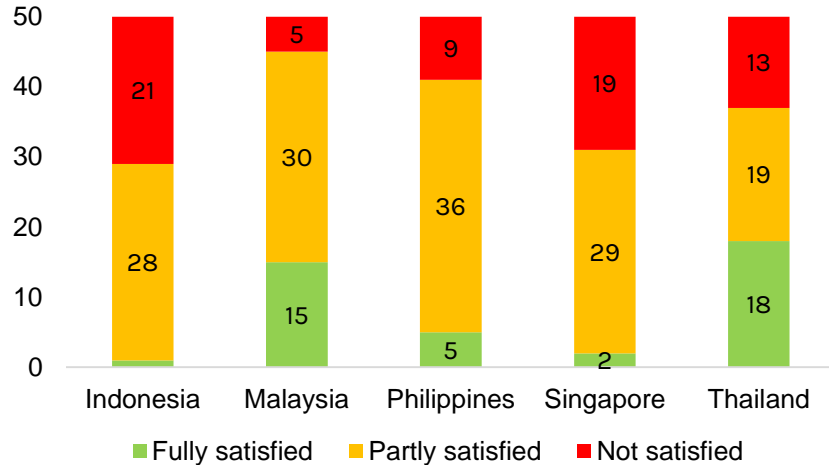


Q4. Average Level of Disclosure

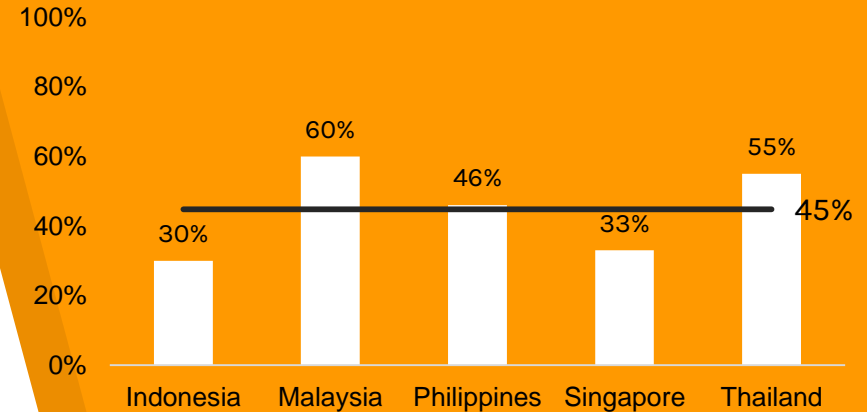


# QUESTION 7: ANTI-CORRUPTION TRAINING FOR EMPLOYEES & DIRECTORS

Q7. Does the company have in place an anti-corruption training programme for its employees and directors?



Q7. Average Level of Disclosure



## **ASPECT 2**

### **EXTERNAL COMMITMENT TO ANTI-CORRUPTION**

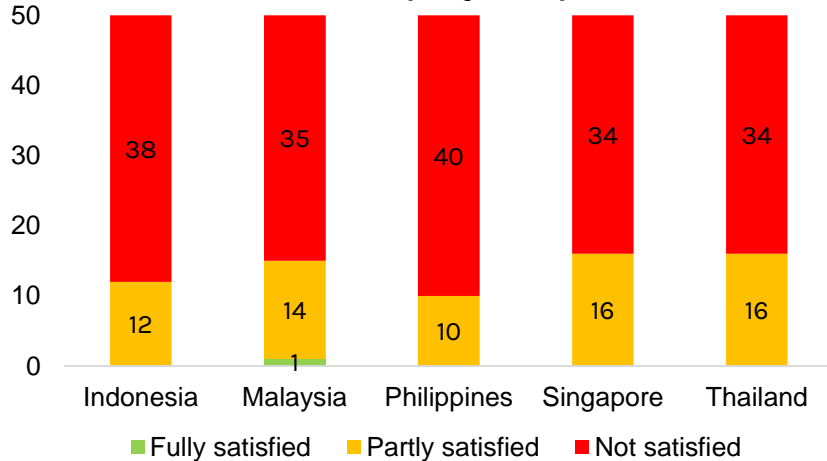
- Question 5 Does the company's anti-corruption policy explicitly apply to persons who are not employees but are authorised to act on behalf of the company or represent it?
- Question 6 Does the company's anti-corruption programme apply to non-controlled persons or entities that provide goods or services under contract?
- Question 8 Does the company have a policy on gifts, hospitality and expenses?
- Question 9 Is there a policy that explicitly prohibits facilitation payments?
- Question 13 Does the company have a policy on political contributions that either prohibits such contributions or if it does not, requires such contributions to be publicly disclosed?



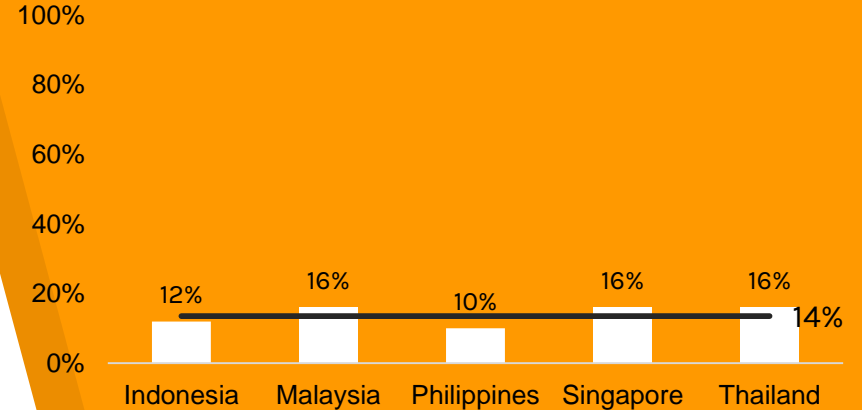
# QUESTION 5

## THIRD PARTY ACTING ON BEHALF OF THE COMPANY

Q5. Does the company's anti-corruption policy explicitly apply to persons who are not employees but are authorised to act on behalf of the company or represent it?



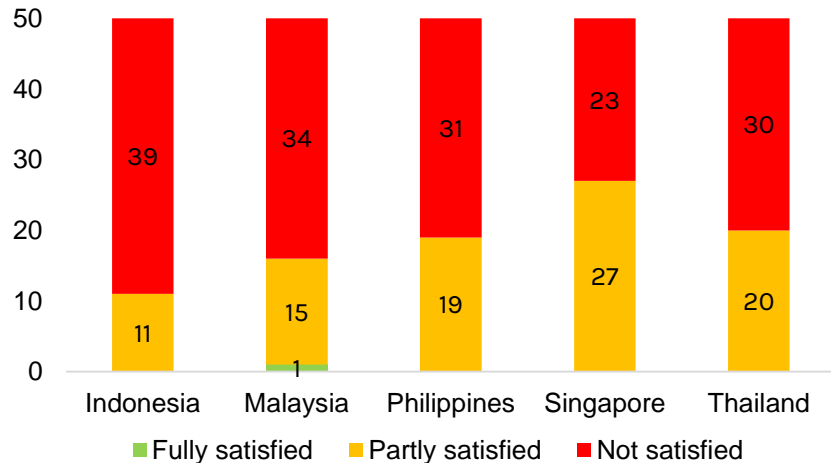
Q5. Average Level of Disclosure



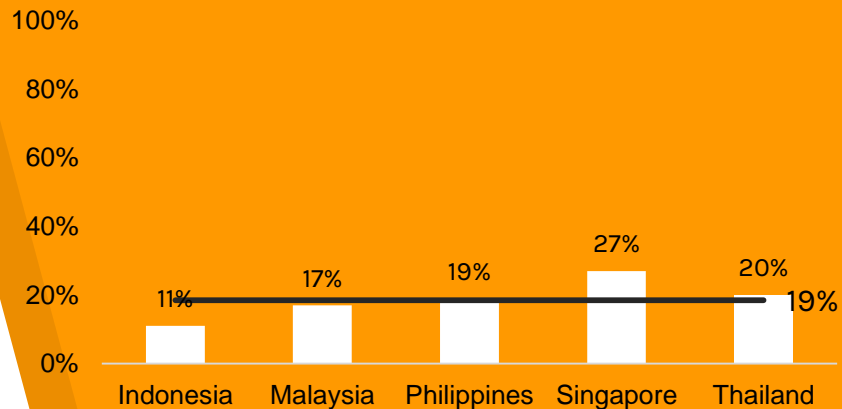
# QUESTION 6

## THIRD PARTY PROVIDER OF GOODS OR SERVICES

Q6. Does the company's anti-corruption programme apply to non-controlled persons or entities that provide goods or services under contract?



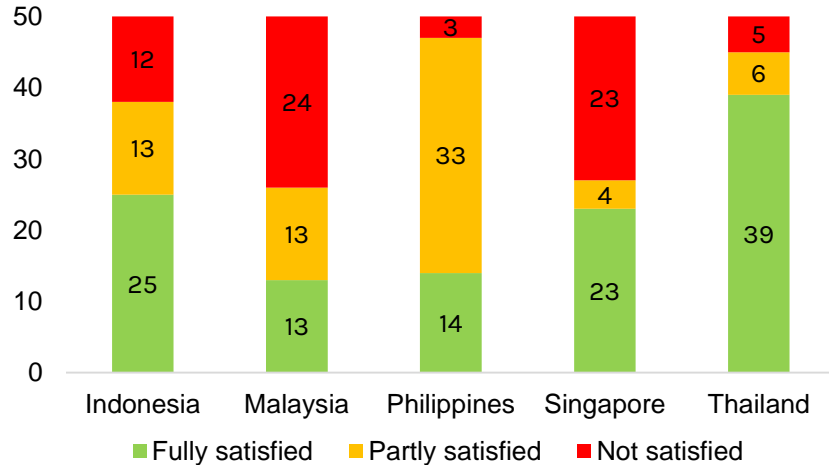
Q6. Average Level of Disclosure



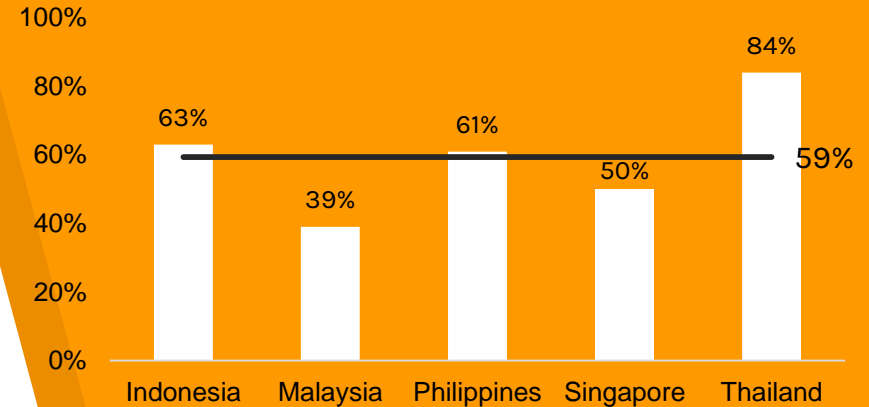
# QUESTION 8

## GIFTS, HOSPITALITY, AND EXPENSES

Q8. Does the company have a policy on gifts, hospitality and expenses?



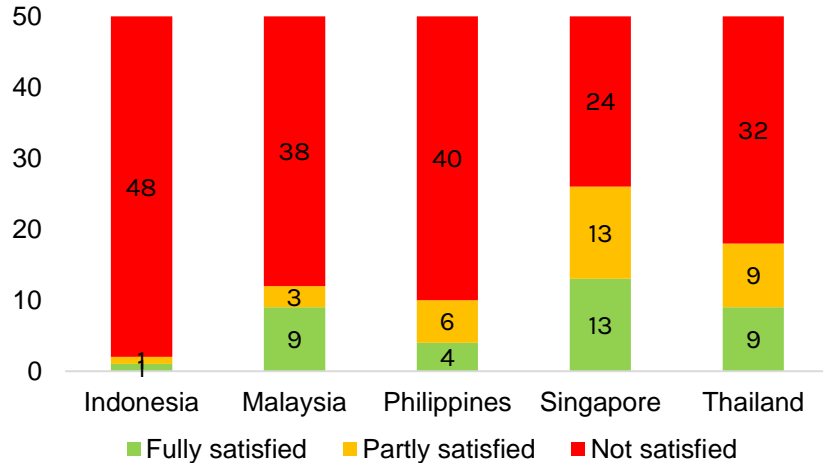
Q8. Average Level of Disclosure



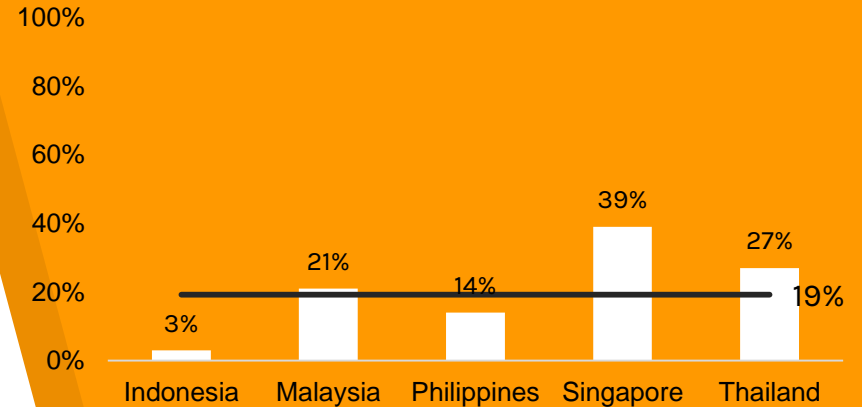
# QUESTION 9

## PROHIBITION OF FACILITATION PAYMENT

Q9. Is there a policy that explicitly prohibits facilitation payments?

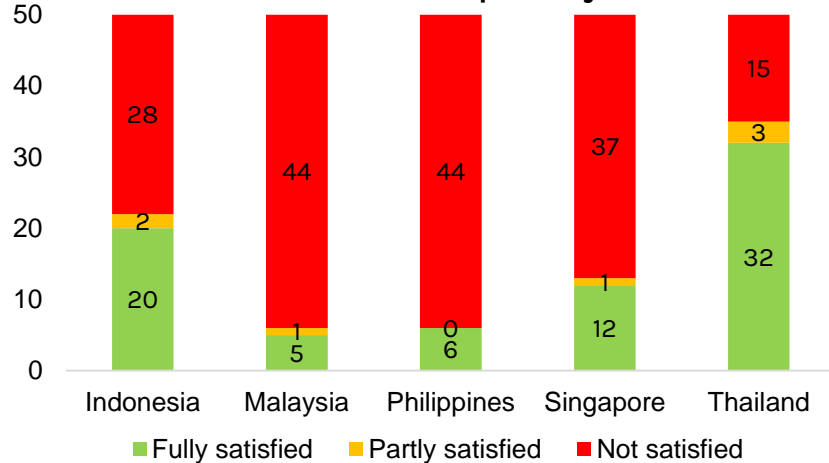


Q9. Average Level of Disclosure

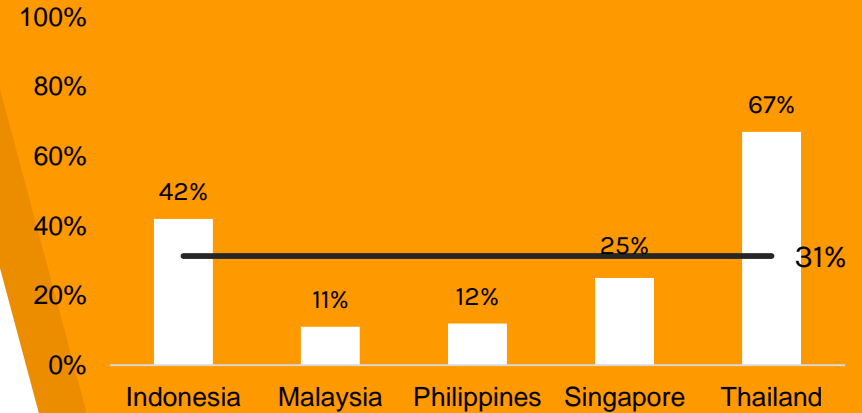


# QUESTION 13 POLITICAL CONTRIBUTIONS

Q13. Does the company have a policy on political contributions that either prohibits such contributions or if it does not, requires such contributions to be publicly disclosed?



Q13. Average Level of Disclosure



## **ASPECT 3**

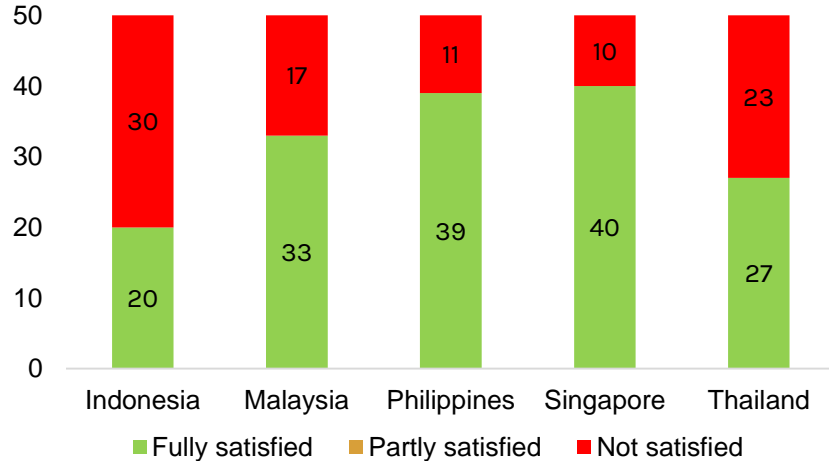
### **REPORTING & MONITORING**

- Question 10 Does the programme enable employees and others to raise concerns and report violations (of the programme) without risk of reprisal?
- Question 11 Does the company provide a channel through which employees can report suspected breaches of anti-corruption policies, and does the channel allow for confidential and/or anonymous reporting?
- Question 12 Does the company carry out regular monitoring of its anti-corruption programme to review the programme's suitability, adequacy and effectiveness, and implement improvements as appropriate?

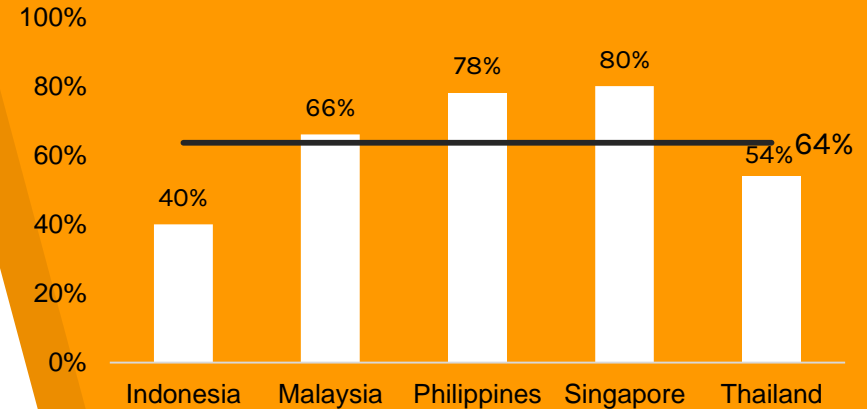
# QUESTION 10

## PROTECTION OF WHISTLEBLOWER

Q10. Does the programme enable employees and others to raise concerns and report violations (of the programme) without risk of reprisal?

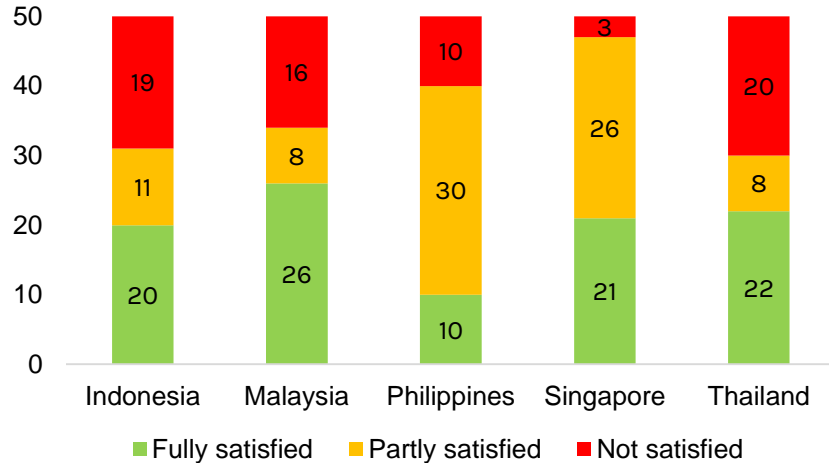


Q10. Average Level of Disclosure

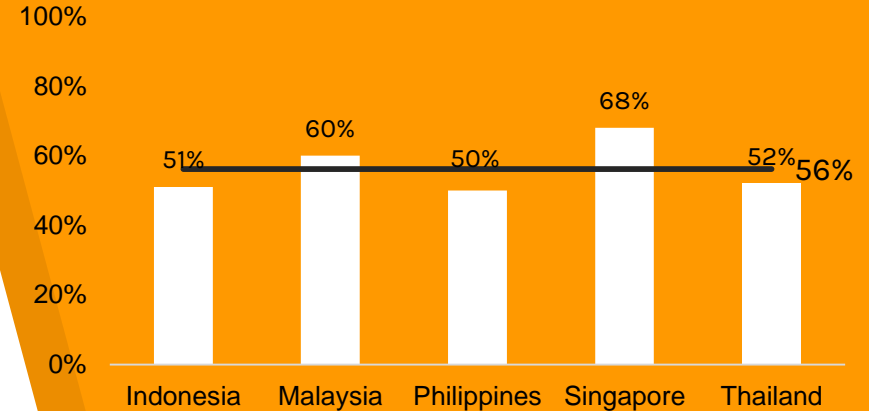


# QUESTION 11: TWO-WAY COMMUNICATION CHANNELS FOR WHISTLEBLOWER

Q11. Does the company provide a channel through which employees can report suspected breaches of anti-corruption policies, and does the channel allow for confidential and/or anonymous reporting?



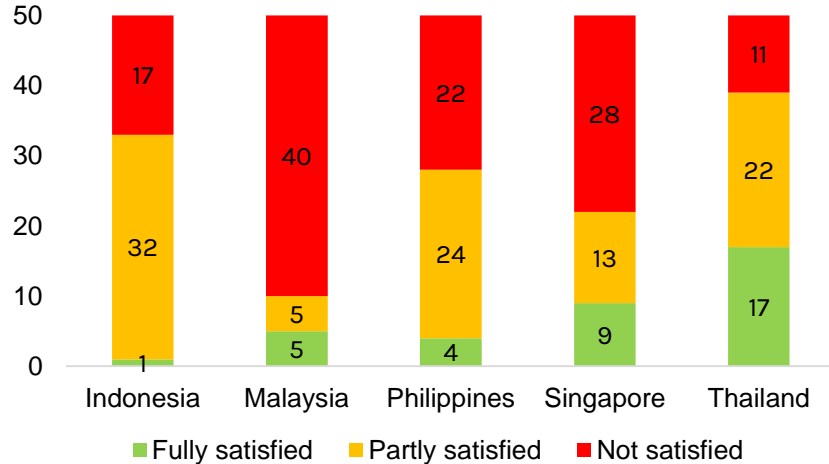
Q11. Average Level of Disclosure



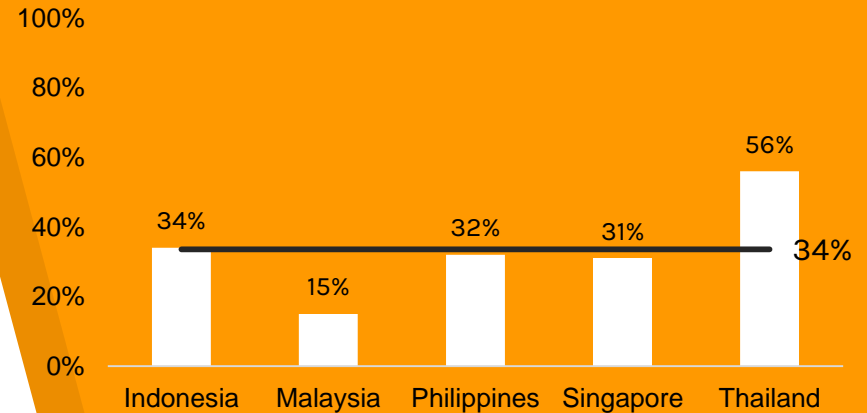


# QUESTION 12: REGULAR MONITORING OF ANTI-CORRUPTION PROGRAMME

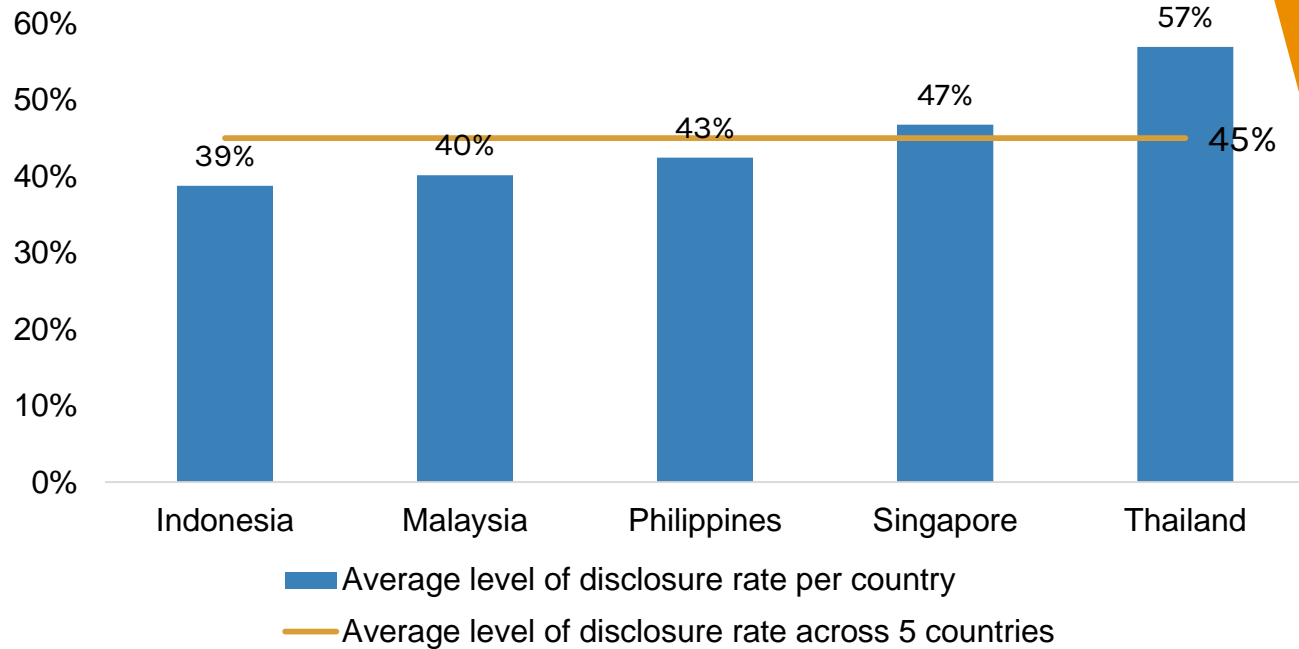
Q12. Does the company carry out regular monitoring of its anti-corruption programme to review the programme's suitability, adequacy and effectiveness, and implement improvements as appropriate?



Q12. Average Level of Disclosure



## Overall Level of Disclosure





**What does this mean for ASEAN?**

**4.**

**TOP 10  
COMPANIES  
WITH HIGHEST  
DISCLOSURE RATES**



## INDONESIA

- ✓ Bank Central Asia Tbk Pt
- ✓ Bank CIMB Niaga Tbk Pt
- ✓ Bank Negara Indonesia Perser
- ✓ Bank Pan Indonesia Tbk Pt
- ✓ Bank Rakyat Indonesia Perser
- ✓ Bayan Resources Group
- ✓ Blue Bird Tbk Pt
- ✓ Bumi Serpong Damai Pt
- ✓ Jasa Marga (Persero) Tbk Pt
- ✓ Kalbe Farma Tbk Pt
- ✓ Lippo Karawaci Tbk Pt
- ✓ Perusahaan Gas Negara Perser
- ✓ Semen Indonesia Persero Tbk Pt
- ✓ Vale Indonesia Tbk
- ✓ Waskita Karya Persero Tbk Pt
- ✓ XL Axiata Tbk Pt

*\*Some companies share the same scores with each other.*



## MALAYSIA

- ✓ Astro Malaysia Holdings Bhd
- ✓ Axiata Group Bhd
- ✓ British American Tobacco Malaysia Bhd
- ✓ Digi.Com Bhd
- ✓ Felda Global Ventures Holdings Bhd
- ✓ Hartalega Holdings Bhd
- ✓ IHH Healthcare Bhd
- ✓ IOI Corp Bhd
- ✓ KLCCP Stapled Group
- ✓ Lafarge Malaysia Bhd
- ✓ Nestle Malaysia Bhd
- ✓ Petronas Chemicals Group Bhd
- ✓ Petronas Dagangan Bhd
- ✓ Petronas Gas Bhd

*\*Some companies share the same scores with each other.*



## PHILIPPINES

- ✓ Ayala Corp
- ✓ BDO Unibank Inc
- ✓ D&L Industries Inc
- ✓ DMCI Holdings Inc
- ✓ Holcim Philippines Inc
- ✓ International Container Terminal Services Inc
- ✓ Manila Water Co Inc
- ✓ Metro Pacific Investments Corp
- ✓ Security Bank Corp
- ✓ Semirara Mining & Power Corp
- ✓ Travellers International Hotel Group Inc

*\*Some companies share the same scores with each other.*



## SINGAPORE

- ✓ City Developments Ltd
- ✓ DBS Group Holdings Ltd
- ✓ Keppel Corp Ltd
- ✓ Oversea-Chinese Banking Corp Ltd
- ✓ Sembcorp Industries Ltd
- ✓ Sembcorp Marine Ltd
- ✓ SIA Engineering Co Ltd
- ✓ Singapore Airlines Ltd
- ✓ Singapore Technologies Engineering Ltd
- ✓ United Overseas Bank Ltd

*\*Some companies share the same scores with each other.*





## THAILAND

- ✓ Advanced Info Service Pcl
- ✓ Electricity Generating Pcl
- ✓ Bangchak Petroleum Pcl
- ✓ Intouch Holdings Pcl
- ✓ Bts Group Holdings Pcl
- ✓ Ptt Exploration & Production Pcl
- ✓ Central Plaza Hotel Pcl
- ✓ Ptt Public Company Limited
- ✓ Charoen Pokphand Foods Pcl
- ✓ Thai Oil Pcl
- ✓ Delta Electronics Thailand Pcl
- ✓ True Corp Pcl

*\*Some companies share the same scores with each other.*

**TOP 10  
HIGHEST  
DISCLOSURE  
RATE ACROSS  
ASEAN**

✓	Advanced Info Service Pcl	Thailand
✓	Bangchak Petroleum Pcl	Thailand
✓	Electricity Generating Pcl	Thailand
✓	Intouch Holdings Pcl	Thailand
✓	Sembcorp Industries Ltd	Singapore
✓	Sembcorp Marine Ltd	Singapore
✓	SIA Engineering Co Ltd	Singapore
✓	Singapore Technologies Engineering Ltd	Singapore
✓	Thai Oil Pcl	Thailand
✓	True Corp Pcl	Thailand



## CREDITS

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## CREDITS

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- ▶ Presentation template by [SlidesCarnival](#)
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- ▶ Map of Southeast Asia (orthographic projection) by [Keepscases](#)
- ▶ Checkmark by To Uyen from Noun Project