



# Release of Study on Corporate Disclosure on Business Integrity in ASEAN

by

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CORPORATE  
DISCLOSURE ON  
**BUSINESS  
INTEGRITY  
IN ASEAN**

By Lawrence Loh, Nguyen Thi Phuong Thao,  
Shiau Ping Lee, Thomas Thomas

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*Presentation by:  
Professor Lawrence Loh*



# Research

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Conducted by



Centre for Governance, Institutions & Organisations  
NUS Business School

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Commonwealth  
Office

# Agenda

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- Background
- Methodology and limitations
- Findings for Top 50 companies per country
- Companies with highest disclosure rates  
across ASEAN

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# Background



# Transparency International (TI) studies

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- TI is an organization which aims to stop corruption and promote transparency, accountability and integrity at all levels and across all sectors of society.
- In it's study, **Corruption Perceptions Index (CPI) 2017**
- most ASEAN countries were ranked at the bottom half with the exception of Singapore which was ranked 6<sup>th</sup> in CPI 2017.
- It indicated that severe cases of corruption may be ongoing in the region.

# Transparency International (TI) studies

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## **Corruption Perceptions Index (CPI) 2017**

Most ASEAN countries were ranked at the bottom half, indicating severe cases of corruption may be ongoing in the region.

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The average score of ASEAN countries was 42 which is less than half of the total score.

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# Methodology and Limitations



# Data collection

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## Company Selection



Largest 50 companies in the 5 ASEAN countries (Indonesia, Malaysia, Philippines, Singapore and Thailand) by market capitalisations.

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## Questionnaire



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

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## Sources



Annual reports, sustainability reports, codes of conduct, corporate governance reports and company websites

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## Scoring



1 = Fully satisfied, 0.5 = Partly satisfied, 0 = Not satisfied

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## Limitations



Absence of public disclosures representativeness of results and language barrier

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# Conceptual framework

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**Category 1** - Internal commitment  
to anti-corruption

**Category 2** - External commitment  
to anti-corruption

**Category 3** - Reporting and monitoring

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# Findings for top 50 companies per country



# Category 1

## Internal commitment to anti-corruption

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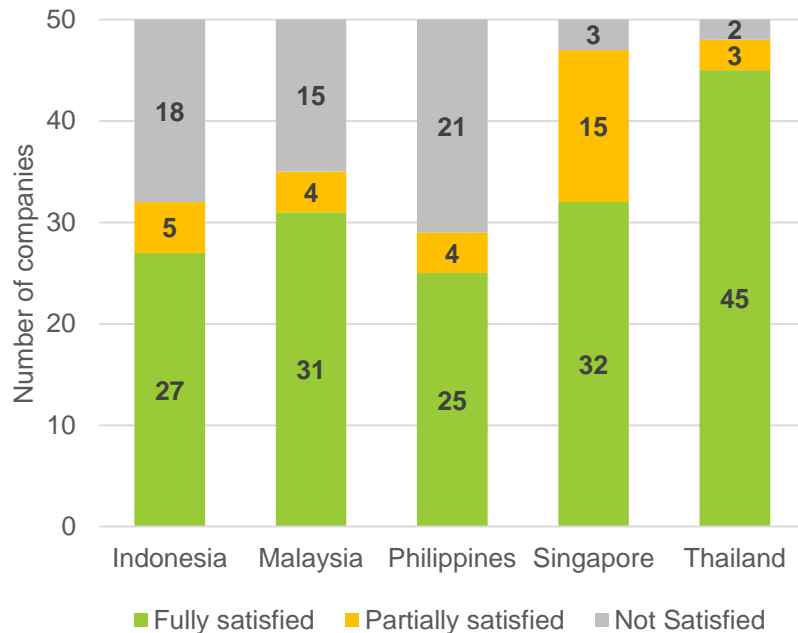
### Questions

- I. Does the company have a publicly stated commitment to anti-corruption?
- II. Does the company publicly commit to be in compliance with all relevant laws, including anti-corruption laws?
- III. Does the company leadership demonstrate support for anti-corruption?
- IV. Does the company's code of conduct/anti-corruption policy explicitly apply to all employees and directors?
- V. Does the company have in place an anti-corruption training programme for its employees and directors?

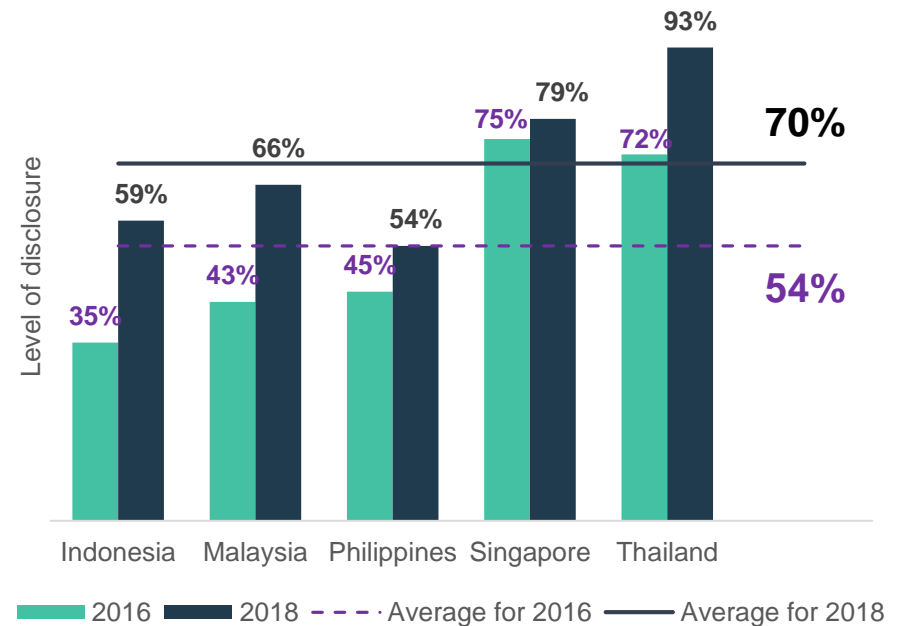
# Internal commitment to anti-corruption (I)

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

Disclosure of publicly stated commitment to anti-corruption



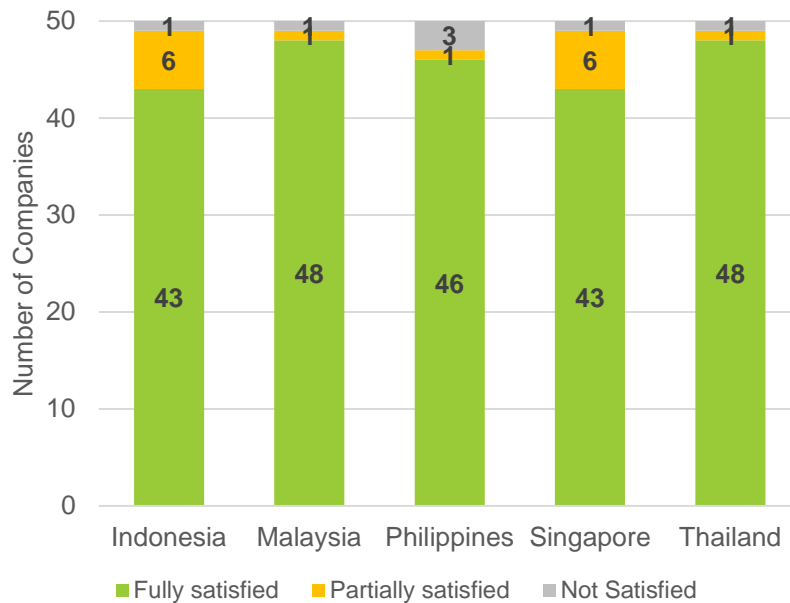
Average level of disclosure publicly stated commitment to anti-corruption



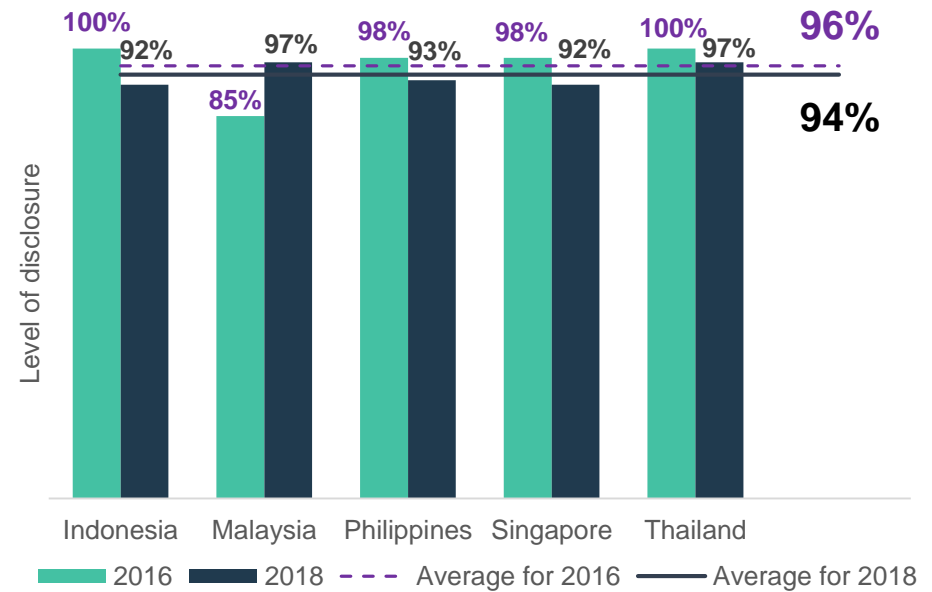
# Internal commitment to anti-corruption (II)

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

Disclosure of commitment to comply with laws

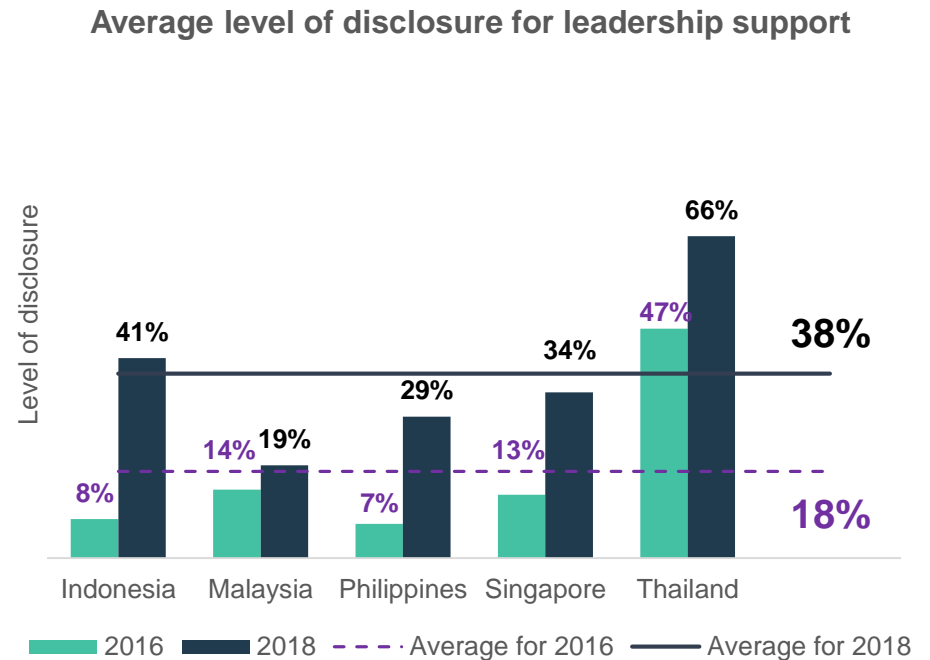


Average level of disclosure for commitment to comply with laws



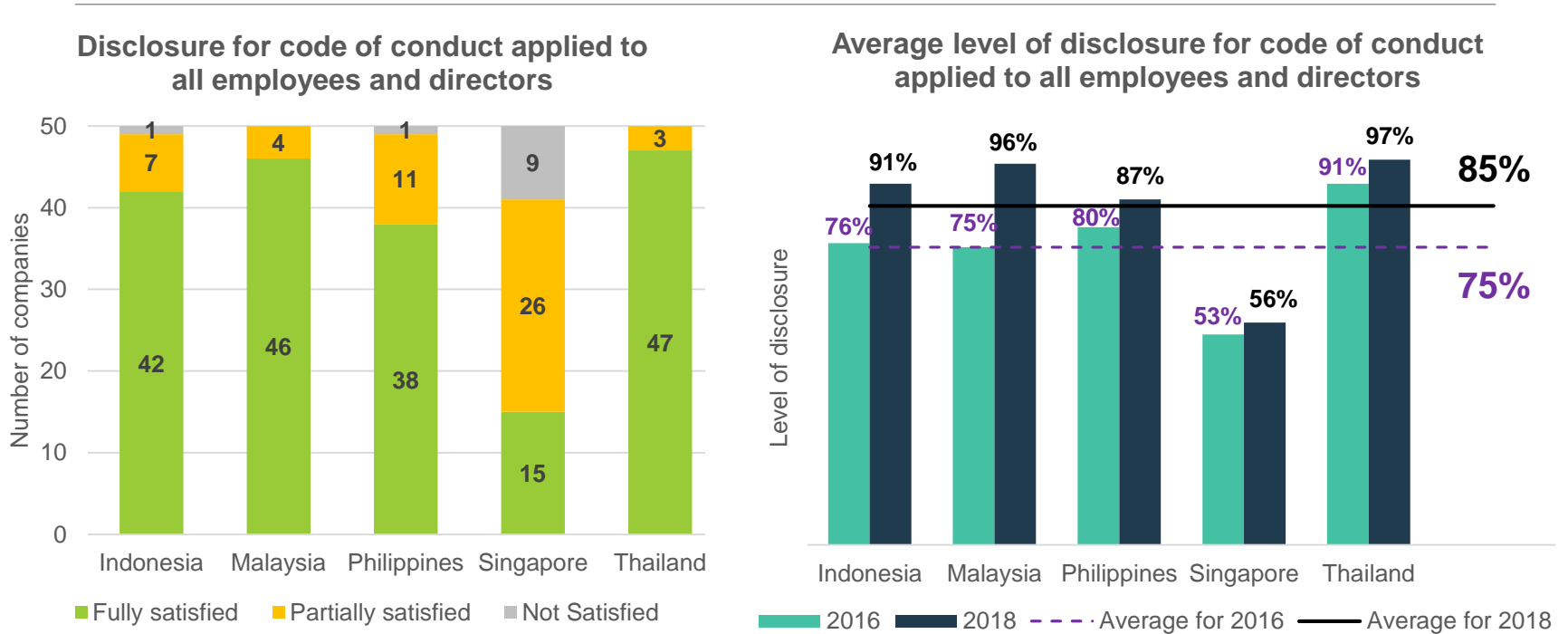
# Internal commitment to anti-corruption (III)

Does the company leadership demonstrate support for anti-corruption?



# Internal commitment to anti-corruption (IV)

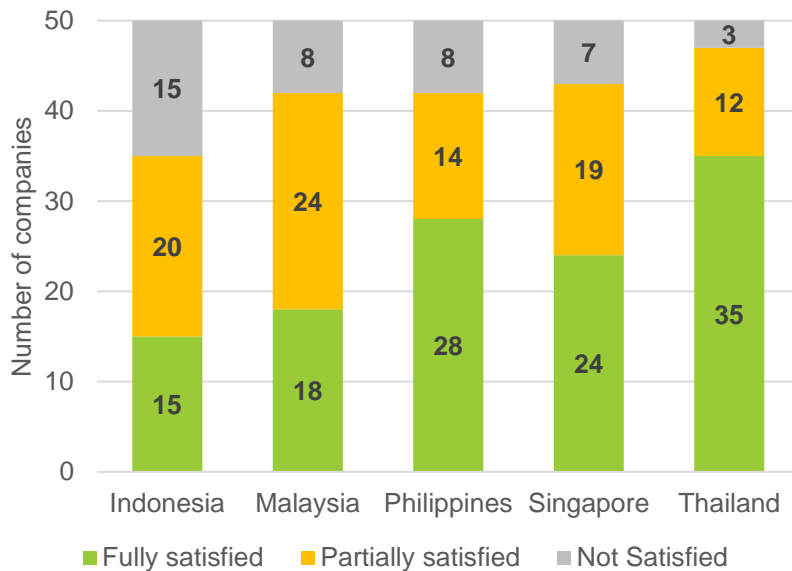
Does the company's code of conduct/anti-corruption policy explicitly apply to all employees and directors?



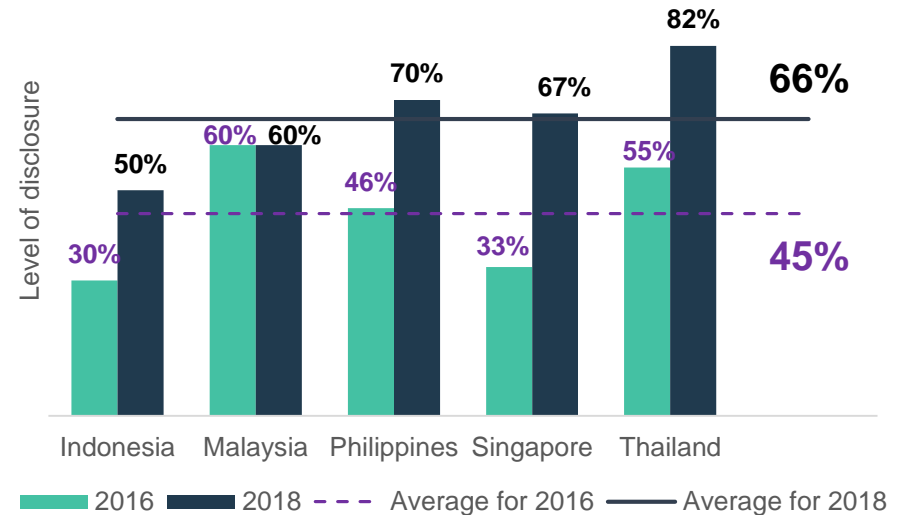
# Internal commitment to anti-corruption (V)

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

Disclosure of training programme for all employees and directors



Average level of disclosure for training programme for all employees and directors





# Category 2

## External commitment to anti-corruption

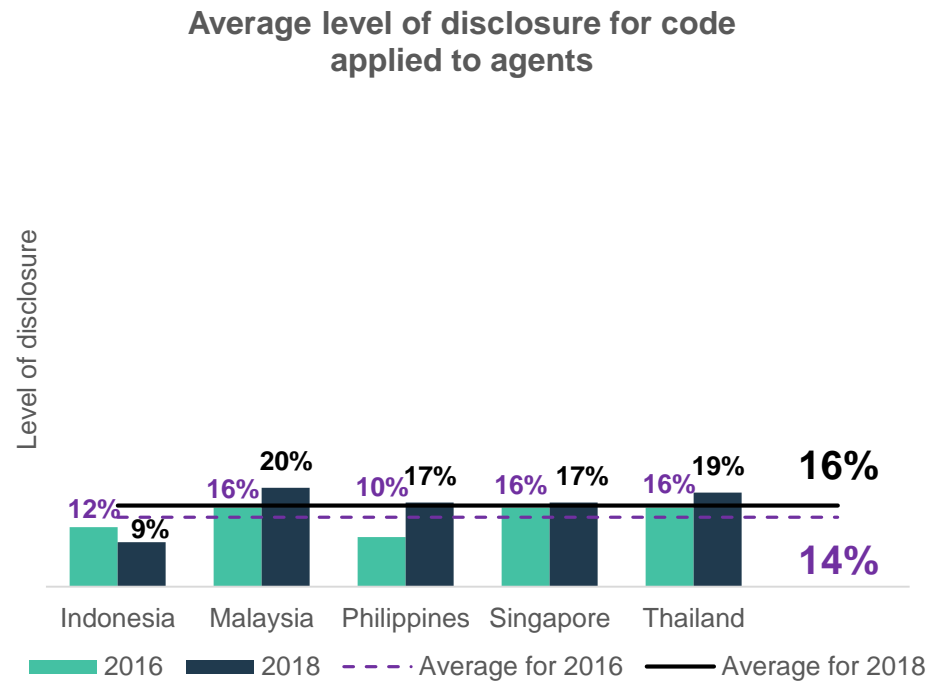
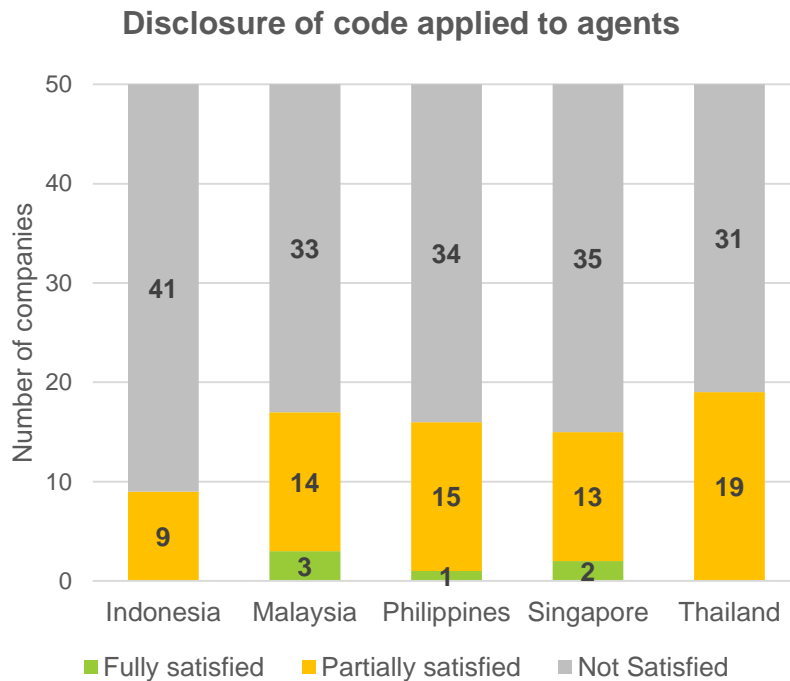
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### Questions

- I. 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?
- II. Does the company's anti-corruption programme apply to non-controlled persons or entities that provide goods or services under contract?
- III. Does the company have a policy on gifts, hospitality and expenses?
- IV. Is there a policy that explicitly prohibits facilitation payments?
- V. 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?

# External commitment to anti-corruption (I)

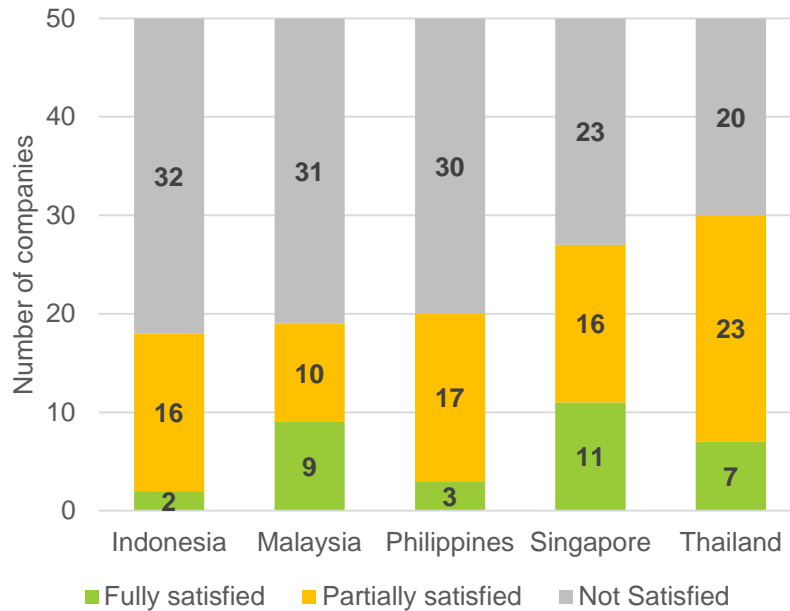
Does the company's anti-corruption policy explicitly apply to person who are not employees but are authorised to act on behalf of the company or represent it?



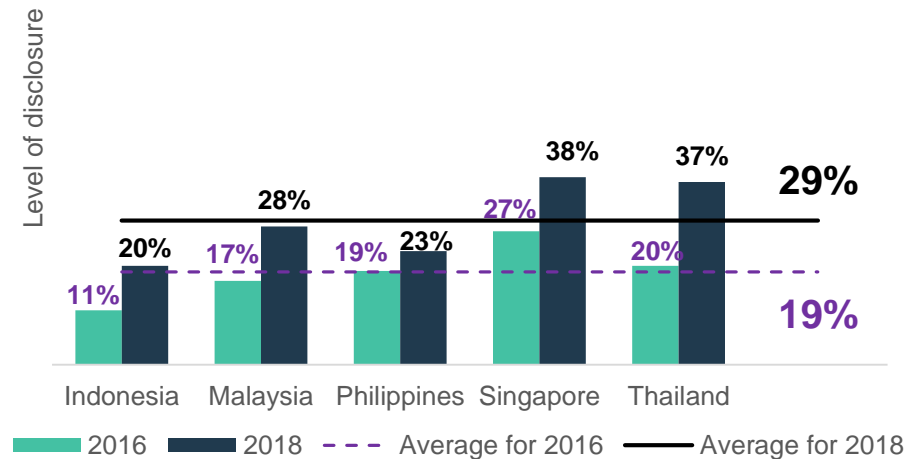
# External commitment to anti-corruption (II)

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

Disclosure of code applied to suppliers

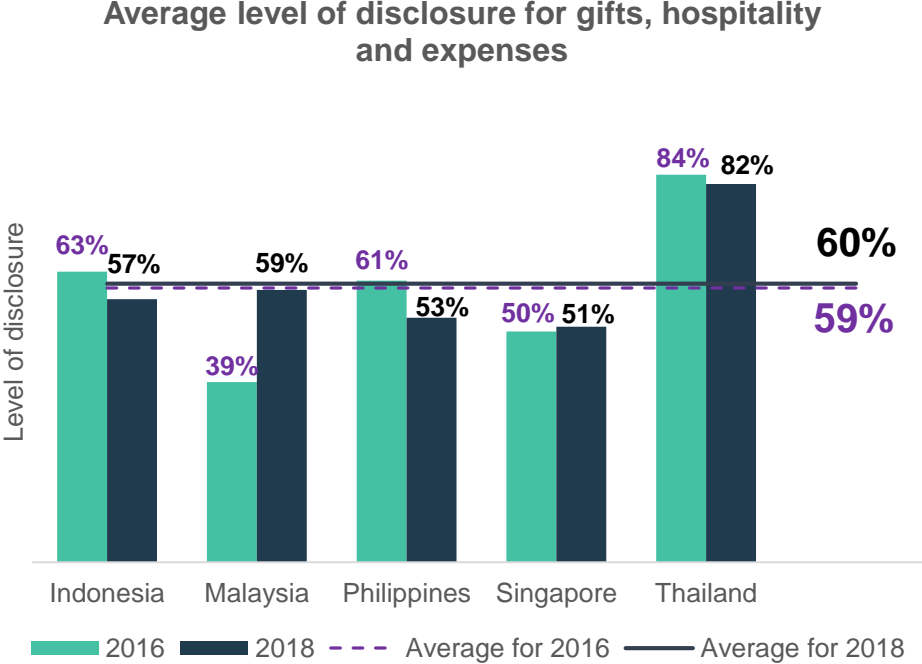
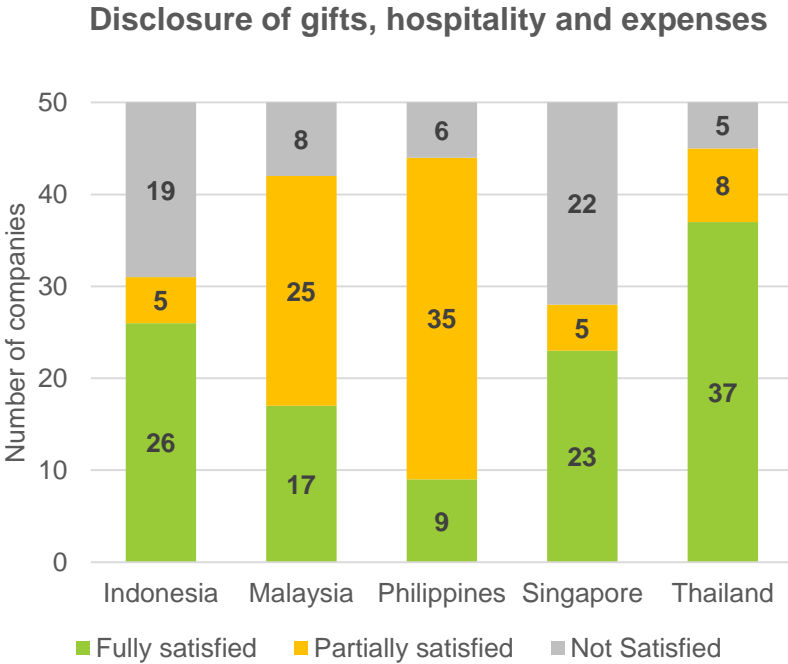


Average level of disclosure for code applied to suppliers



# External commitment to anti-corruption (II)

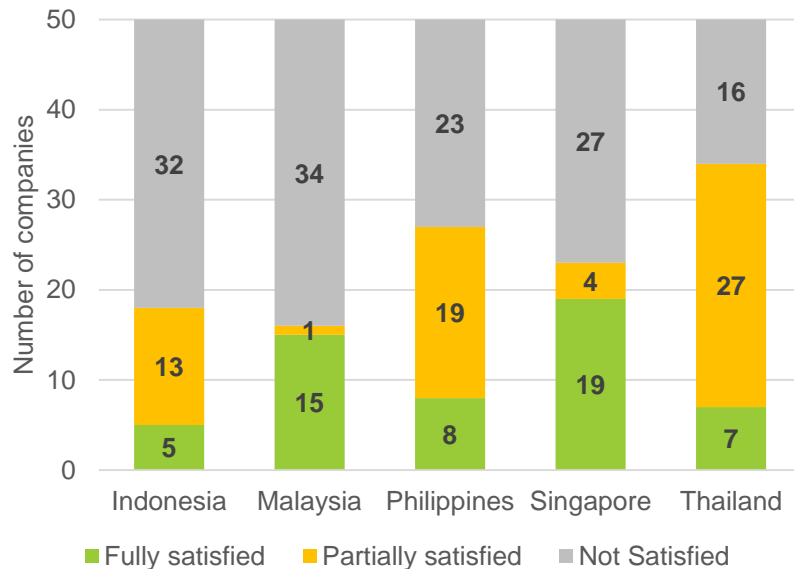
Does the company have a policy on gifts, hospitality and expenses?



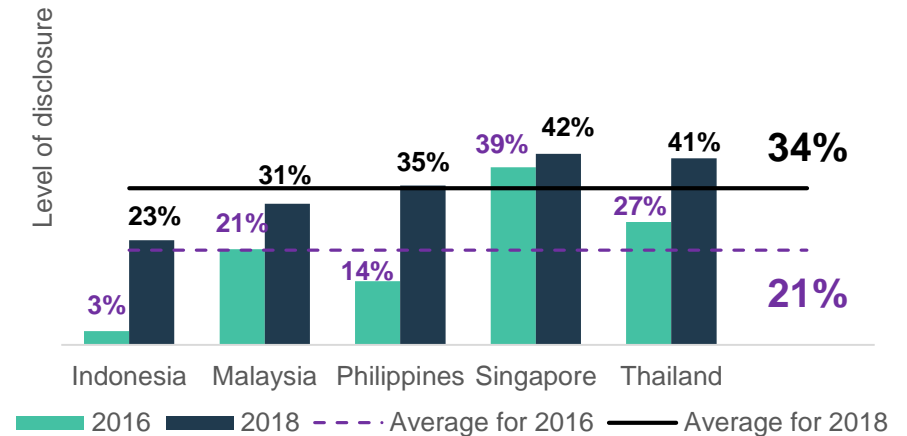
# External commitment to anti-corruption (IV)

Is there a policy that explicitly prohibits facilitation payments?

Disclosure of prohibition facilitation payments



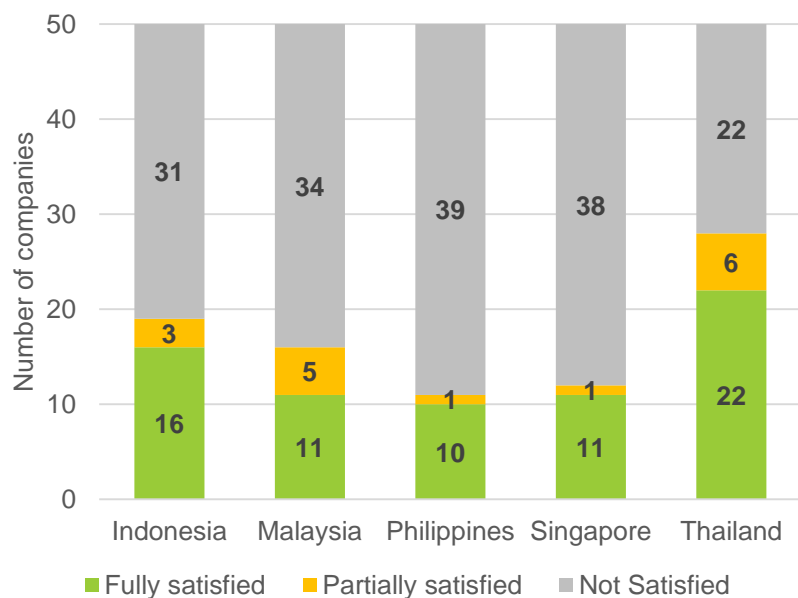
Average level of disclosure for prohibition facilitation payments



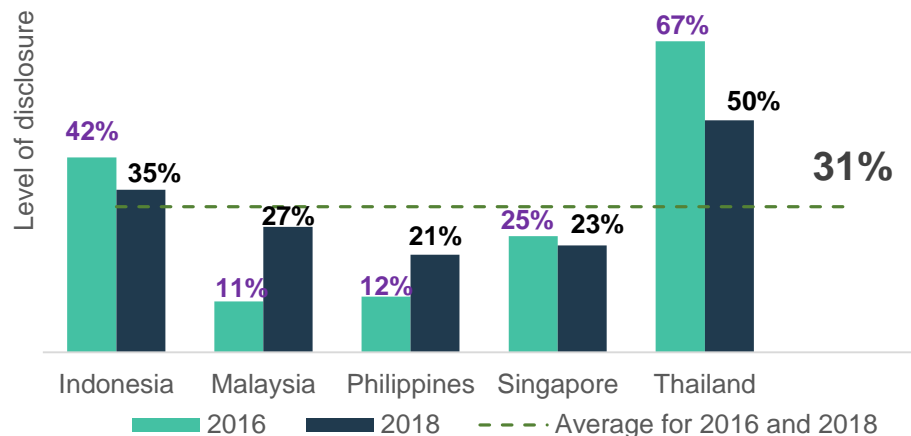
# External commitment to anti-corruption (V)

Does the company have policy on political contributions or if it does not, requires such contributions to be publicly disclosed?

Disclosure of political contributions



Average level of disclosure for political contributions



# Category 3

## Reporting and monitoring

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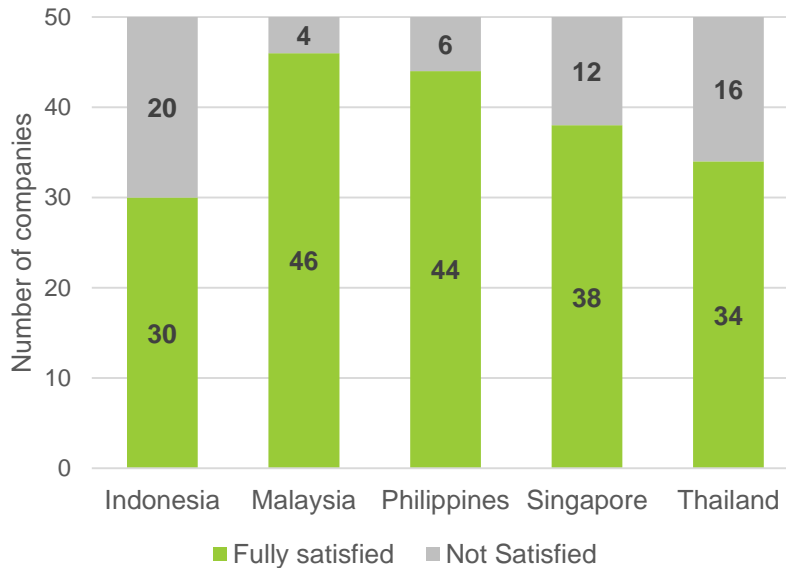
### Questions

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

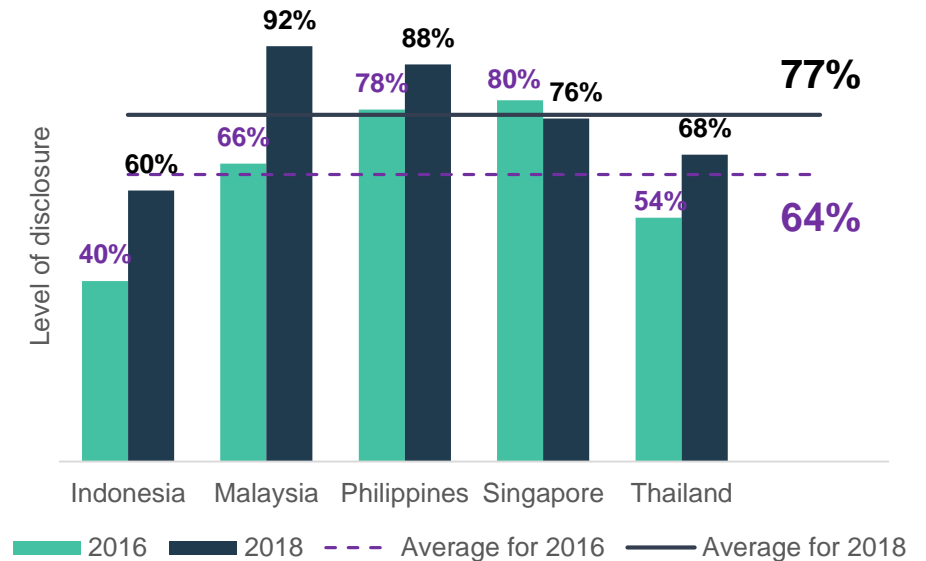
# Reporting and monitoring (I)

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

Disclosure of prohibition of retaliation for reporting



Average level of disclosure for prohibition of retaliation for reporting

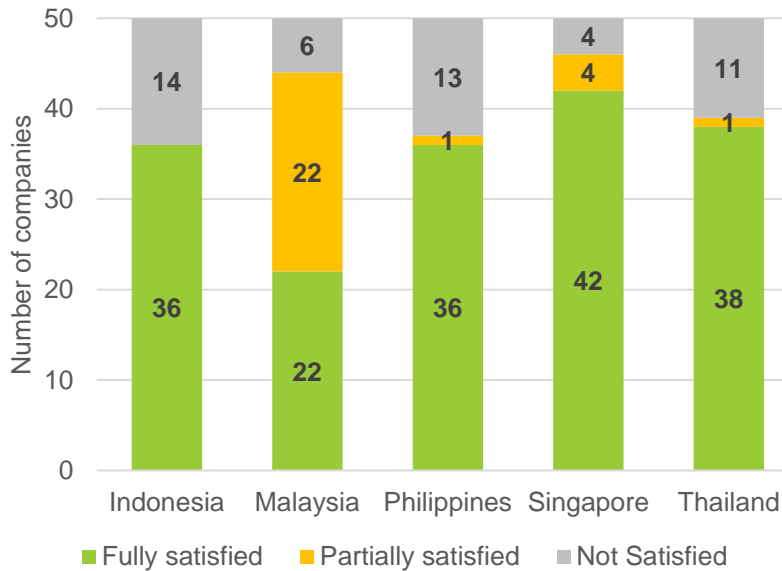




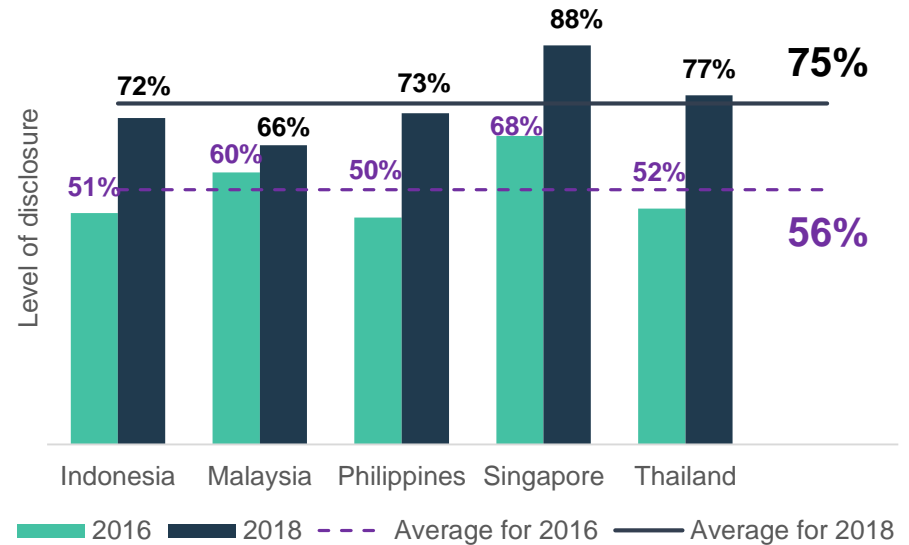
# Reporting and monitoring (II)

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?

Disclosure of confidential reporting channel



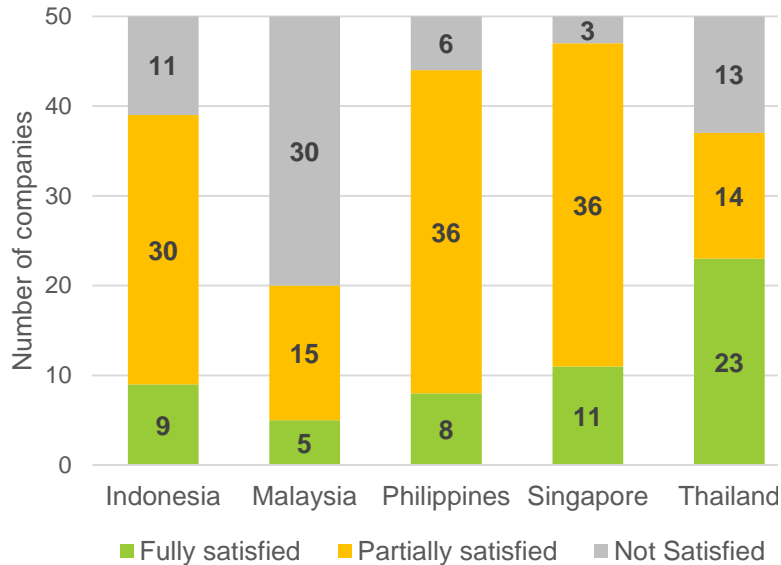
Average level of disclosure for confidential reporting channel



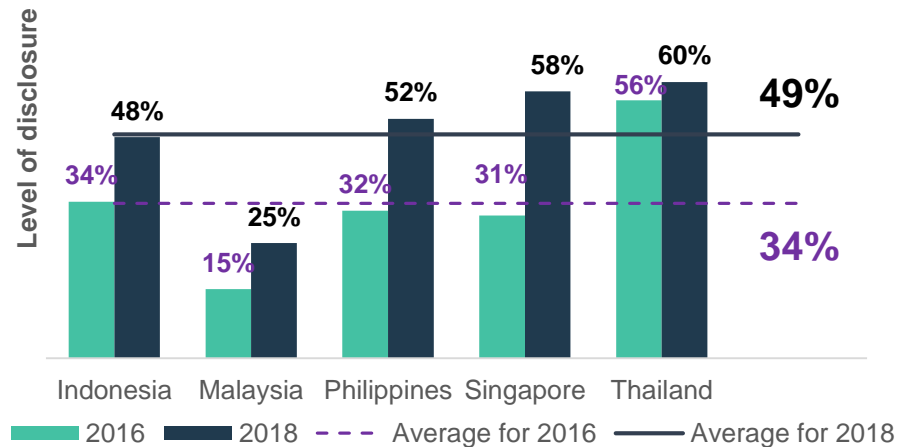
# Reporting and monitoring (III)

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?

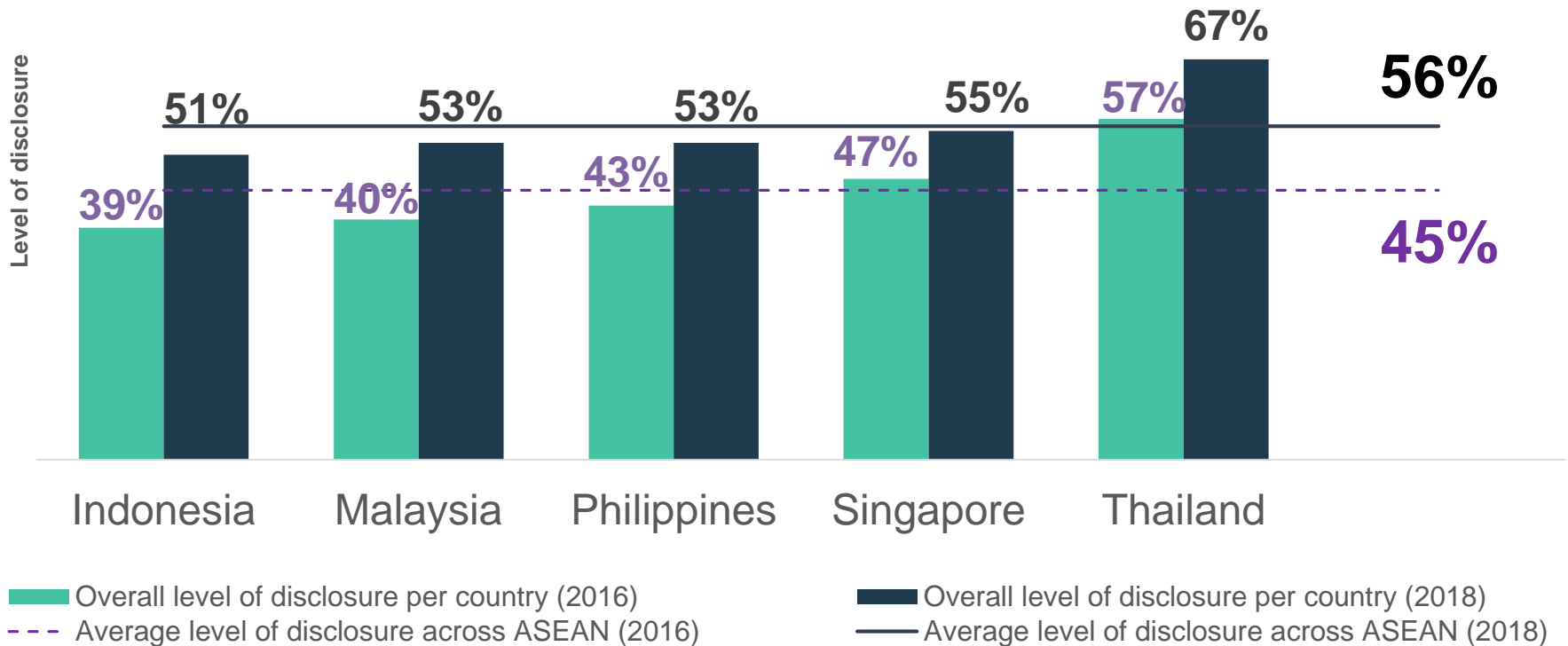
Disclosure of regular programme monitoring



Average level of disclosure for regular programme monitoring



# Overall level of disclosure



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# **Companies with highest disclosure rates across ASEAN**



# Companies with highest disclosure rates across ASEAN

<b>Company</b>	<b>Country</b>
Advanced Info Service PCL	Thailand
Delta Electronics (Thailand) PCL	Thailand
Digi.Com BHD	Malaysia
Golden Agri-Resources LTD	Singapore
Sembcorp Industries LTD	Singapore
SIA Engineering LTD	Singapore
Singapore Airlines LTD	Singapore
Singapore Telecommunications LTD	Singapore
Total Access Communication PCL	Thailand
Unilever Indonesia Tbk PT	Indonesia
XL Axiata Tbk PT	Indonesia