

S'pore firms ranked 2nd in Asean for transparency on anti-corruption policy

By **Annabeth Leow**

leowhma@sph.com.sg

@AnnabethLeowBT

Singapore

SOUTH-EAST Asia's biggest listed companies have improved over the past two years in their transparency about anti-corruption practices, according to a study out on Monday.

Public firms in five key Asean markets scored 56 per cent on average, up from 45 per cent previously, in a ranking of the 50 largest companies listed in Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The Republic scored 55 per cent overall, up from 47 per cent in 2016. It took the silver in both rounds of the study, which was jointly carried out by Asean CSR Network and the Centre for Governance, Institutions and Organisations (CGIO) at the National University of Singapore Business School.

Golden Agri-Resources, Sembcorp Industries, SIA Engineering, Singapore Airlines and Singtel were among Asean's 11 most transparent stocks.

But Thailand, which has laws on compliance and transparency disclosure, stayed in pole position, with an overall disclosure level of 67 per cent.

The study found that Singapore fared well in its listed companies' public commitments to anti-corruption and compliance with the law, as well as confidential reporting channels and bans on retaliation for reporting.

But it had the region's lowest scores for applying codes of conduct to all directors and employees and for policies on gifts, hospitality and travel.

Singapore companies also lagged neighbours in areas such as disclosing political contributions and applying anti-corruption policy to agents.

Extending anti-corruption policies to third parties is a regionwide problem, according to the study, which flagged the risk of kickbacks.

The rate of companies' transparency on anti-corruption codes across South-east Asia was 29 per cent for their suppliers and 16 per cent for their agents.

Lawrence Loh, director of the CGIO, said in a statement: "While the overall performance has improved over the years, the critical challenge in achieving total business integrity requires urgent recourse in the area of how companies deal with their external agents and suppliers."

Improving practices

	2018	2016
Thailand	67%	57%
Singapore	55%	47%
The Philippines	53%	43%
Malaysia	53%	40%
Indonesia	51%	39%
Overall	56%	45%

Sources: Asean CSR Network and the Centre for Governance, Institutions and Organisations, National University of Singapore Business School

The findings were released at the Asean Responsible Business Forum, organised by the Asean CSR Network and the Asean Business Advisory Council.

Asean CSR Network chair Yanti Triwadiantini said that the bloc's economic growth "has come with many serious challenges", citing an income gap, inadequate labour standards, environmental degradation and "pervasive corruption in many countries".

On top of better support for micro, small and medium-sized enterprises, she called on business networks to push for responsible and inclusive business, saying: "In today's context, it is no longer enough that companies comply with the law.

"We expect companies to respect human rights, respect the environment, and ensure that all sectors of society, including women and minority ethnicities, benefit equally from the wealth that is created from business transactions."