

S'pore firms doing better in corporate governance disclosures: Study

But they need to boost ethical standards in practice and make them visible to public, says report

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Singapore companies have improved markedly over the past two years in disclosing issues surrounding corporate governance, but more needs to be done, a report said yesterday.

It said such disclosures are even more vital now as companies must highlight their corporate responses to the pandemic, such as work-from-home procedures, improved workplace initiatives, donations and supply chain measures.

The report studied the 50 largest listed companies in Singapore, Indonesia, Malaysia, the Philippines and Thailand and scored them on their internal commitment to anti-corruption, including training programmes and leadership support.

They were also assessed in external areas – such as whether they had codes of conduct for agents and suppliers, and if they disclosed political contributions – as well as on reporting and monitoring, such as if they had a whistle-blowing channel.

Singapore ranked third, behind Thailand, while Malaysia topped the study, which was conducted by the Securities Investors Association (Singapore), or Sias; the National University of Singapore's Centre for Governance, Institutions and Organisations (CGIO); and the



GOING THROUGH THE MOTIONS

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SECURITIES INVESTORS ASSOCIATION (SINGAPORE) PRESIDENT DAVID GERALD

Asean CSR Network.

The report noted: "The majority of Singapore-listed companies recognised the necessity of making statements on their commitment to anti-corruption and law compliance.

"The awareness of upholding business integrity standards was enhanced by regular training and communications. A growing number of employers provided compulsory training sessions to their new em-

ployees on anti-corruption.

"It is also observed that all assessed companies have put in place a whistle-blowing channel for internal and external stakeholders, most of which prohibit retaliation against the whistle-blowers acting in good faith."

It said there has been significant progress over the past two years by companies disclosing their commitment to anti-corruption, including implementing ethics policies for suppliers and agents, and communicating these measures to the public.

"About half of the assessed listed companies stated their policy on gifts, hospitality and expenses, to offer guidance on giving and receiving gifts when their staff socialised with external parties," the report said.

But companies here must do more.

"At present, the disclosures on the ethics code applied to agents, the policy on facilitation payment and political contribution are limited.

"More companies should establish a regular monitoring mechanism of anti-corruption programmes. Instead of making vague promises in corporate announcements, the corporates need to get more incentives to strengthen business ethical standards in practice and make them visible to the public," said the report.

Sias president David Gerald told a briefing: "Many companies see compliance of corporate governance as a set of rules (for which) one must 'tick the box'. However, corporate governance is a journey and not a destination.

"Business integrity has been an essential element to enhance corporate competitiveness in the current business environment, where greater transparency and a stronger sense of corporate responsibility are demanded."

Mr Gerald urged companies to lift their game in this area. "Boilerplate reporting must stop and firms have to go beyond such statements. If they want to attract investors to their firms, they have to report much more than they are doing now."

CGIO director Lawrence Loh said: "(They) seem to have this inertia to disclose anything relating to business integrity... When in doubt, they should always disclose.

"Singapore ranks highly in terms of national reputation for anti-corruption, but when it comes to corporations, everything seems to be missing."

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