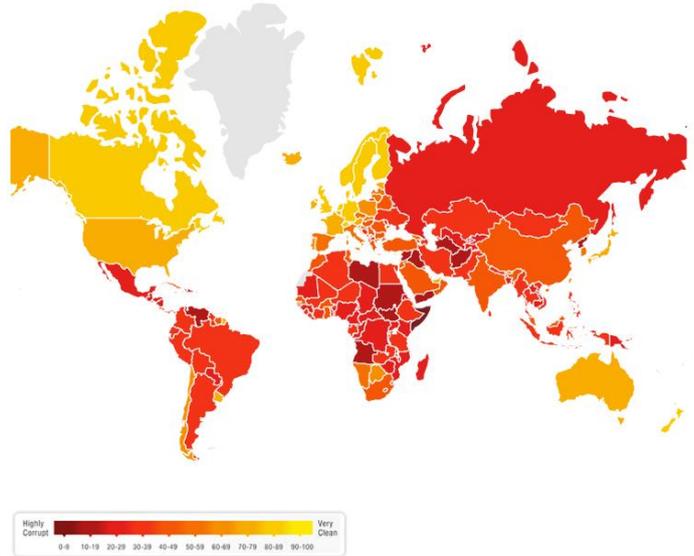


company’s reputation, improve staff morale, and reinforce credibility with investors and regulatory agencies.

Since 2000, Transparency International (a not-for-profit organisation) has published an annual Corruption Perceptions Index (CPI) where countries are ranked by their perceived levels of corruption (“the misuse of public power for private benefit”), as determined by expert assessments and opinion surveys. It currently ranks 177 countries on a scale from 100 (very clean) to 0 (highly corrupt).



Transparency International – Corruption Perception Index 2013

Top 25 – Least Corrupt Countries		
Rank	Country	Score
1	New Zealand	89
2	Denmark	88
3	Finland	85
3	Norway	85
3	Switzerland	85
6	Singapore	84
6	Sweden	84
8	Canada	84
8	Luxembourg	82
8	Netherlands	82
8	United Kingdom	82
12	Germany	81
13	Australia	77
13	Hong Kong	77
13	Iceland	77
16	Austria	75
16	Belgium	75
16	United States	75
19	Ireland	74
20	Japan	73

Bottom 25 – Most Corrupt Countries		
Rank	Country	Score
161	Cambodia	21
161	DR Congo	21
161	Congo	21
161	Tajikistan	21
165	Chad	20
165	Eritrea	20
167	Angola	19
167	Turkmenistan	19
169	Iraq	18
169	Venezuela	18
171	Equatorial Guinea	17
171	Guinea-Bissau	17
171	North Korea	17
171	Libya	17
175	Sudan	16
175	Yemen	16
177	Afghanistan	15
178	Syria	14
179	South Sudan	12
180	Somalia	9

A survey conducted by auditing firm Ernst & Young in 2016 found that 16% of top financial executives are willing to pay out bribes in order to maintain existing contracts or to enter new markets. These figures are rather alarming as it suggests that some executives are willing to gamble a company's future and reputation in return for short-term gains. In light of such risks, the effects of corruption and bribery on a company's operations can be observed across four dimensions:

- (1) its external business relations;
- (2) its interaction with a regulatory framework;
- (3) its public reputation; and
- (4) the morale of its employees.

The effect of bribery and corruption allegations depends on: who initiated the illegal transaction, how and when it was detected, who detected the wrongdoing (e.g. a whistle-blower vs. internal mechanisms), and the way the firm responded once it was uncovered.

The company will suffer a far less negative impact if the cases of corruption and bribery are detected by its own internal control systems than when they are exposed by regulators or the media. When a firm is proactive and responds quickly it sends a strong message that their own monitoring and compliance systems are working, and that is able to contain and control the consequences of unlawful actions. However, even though companies may feel confident about their internal checks and balances, it doesn't mean that they can ignore what is happening outside their organisation. If a company's suppliers, associates, partners and/or customers are engaging in corruption and/or bribery, this will have an impact on the firm.

For example, the UK Bribery Act (2010) has identified six key principles to help individuals think differently about corruption and bribery:

Proportionality: the action you take should be proportionate to the risks you face and to the size of your business.

Top Level Commitment: those at the top of an organisation are in the best position to ensure their organisation conducts business without bribery.

Risk Assessment: think about the bribery risks you might face.

Due Diligence: knowing exactly who you are dealing with can help to protect your organisation from taking on people who might be less than trustworthy.

Communication: communicating your policies and procedures to staff and to others who will perform services for you enhances awareness and helps to deter bribery by making clear the basis on which your organisation does business.

Monitoring and Review: the risks you face and the effectiveness of your procedures may change over time. Therefore, you need to monitor the evolution of anticorruption and bribery legislation, policies, guidelines and trends to ensure procedures are aligned with those changes.

If they are to reduce risks, businesses have to implement anti-corruption policies and practices, maintain ethical guidelines, review training and internal audit procedures and develop effective monitoring/reporting protocols which are able to respond to changing circumstances. However, creating a culture that influences employee thinking, decision-making processes and actions can at times be challenging. As such, it requires commitment, sensitivity, patience and adequate resources. Visible support from leadership is critical. If senior management declares a zero-tolerance approach to bribery and corruption, they must demonstrate that they will support staff that adhere to the rules and challenge those who undermine the system. By creating a culture of integrity and openness, leaders are sending an important message to all employees, customers, suppliers, clients, investors, regulators and the wider public that the fight against bribery and corruption is taken seriously.

Additional resources Further Reading

Step 1 Please refer back to Our Code of Conduct.

Step 2 If you would like to know more about Human Rights & Business, the following external links have been selected for your reference:

MOJ Guidance - UK Bribery Act 2010

Guidance about the procedures which relevant commercial organisations can put in place to prevent persons associated from bribing.

<https://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>

Transparency International Global Anti-Bribery Guidance

Best practice for companies in the UK and overseas. This flagship guidance presents anti-bribery and corruption best practice for companies, drawing upon expertise from over 120 leading compliance and legal practitioners and Transparency International's extensive global experience.

<https://www.antibriberyguidance.org/>

EY Corporate Misconduct – Individual Consequences Global Fraud Survey 2016

EYs 14th Global Fraud Survey provides powerful insights from over 2,800 senior executives in 62 countries and territories across the world.

[http://www.ey.com/Publication/vwLUAssets/EY-corporate-misconduct-individual-consequences/\\$FILE/EY-corporate-misconduct-individual-consequences.pdf](http://www.ey.com/Publication/vwLUAssets/EY-corporate-misconduct-individual-consequences/$FILE/EY-corporate-misconduct-individual-consequences.pdf)

OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

It establishes legally binding standards to criminalise bribery of foreign public officials in international business transactions. It is the first and only international anti-corruption instrument focused on the 'supply side' of the bribery transaction.

<http://www.oecd.org/corruption/oecdantibriberyconvention.htm>

United Nations Convention Against Corruption 2004

The UCCAC it is the first global legally binding international anti-corruption instrument. These measures aim at preventing corruption, criminalizing certain conducts, strengthening international law and judicial cooperation.

<https://www.unodc.org/unodc/en/treaties/CAC/>

OECD/ World Bank/ UNDOC Anti-Corruption Ethics & Compliance Handbook for Business

The handbook is not intended to create new standards or represent any form of legally binding requirement for businesses. It has been developed to serve as a practical tool for companies seeking compliance advice.

<http://www.unodc.org/documents/corruption/Publications/2013/Anti-CorruptionEthicsComplianceHandbook.pdf>

Step 3 Do your own research on the Internet
