



THE CONFERENCE BOARD AND ECOA GLOBAL ANTI-CORRUPTION BENCHMARKING SURVEY – RESULTS AND DISCUSSION

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The Conference Board

GLOBAL ANTI-CORRUPTION BENCHMARKING SURVEY – RESULTS AND DISCUSSION

THE SURVEY

- **165 responses (2006)**
- **151 responses (2000)**
- **Where the same questions were asked with the earlier survey, this presentation will compare the 2006 frequencies to the findings in the 2000 report**



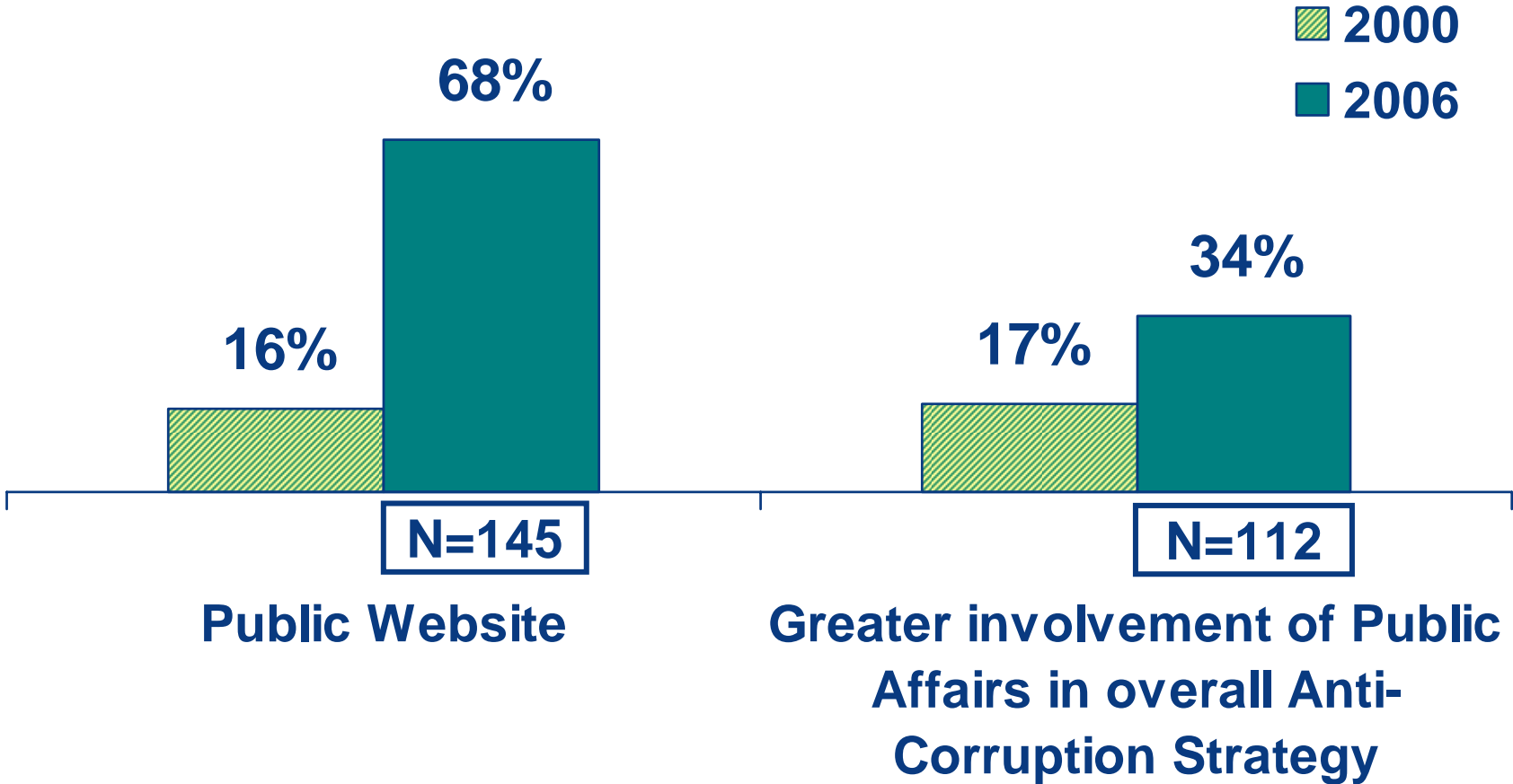
KEY CHANGES

- **Fewer non-program companies – one-third (2006), half (2000)**
- **Little difference in policies/practices between program and non-program companies**
- **Percentage of companies engaged in all kinds of anti-corruption activities has increased**



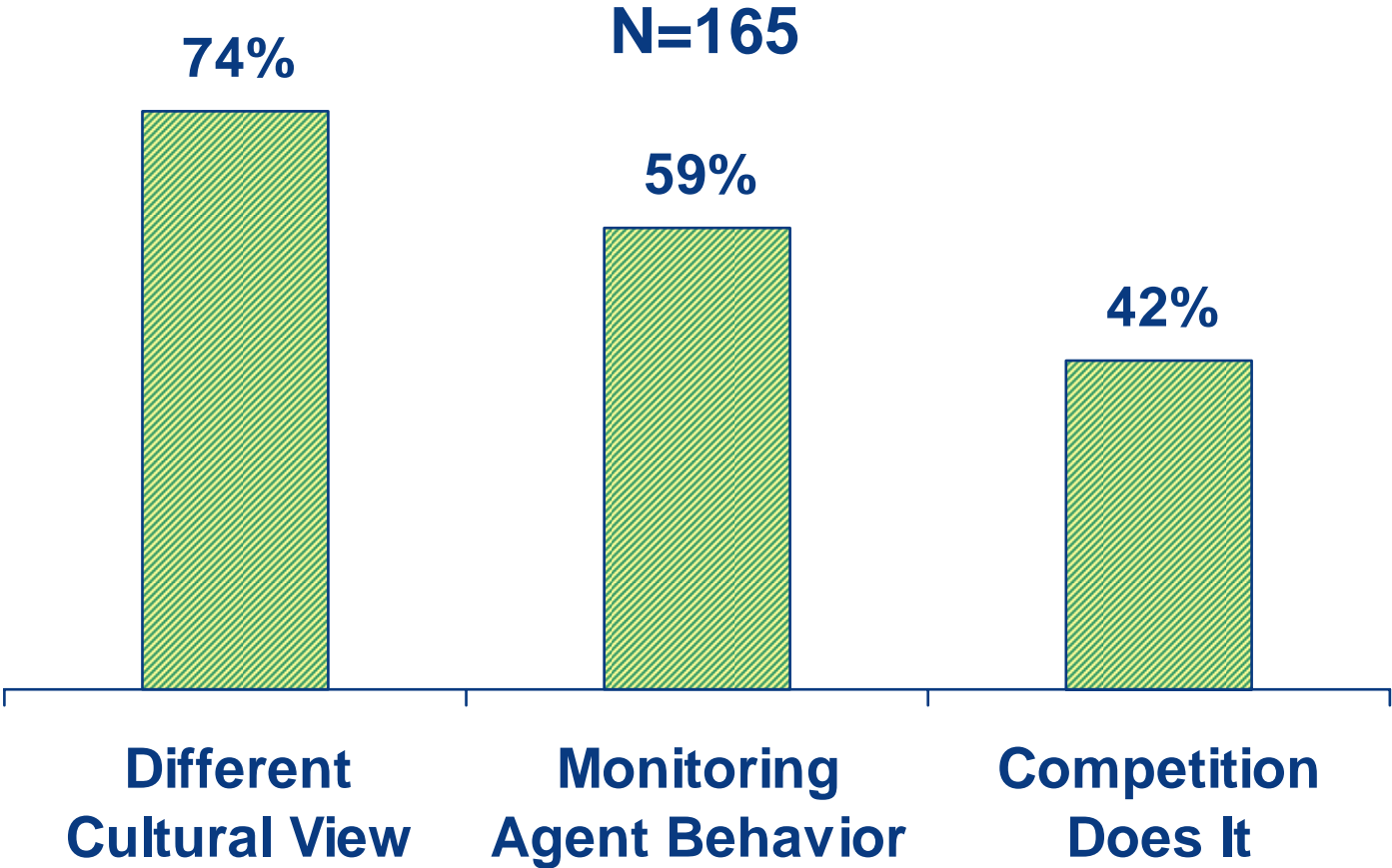
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2006 Top Three Challenges



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Resources Dedicated:

- **Specific staff – still somewhat unlikely**
- **25 percent (2000)**
- **26 percent (2006)**



THE SAME TOP THREE MEASURES ARE VIEWED AS MOST EFFECTIVE. A LARGER PERCENTAGE OF 2006 PARTICIPANTS RECOGNIZE THEIR VALUE

Company Statement:

- ◆ “effective” or “highly effective” -- 66 percent (2006)
- ◆ “important” – 48 percent (2000)

Follow-up on reports of questionable practices:

- ◆ “effective” or “highly effective” – 64 percent (2006)
- ◆ “important” – 41 percent (2000)

Group sessions/discussions:

- ◆ “effective” or “highly effective” – 61 percent (2006)
- ◆ “important” – 26 percent (2000)



SIGNIFICANT INCREASE IN PERCEIVED EFFECTIVENESS

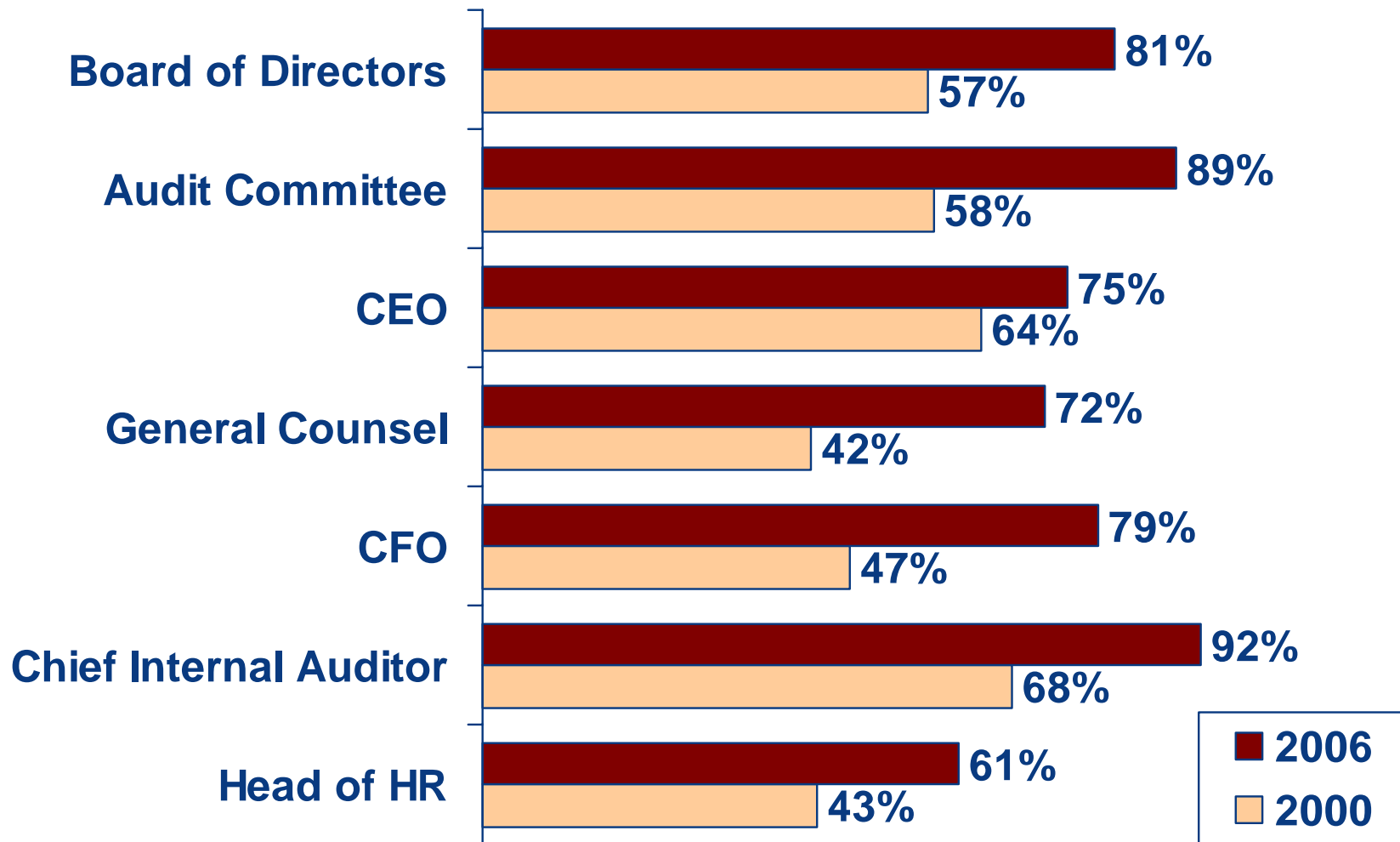
- 40 percent (2006)
- 10 percent (2000)
- A relatively high percentage of 2006 respondents (7 percent) believe that hotlines are *ineffective*



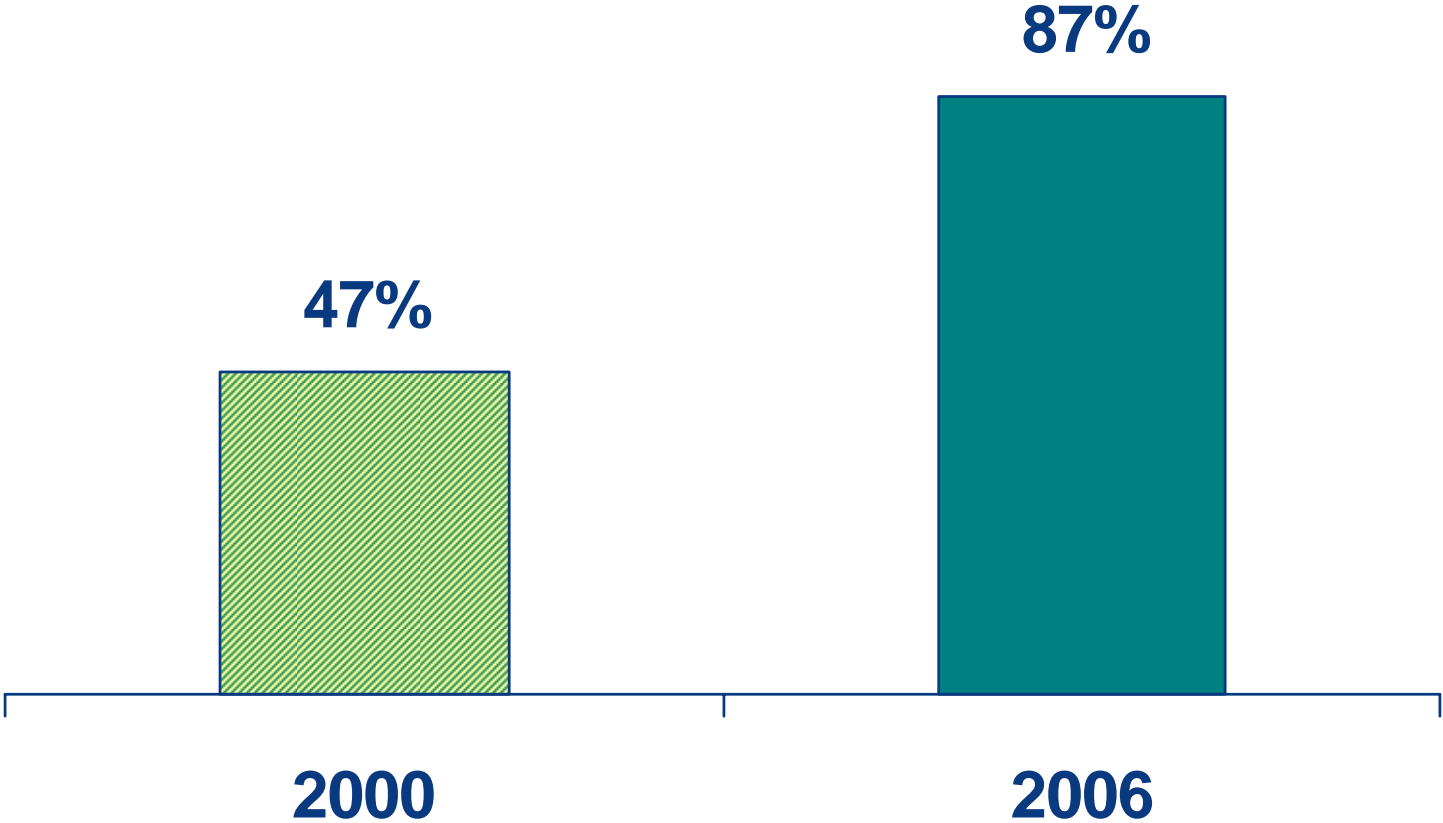
COMPANIES BELIEVE THAT THEIR INTERNAL PROCESSES ARE THE FIRST LINE OF DEFENSE AGAINST CORRUPTION. FEW SEE LOCAL INITIATIVES AS EFFECTIVE



HIGH LEVEL PERSONS ARE MORE LIKELY TO BE INVOLVED IN MONITORING OVERSIGHT



GREATER INVOLVEMENT OF CLO IN PROGRAM DEVELOPMENT PHASE



MORE COMPANIES ARE SEEKING OUTSIDE ADVICE IN DEVELOPING ANTI-CORRUPTION PROGRAMS

Law Firms:

- 32 percent (2006)
- 21 percent (2000)

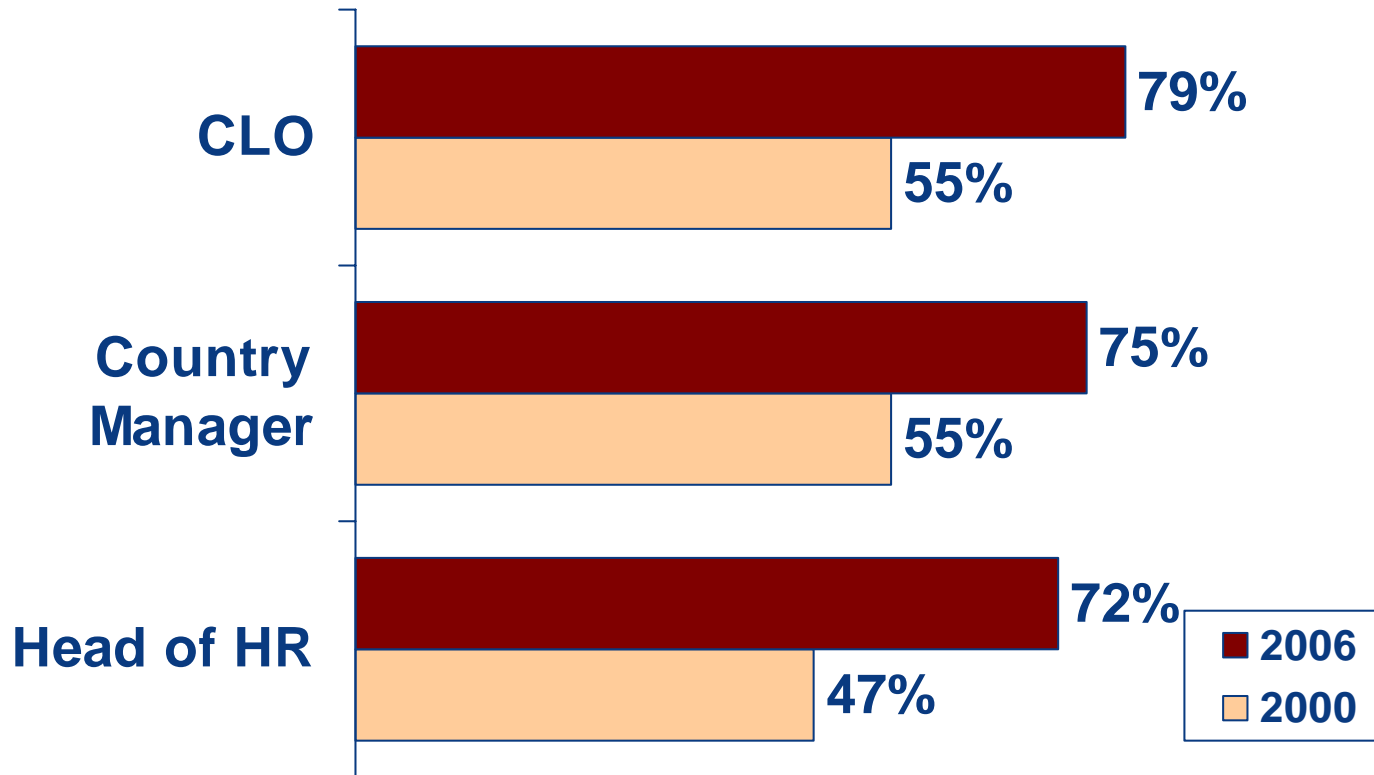
Consultants:

- 18 percent (2006)
- Not asked (2000)



IMPLEMENTATION

SIGNIFICANT INCREASE IN THE PERCENTAGE OF COMPANIES THAT INVOLVE:



VERY SIGNIFICANT ACROSS THE BOARD INCREASE OF CLO INVOLVEMENT

- Larger percentage of sample are US companies
- Programs are more law driven in all countries (e.g., OECD)



ARE MORAL CONVICTIONS OR LEGAL PRESSURES THE MOST IMPORTANT REASON FOR COMPANY ANTI-CORRUPTION PROGRAMS?

Legal:

- ◆ 33 percent (includes S-Ox 404) (2006)
- ◆ 17 percent (2000)

Moral Convictions:

- ◆ 45 percent (senior management convictions, bribe payments are wrong) (2006)
- ◆ 61 percent (senior management convictions, bribe payments are wrong) (2000)

The business case is not a key consideration (few in either survey cited issues such as cost, image, etc.)



ANTI-CORRUPTION PROGRAMS: THE KEY CONSIDERATIONS

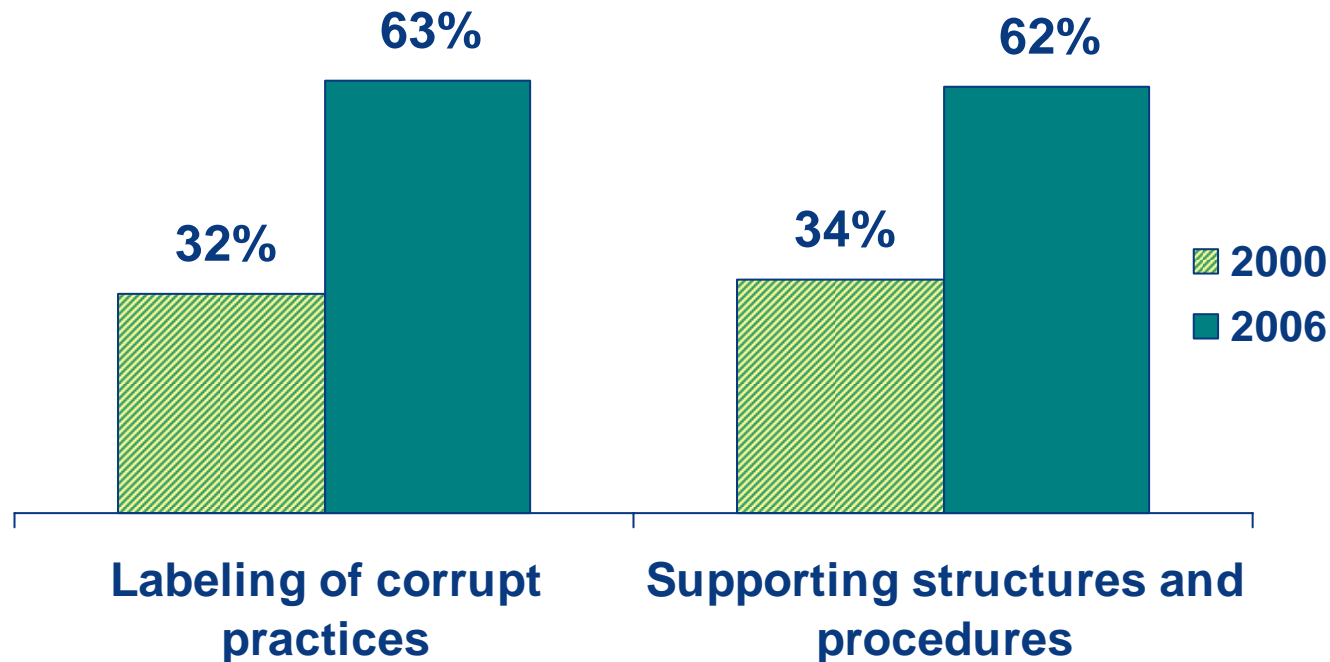
- **The absence of business case rationales suggests that companies do not see cost considerations as an important reason for having strong anti-corruption defenses.**
- **Law, moral scruples, or some combination of the two, are the decisive motivating factors.**



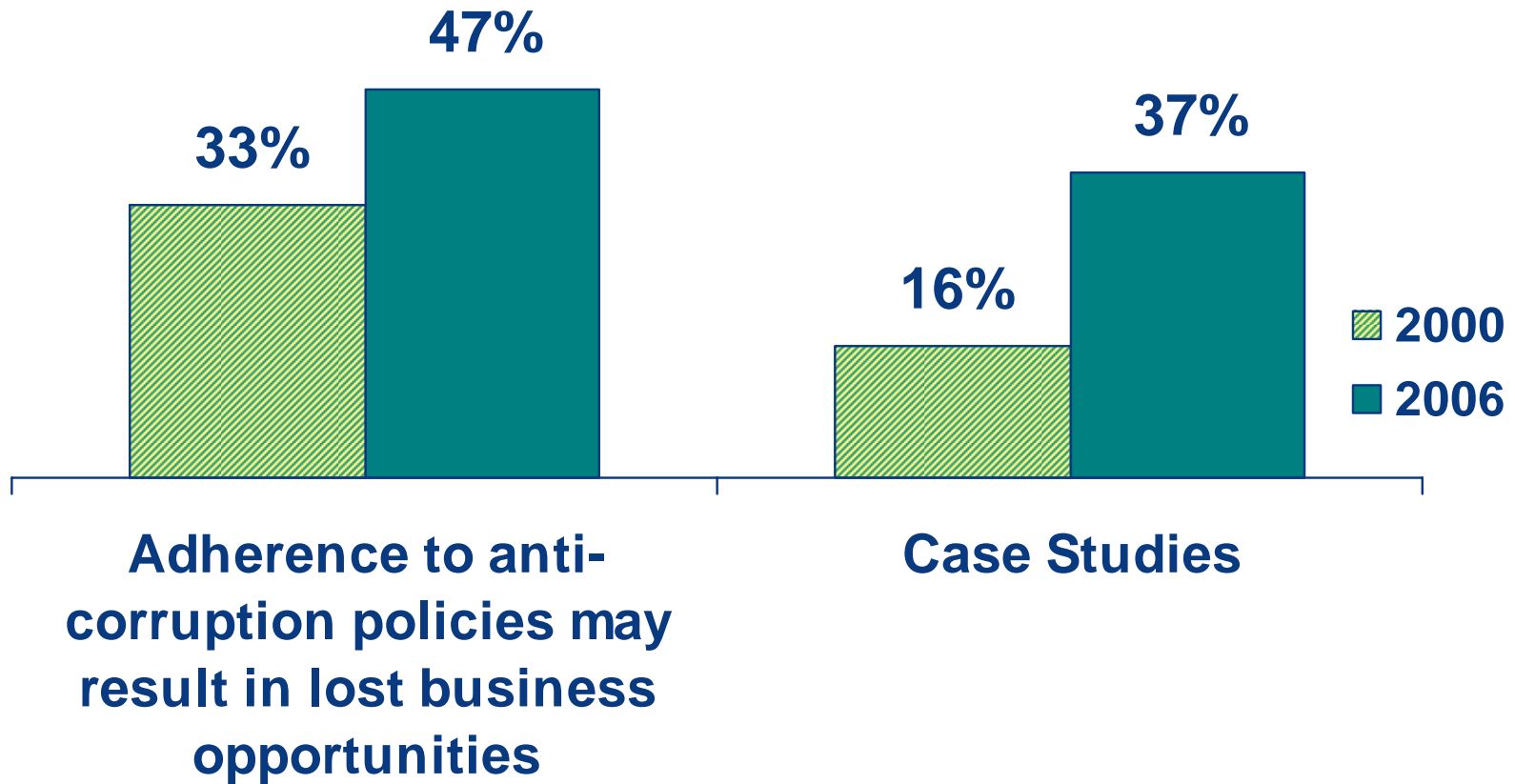
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2006 survey confirms that statements are more detailed and precise. The content areas that had the most significant increases were:

Anti-Corruption Statement Content



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THE IMPORTANCE OF SIZE:

- **Statements of larger companies are likely to be more detailed and precise**
- **Larger companies are more likely to have a statement that adherence to the company's anti-corruption policy may result in lost business opportunities**



USE OF STATEMENT THAT ADHERENCE TO ANTI-CORRUPTION POLICY MAY RESULT IN LOST BUSINESS OPPORTUNITIES:

