

Tips for Good Environmental, Social and Governance (ESG) Reporting under the Anti-corruption Aspect

Since 2016, listed companies are required under the ESG Reporting Guide of the Listing Rules to disclose, among others, information on their anti-corruption policies and compliance with the laws and regulations having a significant impact on the company on a “comply or explain” basis. If a listed company does not report on these provisions, it must provide considered reasons in its ESG report.

Recommended Disclosure

January 2016

Comply or Explain

To provide listed companies with guidance on the formulation and implementation of an effective corporate anti-corruption programme, the **Corruption Prevention Advisory Service (CPAS)** of the ICAC has developed the “**Anti-Corruption Programme – A Guide for Listed Companies**”. The recommended practices in the Guide are on par with the international standard “ISO 37001 – Anti-Bribery Management Systems”.

Effective disclosure of anti-corruption information helps stakeholders understand listed companies’ abilities and performance in monitoring and managing corruption risks. Taking into account the ISO 37001 standard and international practices on anti-corruption disclosure, CPAS recommends a set of **core elements** of a corporate anti-corruption programme that listed companies should disclose in their ESG reports. Listed companies are also advised to upload important **anti-corruption policy documents** to their corporate websites.

CPAS provides tailored corruption prevention advice to private organisations on request. The services are provided free of charge and in strict confidence. Please contact CPAS through the following channels:

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Core Elements of a Corporate Anti-Corruption Programme for Disclosure in Environmental, Social and Governance Reports

Areas	Information to be Disclosed	Reference to the “Anti-Corruption Programme – A Guide for Listed Companies”
Anti-corruption policies	<ul style="list-style-type: none"> The company’s anti-corruption policies, including management’s zero-tolerance against corruption and commitment to ethical practices/standards 	Chapter 4 (Section 4.4)
Corruption risk assessment	<ul style="list-style-type: none"> Assessment on risk and impact of corruption to the key operations of the company, including the materiality assessment on anti-corruption issues 	Chapter 6
Compliance with laws and regulations	<ul style="list-style-type: none"> Information on compliance with laws and regulations having a significant impact on the company (including those related to corruption) Number of concluded legal cases regarding corrupt practices brought against the company or its staff, and their outcomes 	Chapter 2
Management approach and measures	<p>Anti-corruption measures adopted, and their execution and monitoring, including:</p> <ul style="list-style-type: none"> Integrity requirements for directors and staff covering, among others, <ul style="list-style-type: none"> policy on offering and acceptance of advantages and entertainment policy on managing conflict of interest Whistle-blowing policy, procedures and channels for reporting corruption or irregularities Integrity requirements for business partners and associates Corruption prevention controls on high-risk areas or procedures Clear and measurable target key performance indicators set out for the forthcoming years to facilitate continuous monitoring 	Chapters 4, 5 & 7
Capacity building	<ul style="list-style-type: none"> Efforts in anti-corruption training to promote ethical business practices and awareness of directors, staff and business partners on corruption prevention Statistics on anti-corruption training (e.g. number of participants, number of training hours) 	Chapter 8

Anti-corruption Policy Documents for Uploading to Corporate Websites

Anti-corruption Policy Documents	<ul style="list-style-type: none"> Code of conduct for directors and staff Integrity requirements for business partners (e.g. suppliers, contractors) Whistle-blowing policy and procedures 	Chapter 5 Chapter 4 (Section 4.8) Chapter 4 (Section 4.9) & Chapter 7 (Section 7.12)
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Disclaimer

This leaflet, supplementing the “Anti-Corruption Programme – A Guide for Listed Companies”, aims at providing general guidance on disclosure of anti-corruption information by listed companies. The contents of this leaflet are by no means exhaustive and subject to review from time to time. Descriptions and explanation of the Listing Rules of the Hong Kong Exchanges and Clearing Limited in this leaflet are necessarily general and abbreviated for ease of understanding. Users of this leaflet are advised to refer to the original text of the Listing Rules or seek legal advice on particular issues where necessary. The Independent Commission Against Corruption (ICAC) of Hong Kong will not accept any responsibility, legal or otherwise, for any loss or damage whatsoever arising out of the use of this leaflet or in connection with any information contained in this leaflet.

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