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Tracking anti-corruption practices in the private sector

## Release of a baseline report to track anti-corruption practices in the 50 largest JSE listed companies

JOHANNESBURG, MAY 11, 2020 – Corruption cripples economies. With former President Jacob Zuma set to stand trial, corruption and its devastating impacts are back in the spotlight. But what of the private sector? Social transformation is only possible when all segments of society are accountable and act cohesively.

A report detailing the anti-corruption practices and ethical leadership of the 50 largest Johannesburg Stock Exchange (JSE) listed companies is now available on the National Business Initiative's website.

This study was conducted by the National Business Initiative (NBI), an organisation that believes business can only thrive in a society that succeeds. The NBI's Social Transformation mandate is to achieve socio-economic transformation and social cohesion on a large scale.

The report, launched on Monday 11 May, uses a benchmarking tool to assess the largest listed companies on the JSE, based on their anti-corruption practices. The comprehensive study consists of over seventy indicators and six dimensions, namely: Leadership and Governance, Values and Organisational Culture, Compliance and Risk, Stakeholder Engagement and Reporting, Ethical Scandal and Operational Environment.

This work is a crucial step in addressing corruption in the private sector, a Presidential Jobs Summit commitment, implemented under the NBI's Ethical Leadership and Anti-corruption Capacity Building Programme.

Why is it important to have a benchmark report on the anti-corruption measures taken by the private sector in South Africa? In the words of famous management consultant, Peter Drucker: "We can't manage what we can't measure." This report creates a baseline, allowing an assessment of both the current status quo as well as future progress.

A key finding from the report was that 36 of the 50 largest JSE listed companies reported having an anti-corruption programme in place. The study also reveals that companies have taken note of the grand challenge of corruption and its negative impacts. However, 40 companies had been mentioned in unethical scandals in the past 5 years.

In light of COVID-19, with calls to not simply return to normal but to improve what was not working previously, the private sector in South Africa has a unique opportunity to set industry standards for bold, ethical leadership and business practices.

The NBI's Thuthula Ndunge, Project Coordinator: Anti-Corruption, explains: "It is

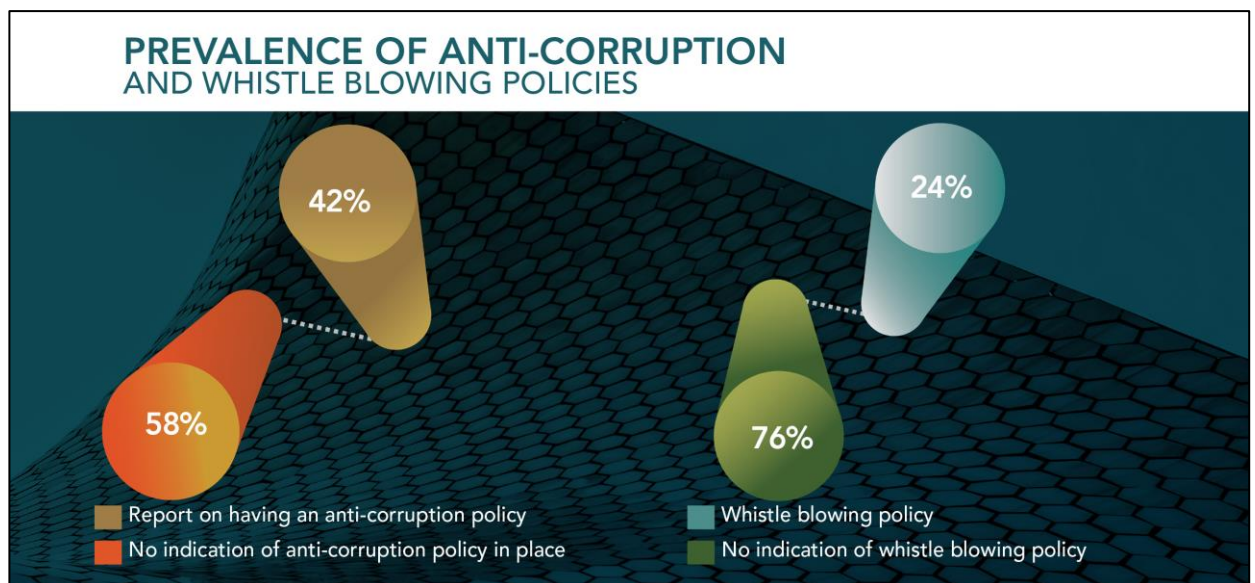
imperative that we hold one another accountable by speaking one common language. A language that prevents, dictates, investigates, reports, and prosecutes any persons who deliberately choose to violate the principles of growth and sustainability for all.”

This study provides a useful benchmark of where companies are in addressing corruption. But more than this, it highlights the need to move beyond compliance towards a private sector that understands its integral role in broader society.

**The Benchmark Report: Understanding the Private Sector’s Approach to Anti-Corruption** is available on the NBI’s website: [www.nbi.org.za](http://www.nbi.org.za)

For more information on the NBI’s Ethical Leadership and Anti-Corruption Capacity Building Programme, please contact Thuthula Ndunge (ThuthulaN@nbi.org.za)

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**Caption (Figure 1): Prevalence of anti-corruption and whistle blowing policies in the 50 largest JSE listed companies assessed on their anti-corruption and ethical leadership.**



**Caption (Figure 2): Characteristics of the top performing companies in terms of leadership and governance out of the 50 largest JSE listed companies assessed on their anti-corruption and ethical leadership practices.**

#### **NOTE TO THE EDITORS**

National Business Initiative (NBI) (established in 1995) is an independent and voluntary coalition of companies working towards sustainable, inclusive economic growth and social transformation in South Africa through responsible business action and in support of the United Nations Sustainable Development Goals (SDGs). The NBI promotes that business thrives where society thrives. So while the issues change over time, the role remains constant, which is to build a South African business community that plays a meaningful, trusted and action-orientated role in the achievement of a sustainable, equitable and inclusive society. For more information on the NBI, please go to: [www.nbi.org.za](http://www.nbi.org.za)