

# BUSINESS INTEGRITY

## MANAGING SOCIAL AND GOVERNANCE RISKS ACROSS THE VALUE CHAIN

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Armin Slotta  
Senior Advisor (External), Business Integrity  
Transparency International (Secretariat)

**DISCLAIMER:** The following remarks are my personal thoughts and do not necessarily reflect in all material aspects the opinions of the Transparency International movement

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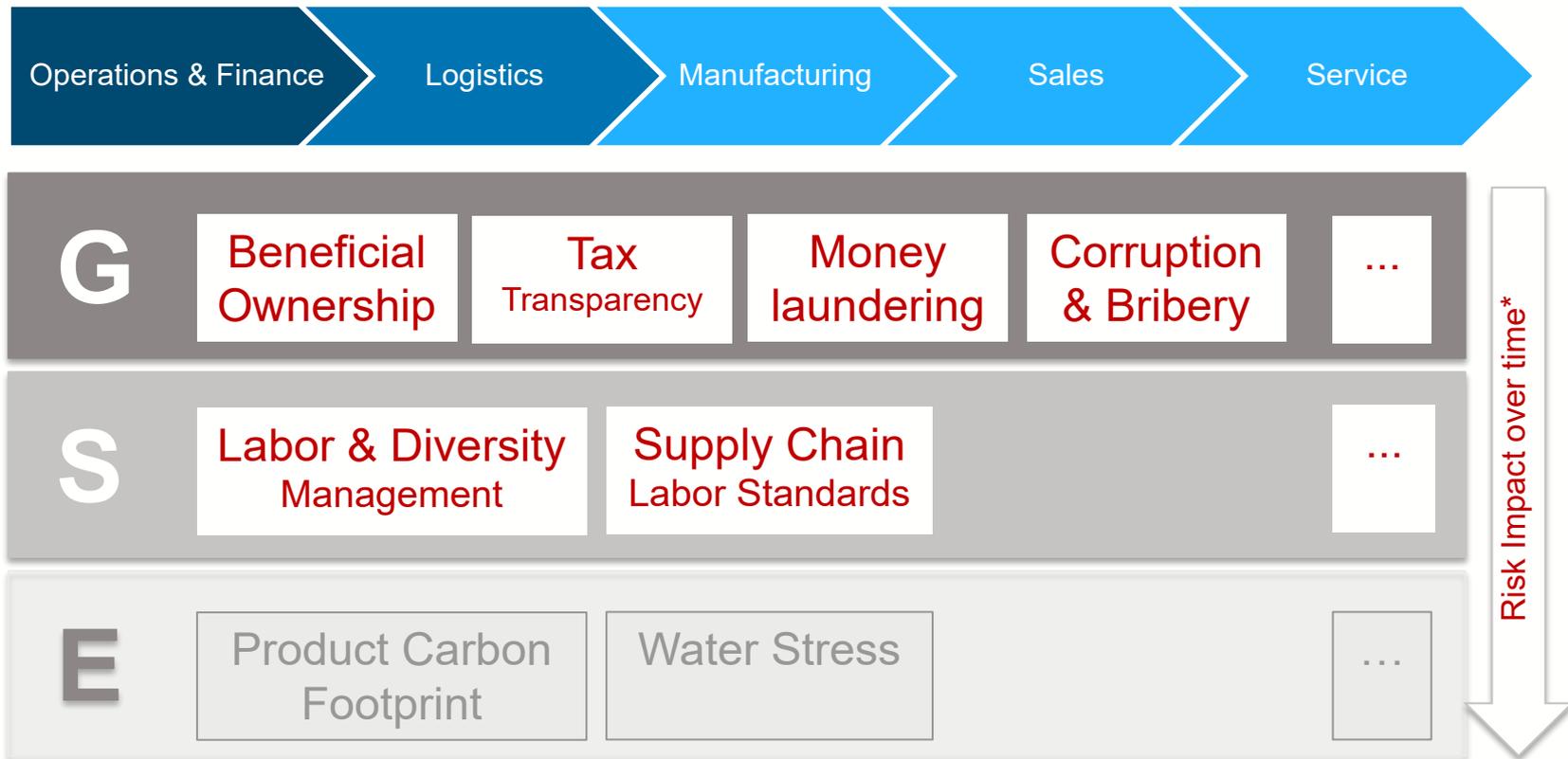
# MY 10 MINUTES

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1. Mapping of selected G and S risks to a business value chain
2. Today's general response trends to address these risks
3. TI's proposed Business Integrity Framework to actively manage these risks
4. TI's thoughts on how to report progress

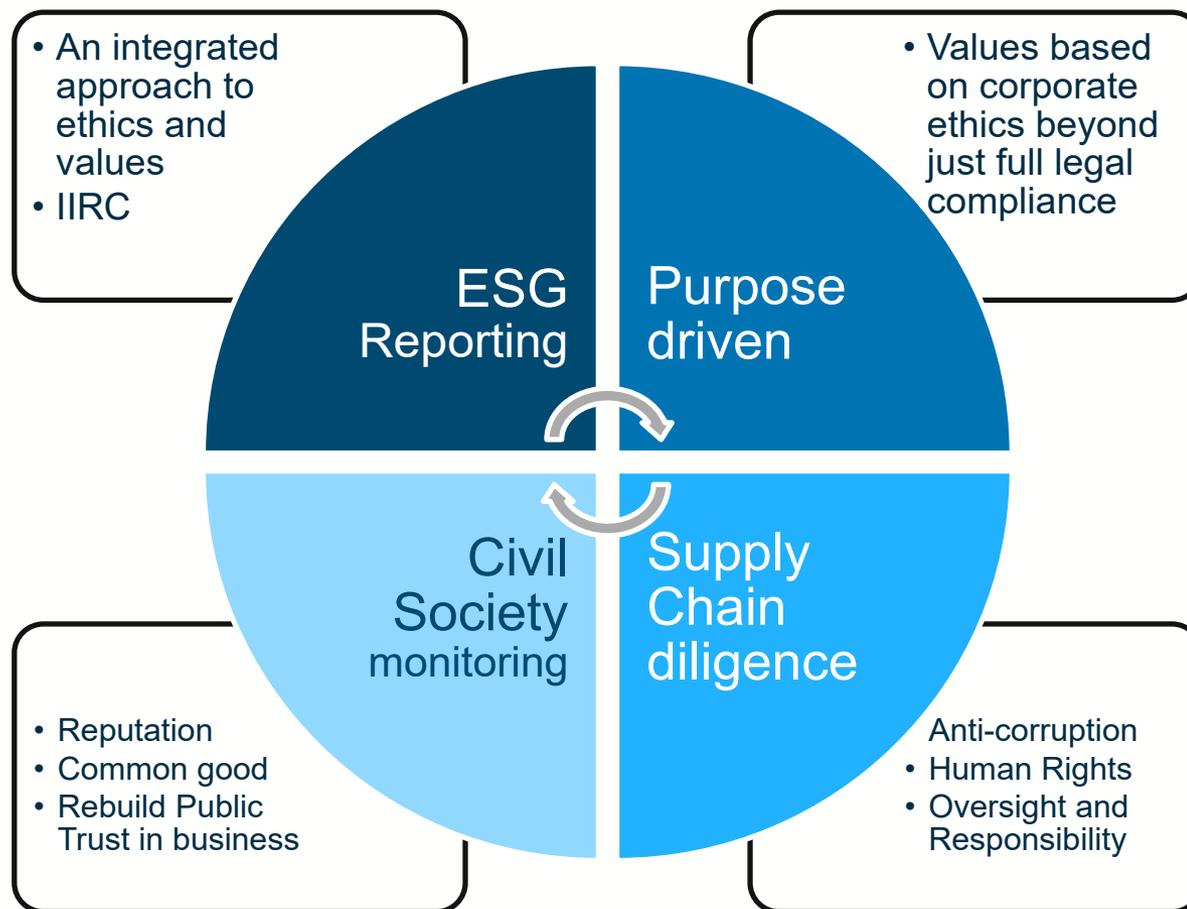
# VALUE CHAIN TO ESG RISK MAPPING



(Source: \*partly from “Deconstructing ESG Ratings Performance Risk and Return for E, S and G”; June 2020; MSCI ESG RESEARCH LLC)



# GENERAL RESPONSE 'TRENDS'





## Reliability

Purpose

Ultimate  
Ownership

Whistle-  
Blower

Audit

## Responsibility

C-Level  
Behaviors

Board  
Independence

Supply Chain

## Reporting (c-b-c)

Anti-  
Corruption

Tax

Political  
Engagement

# REPORTING ON PROGRESS



In order to enable all stakeholders to better understand a company's progress to implement and maintain an open, diverse and fair leadership environment, a company should disclose KPIs measuring diversity including on gender at its various managerial levels.

To facilitate an understanding of a company's progress implementing a transparent and multi-stakeholder political engagement processes in a consultative way, companies should provide data and KPIs that disclose and justify political contributions and lobbying activities throughout their supply chain.



To enable all stakeholders to better understand a company's commitment to revenue growth targets, while taking specific regional corruption risks into account, companies should start reporting business goals adjusted for risk, including corruption risk, and developing KPIs accordingly.

To enable understanding a company's progress implementing its commitment to the communities it operates in, a business should disclose KPIs that show average staff pay levels. This would also mean dramatically accelerating the implementation of transparency measures such as the disclosure of detailed corporate ownership and public country-by-country metrics, in particular around tax payments.

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