Corruption: overview

Over the last 20 years, corruption has become one of the major concerns of large international companies. The topic has found a new currency as anti-corruption efforts continue to gain momentum in a variety of jurisdictions. In order to address the problem, the United Nations and OECD have developed a range of tools and frameworks designed to help businesses identify and prevent corruption risks.

Transparency International is often credited with having first defined corruption as the abuse of power for private gain. The concept has since been refined and expanded to include a wide range of behaviors, from embezzlement to facilitation of payments.

This report aims to provide an overview of the current state of corruption prevention, with a focus on the actions companies can take to mitigate the risks associated with this global issue.

Corruption impacts: on companies and investors

Companies that practice corruption are often faced with significant legal and financial consequences. In some cases, the penalties may amount to millions of euros. The various corruption-related penalties may include fines, jail sentences, and the loss of business contracts and reputational damage.

Conclusion

Eurosif wishes to acknowledge the support and direction provided by the Corruption Sector Report Steering Committee: CM-CIC Asset Management; LDII; Fondation Écologie et Développement; M&T; Cœurs; ESTIMEA; and Vigeo. This sector report has been compiled by Vigeo.

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Conclusions

- Effective anti-corruption policies and procedures are essential for businesses to prevent corruption.
- Compliance programs should be implemented at all levels of the company to ensure the integrity of its executives and employees.
- Best practices include implementing clear policies, training employees, and establishing channels for reporting.
- The impact of corruption on business performance, sustainable development, and the various risks faced by stakeholders must be addressed.

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are among A clear commitment from top management against any forms Private-to-public corruption The cost of capital of a company may members may step down or be fired if they are found responsible, company’s documents, disrupts business. Top managers and board presence of investigators at the workplace, researching and analysing a Operational an

Identifying potential red flags

Financial risk

Examples of affected industries

Examples of affected industries

Corporate risks

Operational and financial risk

An investigation for corruption can be a major barrier for a company requiring the allocation of substantial resources and man-power. The prevention of developments in the world, the politics of a country, the company’s documents, disruption business. Top managers and board members may step down or be fired if they are found responsible regarding dispositions at the highest levels. Other operational risks may be linked to a company’s access to capital and for its vendors. In 2006, the US Foreign Corrupt Practices Act was passed. In 2008, the following form of the Bank Group. The World Bank has now required all of its new policies to be free from financial risk related to corruption. In its mission, the World Bank has now required all of its new policies to be free from financial risk related to corruption.

In the sector of aerospace and defence, the "residual risk" can result in political and economic situations: By 2007, transnational corporations (TNCs) were Cross-border in...