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# CORPORATE GOVERNANCE SCORECARD FOR MAURITIUS (2021)

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TEMPLATE

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## Board Effectiveness

### Corporate Structure – Governance - Remuneration

## 1. Board Effectiveness

### i. Corporate Structure – 16 indicators

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
1	Does the organisation describe and explain how the Board is composed in terms of types of directors (executive, non-executive and independent non-executive directors)?	3	A maximum score is obtained if the organisation explicitly provides an explanation on the composition of its Board.			
2	Does the organisation provide information to allow the reader to assess whether the size of the Board is commensurate with the nature and scale of its activities?	4	A maximum score is obtained if the organisation discloses information relating to: (i) its activities, for example, size and structure of the organisation in terms of turnover, headcount, different types of markets; and (ii) an explanation of how the Board has reached its current size.			
3	Does the Board of the organisation comprise an appropriate number and/or proportion of independent directors and/or non-executive directors to ensure that there is an effective challenge of proposals and to avoid monopolisation of Board discussions?	5	A maximum score is obtained if the organisation clearly explains: (i) that the number and/or proportion of independent/non-executive directors are sufficient to ensure that there is no group think; and (ii) its definition of 'independence'.			
4	Does the Board have an independent non-executive chair?	3	A maximum score is obtained if the organisation discloses: (i) that the chair is a non-executive director who meets the criteria of independence (with an explanation of its definition of 'independence'); OR (ii) in the event that the chair is a non-executive director, whether the organisation has established compensating safeguards and discloses same.			

## Board Effectiveness

### Corporate Structure – Governance – Remuneration

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
5	Does the organisation provide information to allow the reader to assess whether it has the right structure and size of Board Sub-Committees that match the scale and operations of the organisation?	3	<p>The organisation needs to provide details on its Board Sub-Committees in its annual report or on its website. A maximum score is obtained if:</p> <ul style="list-style-type: none"> <li>(i) the organisation discloses: <ul style="list-style-type: none"> <li>(a) details on the number of Sub-Committees set up by the Board;</li> <li>(b) details on the roles and responsibilities of each Sub-Committee;</li> </ul> </li> <li>(ii) the profiles (expertise &amp; experience) of the members of the Sub-Committees match the terms of reference of the Sub- Committees; and</li> <li>(iii) each Sub-Committee has at least three members. An organisation which has Sub-Committee(s) with fewer members should explain how this is commensurate with the scale and operations of the organisation.</li> </ul> <p>Examples of the main Board Sub-Committees are the Audit Committee, the Risk Committee, the Corporate Governance Committee, the Remuneration Committee, the Investment Committee and the Sustainability Committee.</p>			
6	Has the organisation appointed a qualified/ experienced Chief Financial Officer (or equivalent person)?	2	The organisation needs to disclose in its annual report and/or on its website whether the Chief Financial Officer (CFO), or equivalent person, is qualified or has the relevant experience.			

## Board Effectiveness

### Corporate Structure – Governance – Remuneration

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
7	Does the organisation provide information to allow the reader to assess whether the CEO's profile corresponds to the business activities of the organisation?	3	A maximum score is obtained if: <ul style="list-style-type: none"> <li>(i) the organisation discloses the qualifications of its CEO in its annual report and/or on its website;</li> <li>(ii) the organisation discloses the experience of its CEO in its annual report and/or on its website; and</li> <li>(iii) in the light of the disclosures made, the experience and qualification of the CEO seem to match the activities of the organisation.</li> </ul>			
8	Has the Board appointed a qualified Secretary?	2	A maximum score is obtained if the organisation discloses whether the Board Secretary holds a professional qualification (CGI formerly ICSA, law practitioner, ACCA, etc.) and his/her biography is disclosed in its annual report and/or on its website.			
9	Does the organisation provide information to allow the reader to assess whether its Board and Sub-Committees have the appropriate balance and diversity of skills, experience and knowledge?	5	A maximum score is obtained if the organisation discloses information relating to the array of skills and experience (e.g., financial, legal, risk management, IT security, governance, financial services and any other skills relevant to the business operations of the organisation) of its Board and Sub-Committees which will enable the reader to conclude that the said Board and Sub-Committees have the appropriate balance and diversity of skills, experience and knowledge.			

## Board Effectiveness

### Corporate Structure – Governance – Remuneration

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
10	Does the organisation disclose information to allow the reader to assess whether its Board composition incorporates diversity beyond skills, experience and knowledge commensurate with its nature and scope?	5	The organisation needs to disclose whether the Board composition incorporates diversity beyond skills, experience and knowledge commensurate with the nature and scope of the organisation. The following criteria may be used: (i) the Board has a good gender balance. (ii) there is evidence that the organisation operates a non-discrimination policy. Such policy covers, amongst others, disability, gender equity, sexual orientation, race, religious beliefs, and age. (iii) there is evidence that the non-discrimination policy is effective.			
11.a	Does the organisation provide details of directorships for each of its directors?	3	A maximum score is obtained if the organisation has disclosed the number of directorships, both local and international, held by each director. It should also identify whether the directorship involves additional chair and committee responsibilities.			
11.b	Does the organisation have a policy on over boarding of directors?	4	A maximum score is obtained if the organisation discloses evidence that it has a policy on over boarding of directors.			
12	Does the organisation have an induction and orientation programme in place for its new directors?	3	A maximum score is obtained if the organisation discloses evidence of a detailed induction and orientation programme for new directors.			
13	Does the organisation provide or facilitate training and development of its directors?	3	A maximum score is obtained if the organisation discloses details on the training and development programme in place for its directors and there is evidence that such training and development has been undertaken in the last financial year.			

## Board Effectiveness

### Corporate Structure – Governance – Remuneration

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
14	Does the organisation provide details on its nomination/ appointment process for its directors and senior executives/managers?	3	A maximum score is obtained if the organisation discloses information on a nomination and appointment process which is transparent, fair and comprehensive (disclosure of selection criteria used in the nomination/ appointment process).			
15	Does the organisation have a succession plan for its Board and its senior executives/managers?	4	A maximum score is obtained if the organisation discloses that succession planning is discussed at board meetings and a process has been devised for regular infusion of new thinking around the boardroom table and amongst senior executives/managers.			
16	Does the organisation disclose its organisational chart, a statement of governance accountabilities and job descriptions of its senior governance positions?	3	A maximum score is obtained if the organisation discloses: (i) its organisational chart; (ii) a statement of governance accountabilities; and (iii) job descriptions of its senior governance positions.			

**Board Effectiveness**

Corporate Structure – Governance - Remuneration

ii. Governance – 8 indicators

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
1	Does the organisation have a board charter, and if so, is it reviewed periodically?	1	A maximum score is obtained if: (i) the organisation discloses the terms of reference of the Board; and (ii) there is evidence that the charter is reviewed periodically.			
2.a.	Does the organisation disclose a comprehensive Code of Ethics?	2	A maximum score is obtained if: (i) the organisation has posted its Code of Ethics on its website; and (ii) the Code of Ethics contains all or most of the provisions set out in Appendix A hereto.			
2.b.	Does the organisation disclose information to allow the reader to assess whether it has a comprehensive ethics implementation plan?	3	A maximum score is obtained if the organisation discloses the following: (i) The Code of Ethics has been approved within the last 3 years by the Board and communicated to all employees and stakeholders. (ii) Structured ethics training program for employees and directors is conducted each year. (iii) Whether the organisation surveys corporate ethical behaviour periodically (e.g., at least every 2 years) in order to implement remedial actions. (iv) Whether the Ethics Officer creates an environment which facilitates discussion on corporate ethical dilemmas with employees. (v) Whether the organisation readjusts its ethics implementation plan for its overseas offices and details of how the processes are readjusted should be disclosed. (vi) Whether there is a formal complaints and breach handling process in place. (vii) An organigram of the team handling ethical issues and the role and responsibilities of the Ethics Officer. (viii) Whether the Code of Ethics is periodically reviewed and adjusted (at least every 3 years).			



**Board Effectiveness**

Corporate Structure – Governance - Remuneration

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
2.c.	Is there evidence of effectiveness of the organisation’s ethics policy/ implementation plan?	3	A maximum score is obtained if the organisation discloses (in a generic manner) how it handles: (i) Breaches of ethics. (ii) Sanctions imposed and/or remedial actions taken. (iii) Corporate ethical problems/scandals.			
3	Does the organisation disclose a comprehensive whistleblowing policy and is there evidence of its effectiveness?	3	Although the Code provides that whistleblowing procedures be described in the codes of ethics, organisations may have a separate document describing their whistleblowing policy. A maximum score is obtained if the organisation discloses the following: (i) Information on what to report. (ii) Information on how to report (including channels to report corruption). (iii) Safeguards and confidentiality of the whistleblower. (iv) An estimate of the time period it will take for the complaints to be investigated and a report on actual performance. (v) How complaints are handled, investigated and recorded.			

## Board Effectiveness

### Corporate Structure – Governance - Remuneration

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
4	Does the organisation disclose a comprehensive conflict of interest and related party transactions policy?	4	<p>A maximum score is obtained if the organisation discloses that it has a conflict of interest and related party transaction policy/policies covering the following areas:</p> <ul style="list-style-type: none"> <li>(i) A definition of 'conflict of interest'.</li> <li>(ii) A definition of 'related party transactions'.</li> <li>(iii) What safeguards are in place? (as a general principle, directors who have a conflict of interest should not participate and/or vote when decisions on the conflicted matter are taken).</li> <li>(iv) How situations of conflict of interest and related party transactions are managed (e.g., are directors required to inform the organisation/company secretary of any direct/indirect interest regarding any transaction/proposed transaction with the organisation?).</li> <li>(v) The authority that is responsible for overseeing conflict of interests and related party transactions.</li> <li>(vi) Whether the organisation keeps a conflict of interest and related party transaction register(s).</li> <li>(vii) The reporting of conflict of interests and related party transactions.</li> </ul>			

## Board Effectiveness

Corporate Structure – Governance - Remuneration

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
5	Does the organisation disclose a comprehensive evaluation process for its Board, individual directors and chair, including Board Sub-Committees?	3	A maximum score is obtained if the board evaluation processes are clearly spelt out (for e.g., the board may resort to an external evaluator) and the Annual Report and/or website of the organisation specifies how the method of evaluation was determined, how the evaluators were selected and how the process was managed. A summary of the evaluation findings should be published and details of how this has helped to improve board effectiveness should be provided in the Annual Report and/or the website.			
6.a.	Do directors receive the Board pack and Board papers in a timely manner?	3	The organisation needs to disclose in its Annual Report whether the Board pack/papers are communicated at least 5 working days in advance to directors.			
6.b.	Do directors have access to senior management and external advice (at the cost of the organisation) for clarifications of Board matters?	2	The organisation needs to disclose in its Annual Report whether the directors have access to senior management or external advice at the cost of organisation for clarifications of Board matters.			
6.c.	Do independent directors have the opportunity to meet and consult with one another prior to the Board meetings?	3	The organisation needs to disclose whether independent directors have the opportunity to meet and consult with one another prior to the Board meetings.			
6.d.	Does the Board focus on issues such as strategy, risk, IT security, CSR and sustainability and governance?	5	The organisation needs to disclose whether the Board is focusing on such matters.			

## Board Effectiveness

### Corporate Structure – Governance - Remuneration

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
6.e.	Do the Board committees disclose the key issues which they have deliberated upon during the year under review?	4	A maximum score is obtained if the organisation provides an insight to the reader into the key issues (for example strategy, markets, risks, business model, performance indicators) deliberated by the Board committees over the year.			
7	Does the organisation have policies in place to protect personal data and where necessary, limit the distribution of data to only those with authorized access?	3	A maximum score is obtained if the organisation discloses that it has: (i) an Information Security and Technology Policy; (ii) a Data Protection Policy; (iii) a Document Retention Policy; and (iv) a Document Control Policy.			
8	Is there evidence that the organisation oversees the corporate governance practices of its subsidiaries?	3	A maximum score is obtained if the organisation discloses sufficient information that allows the reader to conclude that the organisation oversees the corporate governance practices of its subsidiaries.			

**Board Effectiveness**

Corporate Structure – Governance - Remuneration

iii. Remuneration – 3 indicators

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
1	Does the organisation disclose the remuneration philosophy of directors and senior executives/managers?	2	A maximum score is obtained if: <ul style="list-style-type: none"> <li>(i) the remuneration policy explains how remuneration is determined for directors (both executive and non-executive) and senior executives/managers in accordance with specified benchmarks such as skills and experience, performance and with comparable standards in comparable companies;</li> <li>(ii) the policy clearly distinguishes between executive director remuneration and non-executive director remuneration;</li> <li>(iii) an explanation is provided on the proportions of fixed and variable pay; and</li> <li>(iv) there is a clear indication that remuneration of executive directors is linked to performance.</li> </ul>			
2	Does the organisation disclose details of remuneration paid to each director?	3	A maximum score is obtained if the organisation discloses remuneration details of each director.			
3	Does an independent Remuneration Committee or its equivalent determine the compensation package of its senior management, chief executive and directors in line with its remuneration philosophy?	3	A maximum score is obtained if the organisation has an independent Remuneration Committee or its equivalent.			

## Audit Oversight and Effectiveness

### Risk and Internal Controls – Audit – External Accountability

## 2. Audit Oversight and Effectiveness

### i. Risk and Internal Controls – 4 indicators

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
1	Does the organisation's annual report describe the broad Risk Management framework of the organisation?	3	<p>There is evidence of a comprehensive Risk Management framework if the reader can assess from information provided that the following components are disclosed:</p> <ul style="list-style-type: none"> <li>(i) Risk Management policy statement that clearly describes the risk management process including the identification of those who are responsible for (managing) risk and any committee responsible for monitoring the risk management process;</li> <li>(ii) Risk appetite statement approved by the Board;</li> <li>(iii) Identification of significant risks;</li> <li>(iv) Rating of these significant risks;</li> <li>(v) Risk mitigation strategies/controls (separating those that are in place from those that need to be implemented);</li> <li>(vi) Rating of the mitigation strategies/controls that are already in place;</li> <li>(vii) Rating of residual risks;</li> <li>(viii) Metrics to monitor significant risks;</li> <li>(ix) Description of how the organisation deals with residual risks;</li> <li>(x) Risk reporting and who is responsible for risk reporting;</li> <li>(xi) Periodic review and evaluation of risk management strategies to ensure effectiveness.</li> </ul>			

## Audit Oversight and Effectiveness

### Risk and Internal Controls – Audit – External Accountability

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
2	Does the annual report describe in detail the significant risks that can negatively impact the organisation?	3	<p>A maximum score is obtained if the reader can assess from information disclosed that the following elements are present:</p> <ul style="list-style-type: none"> <li>(i) A good explanation of the significant risks affecting the business; and</li> <li>(ii) Either classification of the risks into physical, social and economic environment or classification of the types of risks in terms of strategic risk, operations risk, compliance risk and financial risk or other components pertinent to the industry/organisation.</li> </ul>			
3	Does the annual report disclose <i>measurement of each significant risk</i> and describe the strategic response to such risk and the controls to reduce the risk together with the resulting residual risks?	5	<p>A maximum score is obtained if the reader can assess from information disclosed that the following elements are present:</p> <ul style="list-style-type: none"> <li>(i) Each inherent risk is measured and categorised in terms of its likelihood of occurrence and in terms of its impact on the organisation;</li> <li>(ii) The strategic response and controls corresponding to each significant risk are described;</li> <li>(iii) Residual risks are displayed i.e., the impact which the controls have on the inherent risks are shown.</li> </ul>			

## Audit Oversight and Effectiveness

### Risk and Internal Controls – Audit – External Accountability

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
4	Does the annual report show evidence of a strong and comprehensive risk culture?	5	<p>A maximum score is obtained if the reader can assess from information disclosed that the following elements are present:</p> <ul style="list-style-type: none"> <li>(i) Specification of overall responsibility for risk management and internal controls;</li> <li>(ii) Delegation of risk management and monitoring to a specific committee and specification of the committee's composition and responsibilities;</li> <li>(iii) Review of the significant inherent risks;</li> <li>(iv) Evaluation of the controls to contain the significant risks (by reporting on the interaction with the Internal audit function and Audit Committee);</li> <li>(v) The residual component of each significant inherent risk is disclosed with explanatory notes;</li> <li>(vi) Reporting on whether the evaluation of residual risks fall within the risk tolerance level of the organisation;</li> <li>(vii) Explanatory notes are provided to facilitate understanding and communication of inherent risks, effectiveness of controls and management of residual risks;</li> <li>(viii) Statement that the Board has monitored and evaluated the significant risks affecting the organisation;</li> <li>(ix) Description/explanation of strategies to address the key risks.</li> </ul>			



## Audit Oversight and Effectiveness

Risk and Internal Controls – Audit – External Accountability

### ii. Audit – 9 indicators

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
1	Does the organisation have an internal audit function?	2	A maximum score is obtained if the organisation makes use of an internal audit function (whether in-house or outsourced)			
2	Does the organisation disclose how it addresses the findings raised by the internal auditor in a timely manner?	3	A maximum score is obtained if the organisation explains how it has addressed the findings raised by the internal auditor in a timely manner.			
3	Does the organisation provide a description of how the internal audit function adds value and improves the organisation's operations?	3	A maximum score is obtained if the reader can assess from information disclosed how the internal audit function: <ul style="list-style-type: none"> <li>(i) discharges its assurance role in risk management (e.g., by giving assurance that risks are correctly evaluated and that proper risk management procedures are in place and are being adhered to);</li> <li>(ii) reviews and evaluates the internal control system (e.g., by describing the systems and processes covered by Internal Audit);</li> <li>(iii) contributes towards business process improvement;</li> <li>(iv) reviews and evaluates compliance with policies and procedures and sound business practices.</li> </ul>			

## Audit Oversight and Effectiveness

Risk and Internal Controls – Audit – External Accountability

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
4	Does the organisation disclose whether its internal audit function has sufficient resources to effectively provide assurance over all areas considered to be of higher risk and importance to the business?	3	<p>A maximum score is obtained if the reader can assess from information disclosed that the internal audit department of the organisation:</p> <ul style="list-style-type: none"> <li>(i) has adequate staff, both in terms of number and experience;</li> <li>(ii) has the appropriate methods, tools and techniques; and</li> <li>(iii) has sufficient access to all books and records of the organisation to diligently and rigorously perform its duties.</li> </ul> <p>In the event that this is not the case, the organisation should explain what external resources the internal audit function would hire or resort to.</p>			
5	Does the organisation describe how the internal audit function maintains its independence, objectivity and professional rigour?	3	<p>A maximum score is obtained if the reader can assess from information disclosed that the following elements are present:</p> <ul style="list-style-type: none"> <li>(i) Description of the structure and organisation of Internal Audit;</li> <li>(ii) Description of qualifications and experience of key members of Internal Audit;</li> <li>(iii) A statement that Internal Audit reports to an independent body e.g., Audit Committee;</li> <li>(iv) Description of how Internal Audit is committed to its own continuous improvement (e.g., training in AML/CFT systems, continuous professional development, External Quality Assurance, quality improvement plan, compliance to IIA standards, consistent and IIA compliant methodology).</li> </ul>			
6	Does the organisation have an audit committee (AC)?	3	A maximum score is obtained if the organisation has an AC.			

## Audit Oversight and Effectiveness

Risk and Internal Controls – Audit – External Accountability

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
7	Does the audit committee (AC) create an environment (by laying down structural prerequisites) which is conducive towards the effective discharge of its oversight roles and responsibilities?	4	<p>A maximum score is obtained if the reader can assess from information disclosed that the following elements are present:</p> <ul style="list-style-type: none"> <li>(i) Role and responsibilities of AC;</li> <li>(ii) AC has at least 3 members;</li> <li>(iii) The chair of the AC is an independent non-executive director;</li> <li>(iv) Most of the members of the AC are independent non-executive directors;</li> <li>(v) Number of meetings held and attendance records of AC members;</li> <li>(vi) Description of the financial, business and any other expertise of AC members and the relevance of this expertise to the business operations of the organisation;</li> <li>(vii) Ensuring that the head of Internal Audit has ready and regular access to the chair of the AC;</li> <li>(viii) Ensuring that the external auditor is rotated in accordance with guidance from the Financial Reporting Council; and</li> <li>(ix) Ensuring that any proposed agreement with the audit firm for non-audit services be first approved by the AC.</li> </ul>			

## Audit Oversight and Effectiveness

Risk and Internal Controls – Audit – External Accountability

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
8	Does the organisation explain how the audit committee (AC) disclosures are effective towards building investor and stakeholder trust and confidence?	5	<p>A maximum score is obtained if the reader can assess from information disclosed that the following elements are present:</p> <ul style="list-style-type: none"> <li>(i) Statement that the AC has reviewed the Financial Statements together with the accounting policies/notes and that it is satisfied that the Financial Statements comply with International Financial Reporting Standards and other standards and regulations relevant to the industry;</li> <li>(ii) Report on the review of the internal control system and risk management process;</li> <li>(iii) Report on the review of the independence and effectiveness of the internal and external auditor;</li> <li>(iv) Report on any non audit services provided by the auditor together with a statement that such non audit services did not impair the independence of the external auditor;</li> <li>(v) Report on the key activities and reviews of the internal audit function and how the internal audit function maintains its independence;</li> <li>(vi) Disclosure of whether the AC has met regularly with external auditor;</li> <li>(vii) Disclosure that the AC meets with the internal and external auditors in the absence of management to discuss important issues (for e.g., tone at the top, fraud, ethics breaches, undue pressure from management and any matters of their choosing).</li> </ul>			
9	Does the organisation disclose how it addresses the findings raised by the external auditor in a timely manner?	3	A maximum score is obtained if the organisation explains how it has addressed the findings raised by the external auditor in a timely manner.			

## Audit Oversight and Effectiveness

### Risk and Internal Controls – Audit – External Accountability

#### iii. External Accountability – 6 indicators

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
1	Do the financial statements (F/S) of the organisation contain a director's statement to the effect that they give a true and fair view of the financial position and performance of the organisation?	3	<p>A maximum score is obtained if the reader can assess from information disclosed that the following elements are present:</p> <ul style="list-style-type: none"> <li>(i) Statement of directors' responsibilities in respect of the financial statements (F/S).</li> <li>(ii) Statement by the directors that the F/S have been prepared in accordance with IFRS (any departure should be disclosed, explained and quantified).</li> <li>(iii) Statement by the directors that the F/S portray a true and fair view of the financial position and performance of the organisation.</li> <li>(iv) Statement of the date on which the Board has approved the F/S.</li> <li>(v) Statement by the external auditors to the effect that in their opinion the F/S give a true and fair view.</li> </ul>			
2	Does the annual report and/or website provide reliable information on the reporting of compliance with the Code?	2	<p>A maximum score is obtained if the reader can assess from information disclosed that the following elements are present:</p> <ul style="list-style-type: none"> <li>(i) Statement from the directors on the extent to which they have complied with the Code.</li> <li>(ii) Statement from the auditors that they have verified the extent of compliance as stated by the directors.</li> </ul>			

## Audit Oversight and Effectiveness

### Risk and Internal Controls – Audit – External Accountability

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
3	Is the organisation providing sections/headings that introduce information over and above financial information that could provide more insightful information to shareholders and other key stakeholders?	2	A maximum score is obtained if the reader can assess from information disclosed that the following elements are present: (i) Organisational overview (ii) Internal and external environment (iii) Business model (iv) Connecting the business model with the internal and external environment			
4	Is the organisation providing detailed information about the organisation's internal and external environment in a manner that allows shareholders and other key stakeholders to better assess the organisation's position, performance and outlook?	4	A maximum score is obtained if the following elements are disclosed: (i) Description of the internal environment by disclosing the organisation's strengths and weaknesses. (ii) Description of the organisation's external environment by, for example, disclosing the opportunities and threats facing the organisation or by describing how any relevant Political, Economic, Social, Technological and Legal factors can create threats and opportunities for the organisation.			

## Audit Oversight and Effectiveness

### Risk and Internal Controls – Audit – External Accountability

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
5	Is the organisation providing detailed information about its business model (i.e., how it transforms inputs ( <i>financial and non financial capitals</i> ) into outputs ( <i>products and services</i> ) through business activities to fulfil the organisation's strategic goals and create long term value for investors and stakeholders) in a manner that allows shareholders and other key stakeholders to better assess the organisation's position, performance and outlook?	5	A maximum score is obtained if the reader can assess from information disclosed that the following elements are present: (i) Customers: customer segments to serve; (ii) Value Proposition: the value of products/services offered; (iii) Channels: distribution channels and contacts with customers; (iv) Customer Relationships: relationships established with customers; (v) Revenue: stream of revenues generated from the selling of products/services; (vi) Key Resources: fundamental resources needed for the functioning of the organisation; (vii) Key Activities: core activities for the functioning of the organisation's business model; (viii) Key Partnerships: core partners for alliances; (ix) Costs: cost structure and costs to be sustained. (x) Key performance indicators, financial and non-financial			
6	Is the organisation connecting its business model and components with its internal and external environment?	4	A maximum score is obtained if the reader can assess from information provided by the organisation how its business model overcomes or mitigates its weaknesses/threats, builds on its strengths and takes advantage of opportunities in the environment.			

**Relations with Shareholders/Stakeholders, Sustainability & Inclusiveness**

Conduct of shareholders' meeting – Relations with Stakeholders – Sustainability and Inclusiveness

**3. Relations with Shareholders/Stakeholders, Sustainability & Inclusiveness**

**i. Conduct of shareholders' meeting – 7 indicators**

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
1	Does each resolution in the most recent shareholders' meeting deal with only one item, i.e., there is no bundling of several items into the same resolution?	1	A maximum score is obtained if the organisation discloses that each resolution of its most recent shareholders' meeting appeared as a separate item on the agenda.			
2	Does the notice state in sufficient detail and clarity the nature of business to be transacted to enable shareholders to understand the fundamentals of the issue and to engage on same with the company?	3	A maximum score is obtained if the reader can assess from information disclosed that: (i) the notice highlights the issues to be discussed at the shareholders' meeting; and (ii) the notice provides, where required, a brief on issues to be voted upon.			
3	Are the profiles of directors (including age, academic qualification, date of first appointment, experience, and directorships in other listed companies) seeking election/re-election provided to shareholders?	3	A maximum score is obtained if full details of directors seeking election/re-election are provided.			
4	Are the auditors seeking appointment/re-appointment clearly identified on the agenda of the meeting of shareholders?	3	A maximum score is obtained if the name of the auditors seeking appointment/re-appointment is provided and their tenure as auditor is also disclosed.			
5	Does the organisation provide for a shareholders' question time at shareholders' meetings?	4	A maximum score is obtained where the reader can assess from information provided by the organisation in its Annual Report and/or website that time was allowed for shareholders to put questions to the Board and Management at the last shareholders' meetings.			



**Relations with Shareholders/Stakeholders, Sustainability & Inclusiveness**

Conduct of shareholders' meeting – Relations with Stakeholders – Sustainability and Inclusiveness

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
6	Did the organisation provide alternative ways of participating/voting to shareholders who/which could not physically attend the shareholders' meeting(s)?	2	A maximum score is obtained if the organisation discloses in its Annual Report and/or its website the facilities provided to shareholders who/which could not physically attend the meeting to participate and/or vote at such meeting (e.g., proxy, corporate resolution, virtual attendance, etc.)			
7	Does the organisation publish votes of shareholders' meeting on its website?	2	A maximum score is obtained if the organisation's website publish information relating to votes taken at shareholders' meetings.			

**Relations with Shareholders/Stakeholders, Sustainability & Inclusiveness**

Conduct of shareholders’ meeting – Relations with Stakeholders – Sustainability and Inclusiveness

ii. Relations with Stakeholders – 5 indicators

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
1	Has the organisation disclosed its major shareholders?	3	A maximum score is obtained if the organisation discloses the names of its shareholders holding more than 5% of the stated capital as well as the number of shares.			
2	Does the organisation identify and disclose its other key stakeholders with an explanation of how it engages with them?	3	A maximum score is obtained if the reader can assess from information disclosed: (i) who are the key stakeholders, bearing in mind the size, complexity and location of the organisation’s operations, e.g., investors, employees, customers, government, regulatory authorities, suppliers and service providers, media etc.; (ii) how the organisation engages dialogue with them; (iii) the frequency of such dialogue; and (iv) the type of information disseminated by the organisation to them.			
3	Does the organisation value the training and development of its employees?	3	A maximum score is obtained if the organisation discloses: (i) details of the training and development programme in place for its employees; and (ii) that such training and development were undertaken.			

**Relations with Shareholders/Stakeholders, Sustainability & Inclusiveness**

Conduct of shareholders' meeting – Relations with Stakeholders – Sustainability and Inclusiveness

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
4. a.	Does the organisation have an employment policy which is inclusive?	3	A maximum score is obtained if the reader can assess from information disclosed by the organisation that: (i) it has an inclusive employment policy. Such policy should cover diversity, disability, gender equity, sexual orientation, race, religious beliefs, and age; and (ii) the inclusive employment policy is effective.			
4. b.	Has the organisation disclosed information that will enable the reader to ascertain whether it has set targets for each diversity component?	3	A maximum score is obtained if there is evidence that the organisation has set such targets.			
5	Does the organisation disclose demographic information about its employees?	3	A maximum score is obtained if the following demographic information is provided on employees: (i) Gender (ii) Age (under 30 years old, 30-50 years old, over 50 years old) (iii) Senior positions			

**Relations with Shareholders/Stakeholders, Sustainability & Inclusiveness**

Conduct of shareholders' meeting – Relations with Stakeholders – Sustainability and Inclusiveness

iii. Sustainability and Inclusiveness – 8 indicators

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
1	Has the organisation identified and disclosed key priority areas for sustainable development and inclusiveness?	3	A maximum score is obtained if the reader can assess from information disclosed how the organisation nurtures sustainable development in terms of: (i) protecting the environment (ii) keeping customers aware of any health considerations arising from use, overuse or misuse of its products (iii) promoting non-discriminatory policies (iv) promoting social/community goals (v) promoting the health and safety of staff/employees			
2	Are the sustainability commitments of the organisation in line with the UN Sustainable Development Goals (SDGs) or other equivalent sustainability goals?	3	A maximum score is obtained if the reader can assess from information disclosed that the organisation is committed to SDGs or other equivalent sustainability goals.			
3	Does the organisation disclose information to enable the reader to assess if there are management structures/ sustainability teams in place to support the implementation of the organisation's sustainability and inclusiveness agenda?	5	A maximum score is obtained if the organisation provides details about how the Sustainability committee/team/department of the organisation helps to uphold the sustainability/ inclusiveness agenda of the organisation.			
4	Does the organisation engage in stakeholder dialogue with regard to sustainability and inclusiveness?	3	A maximum score is obtained if the reader can assess from information disclosed that stakeholder consultation takes place with regard to sustainability and inclusiveness in respect of matters which may have an impact on such stakeholders (including the community).			

## Relations with Shareholders/Stakeholders, Sustainability & Inclusiveness

Conduct of shareholders' meeting – Relations with Stakeholders – Sustainability and Inclusiveness

	Indicator	Relative weight of each question on a scale of 1 to 5	Assessment Criteria	0 (Criteria inadequately satisfied)	1 (Criteria partially satisfied)	2 (Criteria adequately satisfied)
5	Does the organisation take into account the adverse effects of its operations on vulnerable communities and their livelihood?	4	A maximum score is obtained if the reader can assess from information disclosed how organisation takes into account the adverse effects of the organisation's operations on vulnerable communities and how it reduces such adverse effects.			
6	Does the organisation disclose how it prevents or repairs the damage done to the environment by its operating activities and/or the measures taken by the organisation to offset its carbon footprint?	4	A maximum score is obtained if the reader can assess from information disclosed what actions have been taken by the organisation to prevent/repair damage done to the environment and/or the measures taken by the organisation to offset its carbon footprint.			
7	Does the organisation promote the conservation of natural resources, including recycling activities and circular economy models?	4	A maximum score is obtained if the reader can assess from information disclosed the conservation measures of the organisation, including recycling activities and circular economy models.			
8	Is there evidence that the Board (or such committees as may be set up by the Board) is addressing its mind to climate change, the impact of same on the organisation, the risks and opportunities related to climate change, and the changes the organisation needs to make and the projects which the organisation needs to implement to adapt to climate change?	5	A maximum score is obtained if the reader can assess from information disclosed the following elements: (i) whether the issue of climate change is discussed at Board meetings (or at such committees as may be set up by the Board); (ii) a description of the risks and/or opportunities resulting from climate change for the organisation; (iii) a description of the impact associated with the risk or opportunity for the organisation; (iv) the changes the organisation is making and/or needs to make and projects which the organisation needs to implement to adapt to climate change.			

## Appendix A

A typical Code of Conduct should contain the following elements:

### Part 1: Introduction

- Statement of Support from CEO
- Underlying values
- Objectives
- Scope and Application

### Part 2: Code Rules

- Supporting statement from the Board
- Aspirational values
- Conflict of interest
- Responsibilities for dealing with stakeholders
- Improper use of company information
- Insider trading
- Outside employment
- Gifts and entertainment
- Financial inducements
- The use and accounting of company resources
- Non-discriminatory practices
- Equal employment opportunities
- Confidentiality
- Compliance with laws
- Treatment of colleagues
- Sponsorships
- Environmental
- Conducting business overseas
- Consequences of non-compliance
- Political contributions and activities
- Alcohol, drug and tobacco use
- Non-discriminatory practices
- Equal employment opportunities

- Confidentiality
- Compliance with laws
- Treatment of colleagues
- Sponsorships
- Environmental
- Conducting business overseas
- Consequences of non-compliance

### Part 3: Administration

- Role of Ethics Committee
- Mandatory attendance at Code of Conduct
- Training Session
- Reporting of non-compliance
- Consequences of non-compliance