October 2021

Corporate governance in Cards & Payments: Filings trends Q3 2021
**Measurement and response briefing for corporate governance**

**Rating agencies in the corporate governance theme**

Measuring and improving a company’s ESG performance can be more difficult than many business leaders would like to believe. It has spawned an entire industry of ESG advisors and rating agencies. The table below highlights some of the leading vendors providing overall ESG ratings and vendors focused on measuring specific aspects of the ESG framework.

### ESG rating agencies

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<th>Rating agencies</th>
<th>ESG performance measurement</th>
<th>ESG ratings tool</th>
<th>Basis of ESG rating</th>
<th>Scoring scale</th>
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<tr>
<td>Bloomberg</td>
<td>ESG Disclosure</td>
<td>Exposure to ESG risks</td>
<td>AAA to CCC</td>
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<td>MSCI</td>
<td>ESG Risk Rating</td>
<td>Management and exposure of ESG risks</td>
<td>A to D</td>
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<tr>
<td>RepRisk</td>
<td>ESG Disclosure Score</td>
<td>Risk exposure to ESG and business conduct risks</td>
<td>0 to 100</td>
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<tr>
<td>Bloomberg</td>
<td>ESG Disclosure Score</td>
<td>Data only from direct sources (annual reports and company websites)</td>
<td>0 to 100</td>
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<tr>
<td>Corporate Knights</td>
<td>Corporate Knights Rating</td>
<td>Pudicially disclosed data (e.g., financial filings, sustainability reports)</td>
<td>0 to 100</td>
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<tr>
<td>Ethisphere Institute</td>
<td>Ethisphere Institute</td>
<td>Annual reports, websites, and corporate actions</td>
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<td>Transparency International</td>
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<td>Company disclosures and reputation</td>
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<td>Transparency International</td>
<td>Transparency in Corporate Governance</td>
<td>Materiality of ESG factors</td>
<td>0 to 100</td>
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<td>BitSight</td>
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<td>Services</td>
<td>Inrate</td>
<td>ESG preparedness, disclosure, and performance</td>
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<td>Institutional Shareholder</td>
<td>Institutional Shareholder</td>
<td>Long-term ESG performance</td>
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<tr>
<td>Institute of Directors</td>
<td>Institutional Shareholder</td>
<td>Financial metrics, financial reports, and company reviews</td>
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<tr>
<td>Ethical Boardroom</td>
<td>Ethical Boardroom</td>
<td>Multiple factors including transparency &amp; technology and ESG reporting</td>
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### Environmental rating agencies

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### Governance rating agencies

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**What are corporate governance factors?**

Corporate governance covers the internal controls a company adopts to make business decisions, comply with the law, and meet its moral obligations to all external stakeholders.

Corporate governance failures – for example, aggressive tax avoidance, corruption, excessive executive pay, or relentless lobbying – cause reputational harm and loss of trust.
Our thematic framework for corporate governance

GlobalData’s sustainability framework covers environmental, social, and governance (ESG) factors. The framework is designed to act as a checklist to allow CEOs to ensure they cover all aspects of corporate governance.

ESG framework

- Corporate structure
  - Unjustified remuneration
  - Lack of board oversight
  - Avoidance of regulatory scrutiny
  - Lack of adequate pension provision
  - Lack of diversity at board level
  - Lack of shareholder representation
  - Share-based incentives
  - Lack of sustainability plan
  - Cybersecurity breaches
  - Lack of stakeholder engagement
  - Lack of employee engagement

- Risk management
  - Political contributions
  - Related party transactions
  - Lobbying for unsustainable causes
  - Money laundering
  - Tax evasion

- Corruption & bribery
  - Auditor conflicts of interest
  - Anti-competitive behavior
  - Lack of complaint handling system
  - Aggressive tax avoidance
  - Regulatory non-compliance
  - Personal data sharing
  - Union blocking

- Ethics
  - Executive pay caps or pay ratios
  - Empowerment of independent directors
  - Proper segregation of duties, especially in compliance departments
  - Enhanced powers for pension trustees
  - Broader representation at board level
  - Transparent share structure with equal voting rights
  - Remuneration policies based on sustainability targets
  - Quantifiable and timebound sustainability plan
  - Implementation of an effective cybersecurity strategy
  - Input from stakeholders into strategic decisions
  - Employee development programs
  - Company-wide ban on political contributions
  - External audit of all related party transactions
  - Company-wide ban on lobbying for unsustainable causes
  - Employee-friendly whistle-blowing policies
  - Clear policies to punish tax evasion
  - Regular auditor rotation; ban on hiring auditor for consulting or M&A advice
  - Ban on unethical competitive practices
  - Policies to ensure effective response to complaints
  - Review of tax policies by independent ethics committee
  - Empowerment of compliance team
  - Robust data privacy policies
  - Engagement with unions

An overview

Corporate governance assesses how a company’s internal controls are used to inform business decisions, comply with the law, and meet moral obligations to external stakeholders. Repeated failures in corporate governance – from aggressive tax avoidance to corruption, excessive executive remuneration, and relentless lobbying – has meant that society is losing trust in big business.

Corporate structure, risk management, corruption and bribery, and ethics can all negatively impact the corporate governance of an organization.
Corporate governance in Cards & Payments: Filings trends in last five years

GlobalData Company Filing Analytics
GlobalData analyzes company filings and transcripts, uncovering overarching company sentiment and underlying trends hidden in vast amounts of financial and non-financial data.

Corporate governance mentions in the filings of Cards & Payments companies
The mentions of corporate governance in the financial filings of Cards & Payments companies registered a CAGR of 12.08% between 2016 and 2020.

Source: GlobalData

GlobalData Insight
During the review period 2016-2020, the highest number of corporate governance-related mentions in filings were seen in 2020, while 2016 had the least mentions.

In 2020, mentions of corporate governance in the filings of Cards & Payments companies were 17.08% higher than the previous year.
Companies with the most mentions of corporate governance in the Cards & Payments industry: Q3 2021

Top companies with the most mentions of corporate governance in the Cards & Payments industry in respective financial filings during Q3 2021

AMMB Holdings Bhd had 242 corporate governance mentions in the Cards & Payments industry in Q3 2021.

Source: GlobalData

GlobalData insight

AMMB Holdings Bhd had 242 corporate governance mentions in the Cards & Payments Industry in Q3 2021.

Other Cards & Payments companies with most corporate governance mentions include Bandhan Bank Ltd, Eurobank Ergasias Services and Holdings SA, and Yes Bank Ltd.
More themes impacting Cards & Payments

Our 2021 Cards & Payments theme map below shows the big themes that will have a significant disruptive impact on all Cards & Payments companies over the next two years.

**Our 2021 theme map**

We define a theme as any issue that keeps CEOs awake at night.

Our 2021 theme map shows the big themes driving growth in the industry.
To find out more about major themes set to disrupt your industry, discover GlobalData’s research reports.

We leverage the collective expertise of our in-house research analysts, consultants, and journalists, as well as thousands of external thought-leaders, to create differentiated and actionable insight.

Our thematic analysis offers a comprehensive lens into the future of your industry, enabling you to:

- Drill down into market shifts to determine strategy that drives your business forward
- Identify sector trends and themes early to protect your blindside
- Utilize forecasts and customer insight to power your product development & innovation

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