Dr. Jesus Estanislao, Chairman, Institute of Corporate Directors, Philippines

Concluding Session and ‘tour de table’
CORPORATE GOVERNANCE

PROGRESS AND CHALLENGES in the PHILIPPINES

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CHAIRMAN, INSTITUTE OF CORPORATE DIRECTORS
Welcome to The Philippines
A journey of more than a thousand kilometers

We have made some progress; still, we have a long distance to cover.

We have made significant strides in compliance; we have yet to move to the next level: performance.
The First Milestone

- Involves getting all key players to observe proper CG practices.
- Regulators have mandated a corporate governance orientation program.
The Second Milestone

★ Involves each corporation having to formulate a CG Manual.

★ A CG Manual has been mandated and generally complied with.
The Third Milestone

★ Involves the forging of a CG Scorecard to measure compliance with the rules and regulations.

★ We have passed this for listed corporations.

Specialized Scorecards
- Commercial Banks
- Insurance Companies
- State-owned Enterprises
- Family-owned Corporations

Check on Commitment
The Fourth Milestone

- Involves giving due recognition to those showing proof of taking compliance.
- We have formed the Companies Circle.
Companies Circle

- Aboitiz Equity Ventures
- ABS-CBN Broadcasting Corp. & Subsidiaries
- Alaska Milk Corporation
- Asian Terminals
- Ayala Corporation
- Ayala Land
- Bank of the Philippine Islands
- Cebu Holdings, Inc.
- Cebu Property Ventures and Development Corporation
- Centro Escolar University
- Energy Development Corp.
- First Philippine Holdings Corp.
- Globe Telecom
- Manila Water Company
- Petron Corporation
- Philippine Long Distance Telephone Company
- Semirara Mining Corporation
Involves chairpersons, who generally are connected with the controlling majority shareholders.

We have formed the chairpersons’ circle.
The Sixth Milestone

Involves corporate directors and senior officers going through intensive training in corporate governance and to commit to a code of ethics and social responsibility.
Involves corporate directors heavily involved both in its formulation and the oversight of its execution.

This is where the road becomes *steeper*. 
The Eighth Milestone

★ Involves getting commitments from within and external stakeholders to contribute positively to the corporate strategy map.

★ We are some far distance away. A few corporations already on the lead to get us there.
.calls for regular performance assessment of key departments and operating units against the commitments towards the corporate strategy map.

This is a long distance away. But some corporations are already beckoning us to get there.
The Tenth Milestone

Involves bringing participation in governance down to the last individual in the corporation.

Performance evaluation, Personal Governance and Public Governance.
The Pathway Ahead
Moving Further and Farther

Away from mere compliance and into high level business performance bringing about significant breakthrough results.
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