TRANSPARENCY INTERNATIONAL
the global coalition against corruption

TRANSPARENCY IN CORPORATE REPORTING:

ASSESSING EMERGING MARKET MULTINATIONALS

Transparency International is the global civil society organisation leading the fight against corruption. Through more than 90 chapters worldwide and an international secretariat in Berlin, we raise awareness of the damaging effects of corruption and work with partners in government, business and civil society to develop and implement effective measures to tackle it.

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Authors: Barbara Kowalczyk-Hoyer, Susan Côté-Freeman

Research assistants: Liliya D. Akhmadullina, Tim Bergman, Ting-Fung Chan,
Kristine Suet Tuen Kwok, Juliana Mari Sakai

Design: www.soapbox.co.uk

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Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

CONTENTS

TRANSPARENCY IN CORPORATE REPORTING

Diagram 1
Index results

Scale 0–10 where 0 is least transparent and 10 is most transparent. This index is based on the unweighted average of results in all three categories.

ACP result for reporting on anti-corruption programmes

OT result for organisational transparency

CBC result for country-by-country reporting

AVERAGE:

3.6/10

3 in 4 companies scored less than 5

Company	Score	ACP	OT	CBC
Tata Communications	7.1	92%	88%	34%
Tata Global Beverages	6.6	92%	75%	31%
Tata Steel	6.6	92%	75%	30%
Bharti Airtel	6.4	85%	75%	34%
Petronas	6.3	88%	100%	1%
United Company Rusal	6.2	69%	100%	17%
Tata Chemicals	6.2	81%	75%	30%
Mahindra & Mahindra	6.1	73%	81%	30%
Tata Motors	6.0	77%	75%	29%
Tata Consultancy Services	5.9	85%	75%	17%
Saudi Basic Industries	5.8	85%	88%	2%
América Móvil	5.7	73%	81%	16%
Reliance Industries	5.7	65%	75%	30%
Wipro	5.7	77%	63%	30%
PTT	5.6	85%	75%	9%
Tenaris	5.5	77%	88%	0%
Falabella	5.4	38%	75%	50%
Sasol	5.4	88%	75%	0%
Lenovo Group	5.4	73%	88%	0%
Bumi Resources	5.3	85%	75%	0%
Lupin Limited	5.2	42%	75%	38%
Norilsk Nickel	5.2	50%	75%	30%
Sappi	5.1	85%	63%	6%
Femsa	5.0	69%	63%	19%
Dr. Reddy's Laboratories	5.0	50%	75%	25%
Vedanta Resources	4.9	92%	44%	10%
Bidvest Group	4.9	65%	75%	6%
Sabanci Holding	4.9	77%	69%	0%
Infosys Technologies	4.8	77%	38%	30%
Marcopolo	4.8	50%	75%	18%
Suzlon Energy	4.7	54%	56%	32%
Gazprom	4.7	65%	75%	0%
Hindalco Industries	4.7	35%	75%	30%
Petrobras	4.6	88%	50%	0%

Note: companies covered in this report may provide support to Transparency International chapters worldwide.

Company	Score	ACP	OT	CBC
LAN Airlines	4.6	65%	56%	16%
DP World	4.6	62%	75%	1%
Gedeon Richter	4.6	38%	94%	5%
Gerdau	4.6	58%	75%	4%
Johnson Electric	4.5	35%	100%	1%
Evraz Group	4.5	69%	44%	21%
Brasil Foods	4.4	77%	56%	0%
Embraer	4.4	54%	75%	3%
Indorama Ventures	4.3	50%	75%	3%
Larsen & Toubro	4.2	19%	81%	26%
Koç Holding	4.2	50%	75%	1%
Natura	4.2	50%	75%	0%
Crompton Greaves	4.1	23%	75%	26%
Bharat Forge	4.1	15%	75%	33%
Gruma	4.1	27%	88%	8%
Zoomlion	3.9	42%	75%	0%
Shanghai Electric Group	3.8	15%	100%	0%
Votorantim Group	3.8	88%	25%	0%
Indofood Sukses Makmur	3.7	19%	75%	18%
ZTE	3.5	31%	75%	0%
Grupo Bimbo	3.5	58%	44%	3%
Mexichem	3.4	50%	38%	16%
Emirates Airlines	3.4	0%	100%	2%
Magnesita Refratários	3.4	62%	38%	3%
BYD Company Limited	3.4	19%	75%	7%
Sinohydro	3.4	38%	63%	0%
Bajaj Auto	3.3	31%	38%	30%
El Sewedy Electric	3.1	0%	81%	13%
Suntech Power	3.1	42%	44%	7%
Severstal	3.0	15%	75%	1%
JBS	3.0	58%	31%	0%
China Communications Construction Company	2.9	12%	75%	2%
Charoen Pokphand Group	2.9	0%	88%	0%

Company	Score	ACP	OT	CBC
Haier	2.8	35%	50%	0%
Yanzhou Coal Mining Company	2.8	19%	63%	3%
Etisalat	2.8	0%	75%	9%
Camargo Corrêa Group	2.8	58%	25%	1%
Thai Union Frozen Products	2.8	8%	75%	0%
Sinosteel	2.7	54%	25%	3%
Alfa	2.7	50%	31%	0%
WEG	2.4	46%	25%	0%
Cosco Group	2.3	50%	19%	0.5%
Lukoil	2.2	54%	13%	0%
Huawei Technologies	2.2	62%	0%	4%
Baosteel Group	2.0	46%	13%	1%
China State Construction Engineering Corporation	1.9	50%	6%	1%
Sinochem	1.9	31%	25%	0%
LDK Solar	1.9	12%	38%	7%
Sinomach	1.8	35%	19%	0%
Wanxiang Group	1.4	42%	0%	0%
China International Marine Containers Group	1.3	8%	31%	0%
Coteminas	1.3	8%	31%	0%
Anshan Iron and Steel Group	1.3	38%	0%	0%
Aluminium Corporation of China	1.3	19%	19%	0%
Chint Group	1.0	31%	0%	0%
China Minmetals	0.8	15%	6%	2%
China National Offshore Oil Corporation	0.8	23%	0%	0%
China Shipping Group	0.7	15%	6%	0%
Geely - Zhejiang Geely Holding Group	0.7	19%	0%	1%
China National Chemical Corporation	0.5	8%	6%	0%
Galanz Group	0.4	12%	0%	0%
Fung Group	0.2	0%	6%	0%
Odebrecht Group	0.2	0%	0%	6%
China Shipbuilding Industry Corporation	0.1	4%	0%	0%
Chery Automobile	0.0	0%	0%	0%
Mabe	0.0	0%	0%	0%

1. EXECUTIVE SUMMARY

Transparency International conducted research into the public reporting practices of 100 emerging markets companies comprising a list of *Global Challengers* 2011.[1]

Based on the methodology of previous Transparency International studies, researchers collected and analysed publicly available data on three dimensions of transparency:

- **Reporting on anti-corruption programmes:** covering *inter alia* bribery, facilitation payments, whistleblower protection and political contributions.
- **Organisational transparency:** including information about corporate holdings.
- **Country-by-country reporting:** including revenues, capital expenditure and tax payments.

These three elements were assessed because of their importance in raising the level of corporate transparency and accountability which in turn helps minimise the risk of corruption.

The information a company reports about its anti-corruption systems is an indicator of its awareness and commitment to combatting corruption. While robust disclosure practices do not reduce all risk of corruption, they are a sign of the right tone from top management, reflecting an awareness of corruption risks and a commitment to manage them effectively that is essential for companies operating across borders.

Reporting on information related to company holdings, such as subsidiaries, branches, affiliates, joint ventures and the like is relevant in the context of combatting corruption because it lets citizens, civil society, regulators, lawmakers and investors know where a company is operating, and it makes the company more accountable in those countries.

Country-by-country reporting provides the transparency needed for companies to be held accountable for their activity in a particular country. Disclosing key financial data enables citizens to evaluate whether the company is contributing in a manner appropriate to its level of activity and, as such, to identify potential cases of corruption. Despite some encouraging results the report finds that the disclosure practices of emerging market companies are inadequate. The observed levels of transparency fall short of the standards expected of large companies aspiring to become global players. Based on the data analysis, the average company score is 36 per cent (3.6 out of a maximum of 10 points in the overall index). Only one in four of the 100 companies achieved an overall score of at least 50 per cent.

This result reflects a lack of recognition of the importance of transparency as a building block of good governance, including the management of corruption risks. These emerging market companies also lag behind in their acceptance of the responsibility that falls upon multinational companies to fulfil the transparency expectations of stakeholders. However, the fact that some companies perform well in certain aspects of the survey indicates that improvement is possible and dispels the argument often put forward by companies that disclosure puts them at a competitive disadvantage.

The report dedicates a section to the performance of companies from the BRICS.[2] This is of interest in view of their importance within emerging markets and in the world economy as a whole.

Results show that companies from China lag behind in every dimension with an overall score of 20 per cent (2 out of a maximum of 10). Considering their growing influence in markets around the world, this poor performance is of concern. In contrast, Indian firms perform best in the BRICS with a result of 54 per cent (5.4 out of a maximum of 10) and several occupy the top positions in the overall Index. In the third (country-by-country reporting) dimension of the study, an area of disclosure that has proven to be a challenge for most companies, Indian firms stand out against the weaker performances of the other BRICS firms with a score of 29 per cent.

Publicly listed companies, whose shares are traded on stock exchanges, perform considerably better than unlisted companies which include privately held and state-owned companies. For example, the publicly listed firms score 53 per cent on reporting on anti-corruption programmes – whereas the state-owned and private companies score 30 per cent and 27 per cent respectively. Stock market listing requirements definitely have a positive impact on a company's level of disclosure. This was also observed in a previous Transparency International study on the extractive sector where listed companies performed better than state-owned companies.[3]

Companies included in this report operate in a range of different industries. The biggest sub-sample is Basic Materials, comprised of 28 companies, followed by Industrials with 23 and Consumer Goods with 20 companies. The rest of the sample is distributed among six other industries (See Annex 1 for the details of the sample).

REPORTING ON ANTI-CORRUPTION PROGRAMMES

With an average score of 46 per cent, company performance in this dimension varies widely. Whilst some companies achieve a near-perfect score, others, half of which are privately held, do not register a single point. Although public reporting on anti-corruption programmes is only a proxy for actual company performance in this area, weak levels of reporting may indicate poor or non-existent anti-corruption programmes and a lack of commitment to countering corruption. But there is ground for optimism. Fifteen companies achieve a score above 80 per cent which demonstrates that strong performance is possible and that substantial improvement over the next few years is an attainable target.

ORGANISATIONAL TRANSPARENCY

The average result achieved in this dimension is 54 per cent. Approximately 10 per cent of the sample scores zero.[4] A majority of companies provide information on their subsidiaries, but in spite of these results the concept of "materiality" – a threshold for disclosure which is defined by accounting standards, regulators and stock exchange rules – limits detailed disclosure by many companies. Very few companies disclose the countries of operations of their subsidiaries and other related entities, which means that these remain hidden from public view and scrutiny.

COUNTRY-BY-COUNTRY REPORTING

Emerging market companies in the sample achieve an encouraging result in country-by-country reporting. Although it may appear low, the average score of 9 per cent registers well above the 4 per cent result of the 105 largest global companies assessed in the 2012 Transparency International report on transparency in corporate reporting.[5] This result is largely due to the 20 Indian companies in the survey which score an average of 29 per cent.

In India, domestic legal requirements have led to Indian companies providing more extensive financial information on their subsidiaries. They also report on the countries in which their subsidiaries are incorporated. This information is useful and beneficial, although it is not a perfect substitute for country-by-country reporting. Information on country-level operations by the 20 Indian companies is therefore much more complete than the other companies in the sample. This demonstrates not only the transparency benefits of such legal requirements but also that companies can readily provide such information if they are so inclined or motivated.

With the notable exception of the Indian companies, most emerging market companies in the sample are still a very long way from disclosing financial data across all countries of operations. Most of the companies disclose little or no financial data on a country-by-country basis, with companies from China disclosing the least.

RECOMMENDATIONS

Based on these findings, Transparency International recommends that emerging market companies should, first and foremost, become more publicly accountable. An initial but critical step is for emerging market companies to recognise their responsibility to be transparent for the benefit of stakeholders, both domestic and international. The BRICS, in view of their importance among emerging markets and of their current efforts to formalise and expand the influence of their grouping, should collectively take the lead on this issue. BRICS companies should challenge firms from developed economies in all aspects of their activities including their anti-corruption practices.

Emerging market companies should develop and implement best practice anti-corruption policies and programmes and publish comprehensive information on these programmes. They should also publish complete lists of their subsidiaries, affiliates, joint ventures and other related entities, including their stake in those entities and their locations and make public individual financial accounts for each country of operations.

Governments and civil society also have a role to play in fostering greater transparency among emerging market companies. Governments can do so by strengthening the legal requirements for corporate disclosure.

Civil society organisations can help shift company attitudes by focusing advocacy efforts on multinational businesses located or operating in their countries to encourage them to improve the depth and scope of their commitments to transparency, and in particular, to improve their level of anti-corruption reporting.

Likewise, investors can exert additional pressure by demanding that emerging market companies report on anti-corruption programmes, organisational transparency and country-by-country reporting and factor this information into their investment decisions.

An expanded list of recommendations can be found on page 38 of this report.

2. INTRODUCTION

As the world continues to experience a period of rapid economic change and uncertainty, one fact is indisputable. The growing strength of emerging economies is reshaping the world order.

According to some estimates, 70 per cent of world growth over the next few years will come from emerging markets, with China and India accounting for 40 per cent of that growth.[6] In its latest Human Development Report, the United Nations Development Programme projects that by 2020, "the combined economic output of three leading developing countries alone – Brazil, China and India – will surpass the aggregate production of Canada, France, Germany, Italy, the United Kingdom and the United States."[7]

This Transparency International study assesses the transparency of corporate reporting by 100 major emerging market companies that are seen as *Global Challengers*. These rapidly expanding companies, identified as rising stars of the world economy, come from 16 different countries.

Corruption is a risk for all companies, whether they are based in London, Shanghai or Mexico City. In addition to the more well-recognised and devastating effects corruption has on society at large, corruption destroys corporate reputations, inhibits entrepreneurship, weakens free markets and undermines the stability vital to successful economies.

For emerging market companies, as for all global multinationals, corporate transparency must be a key component of robust anti-corruption practice.

Although transparency achieved through more comprehensive disclosure does not necessarily equal good performance, Transparency International believes that reporting demonstrates a company's commitment to countering corruption and makes companies more easily accountable for shortcomings. Following the July 2012 publication of *Transparency in Corporate Reporting: Assessing the World's Largest Companies*, a report which analyses the disclosure practices on a range of corruption-relevant measures among the 105 largest publicly listed multinational companies, Transparency International set out to conduct a new survey based on the same methodology that assesses large companies incorporated in emerging markets.

When focusing on companies in rapidly developing economies, it is impossible to ignore the importance of the BRICS (Brazil, Russia, India, China and South Africa) with their demographic and geographic importance and dynamic economies. Furthermore, their influence on the world stage, as they become a more formalised geopolitical grouping via their annual summits and plans for common institutions, calls for a special focus on companies from these countries in this report. BRICS companies account for three-quarters of the sample in this survey.

In view of the growing economic and political clout of emerging markets and the rapid advances of emerging market companies both domestically and across borders, the hope is that these *Global Challengers* will adhere not only to applicable legal and regulatory standards but that they will go above and beyond them to achieve the highest standards of ethics and transparency. As markets become global, company standards of behaviour and levels of transparency must become higher and more universally applied.

As investors increasingly seek returns from emerging markets, it is in their interest to consider the serious risks posed by companies with inadequate anti-corruption programmes and transparency. Transparency International has long advocated that by reporting publicly on relevant policies, procedures, activities and operations, companies not only mitigate the risk of corruption but also provide the necessary information to make them accountable to investors, journalists and civil society. The same applies to companies from emerging markets.

Stakeholder demands for greater corporate transparency have led to the introduction of recent legislation mandating more detailed financial disclosure. For example, the United States 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act[8] requires country-level reporting of all payments to governments (US and foreign) by extractive companies registered on the US stock exchange. Similar rules were recently adopted for European companies in the oil, gas, mining and logging industries.[9] A recent European proposal would compel companies to be more transparent about sustainability issues including governance and anti-corruption practices.[10] These developments are relevant to emerging market companies and should influence their practice as they move into developed markets.

In fact, emerging market companies have a unique opportunity to position themselves, not only as leading companies in the marketplace, but also as leading corporate citizens by adopting the most advanced anti-corruption and transparency practices. Global companies from developed markets have spent the last two decades learning, often at high cost to their bottom lines and their reputations, how to achieve improved levels of anti-corruption practice. Emerging market companies should make use of those lessons to raise their own standards and become world leaders in this area.

3. RATIONALE AND METHODOLOGY

Transparency in Corporate Reporting: Assessing Emerging Market Multinationals builds on Transparency International's existing work in combating corruption in the private sector. The methodology for this study has been used previously by Transparency International, most recently for the July 2012 report *Transparency in Corporate Reporting: Assessing the World's Largest Companies.*

This study assesses the transparency of corporate reporting by 100 major emerging market companies comprising the list of *Global Challengers* 2011, and is based on data collected or made available between 21 January and 18 March 2013. It is possible that relevant information may have been published by companies after 18 March 2013, but it could not be taken into account in this report as this was the closing date for data collection.

Transparency is measured on corporate reporting of three dimensions:

1. anti-corruption programmes
2. organisational structure
3. country-by-country reporting of revenues, transfers and value sharing

The principal outcomes of this report are:

- The production of an overall index that ranks companies from the best to the worst performers across all three dimensions.
- The production of three separate company rankings, one for each dimension.
- The production of rankings for BRICS countries.

DATA COLLECTION AND ANALYSIS

Multilingual researchers collected the data exclusively from information or documents publicly available on each company's global website, including relevant links embedded in the websites.

Data collection was guided by a questionnaire structured along the three dimensions of transparency of corporate reporting:

- **Reporting on anti-corruption programmes:** the 13 questions in this section were based on the UN Global Compact – Transparency International *Reporting Guidance on the 10th Principle Against Corruption.*[11] The guidance was derived from the *Business Principles for Countering Bribery*[12] whose development was led by Transparency International.
- **Organisational transparency:** the eight questions in this section focused on disclosure of the companies' related entities, including subsidiaries, associates, joint ventures and other holdings.
- **Country-by-country reporting:** five questions relating to country-level financial data were posed for each country in which a company stated it operated.

In conducting the research, Transparency International did not investigate the veracity or completeness of the published information and did not make any judgement about the integrity of the information or practices disclosed. All data points were independently validated by a second researcher. The methodology and data were shared with each of the companies and they were given the opportunity to review their individual results. Of the 100 companies surveyed, 17 took advantage of the opportunity to review their data. This input from the companies was validated by the researchers and corrections to the scores were made if necessary.

More details on methodology and the scoring system used to compile company rankings and the overall index can be found on page 43.

BOX 1: BEST PRACTICE

TOP PERFORMER OVERALL WITH A SCORE OF 7.1

Tata Communications (India, Telecommunications, publicly listed)

- 92% in reporting on anti-corruption programmes – discloses all information except for regular programme monitoring.
- 88% in organisational transparency – discloses all information except for countries of operations for material subsidiaries.
- 34% in country-by-country reporting – discloses revenues, pre-tax income and income taxes for all material subsidiaries, revenues on country-level for 13 countries out of 34.

BEST SCORES IN REPORTING ON ANTI-CORRUPTION PROGRAMMES: 92%

- Tata Communications (India, Telecommunications, publicly listed)
- Tata Global Beverages (India, Consumer goods, publicly listed)
- Tata Steel (India, Basic materials, publicly listed)
- Vedanta Resources (India, Basic materials, publicly listed)

BEST SCORES IN ORGANISATIONAL TRANSPARENCY: 100%

- Emirates Airlines (UAE, Consumer services, state-owned)
- Johnson Electric (China, Industrials, publicly listed)
- Petronas (Malaysia, Oil and gas, state-owned)
- Shanghai Electric (China, Industrials, publicly listed)
- United Company Rusal (Russia, Basic materials, publicly listed)

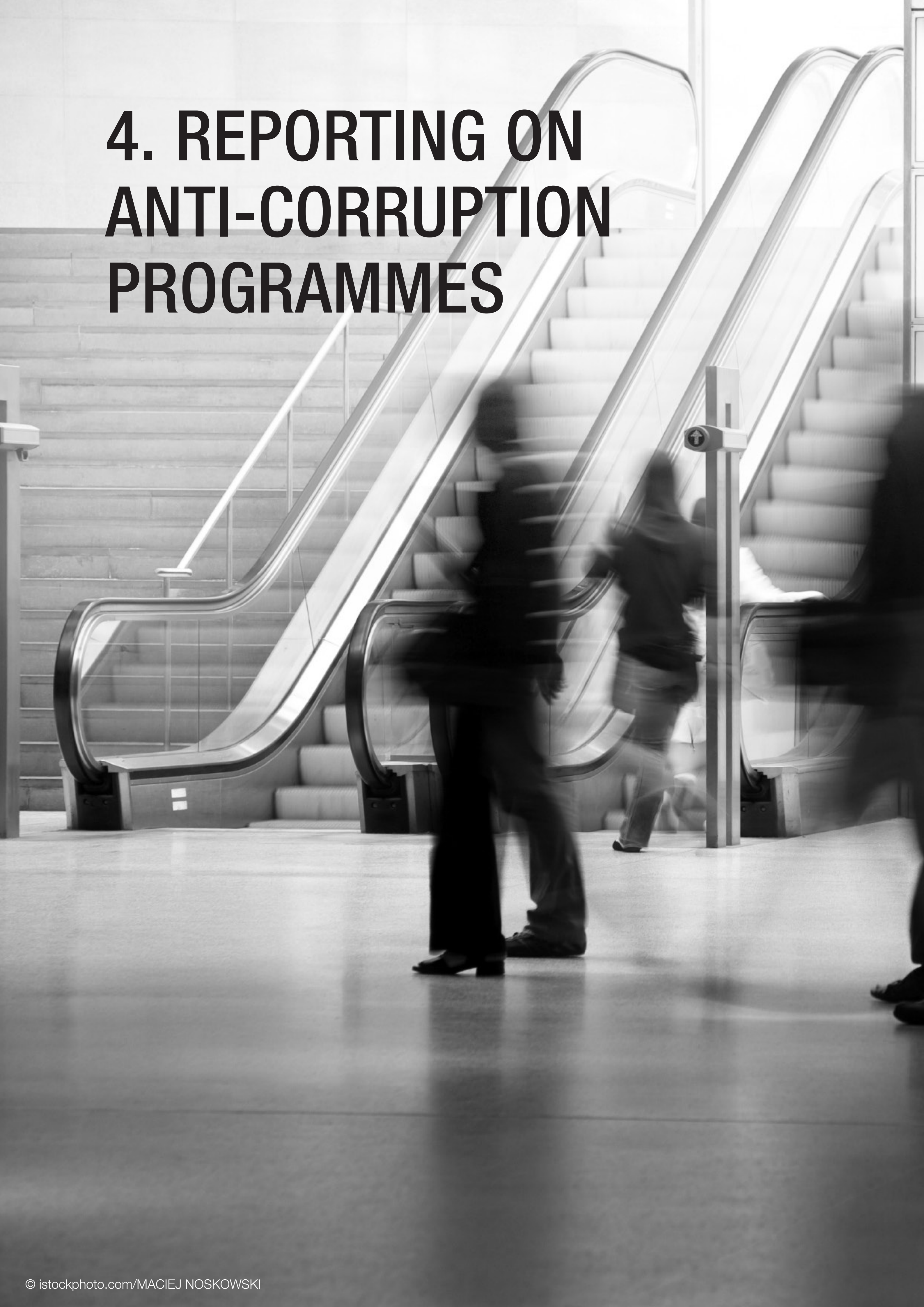
BEST SCORES IN COUNTRY-BY-COUNTRY REPORTING: 50%

- Falabella (Chile, Consumer services, publicly listed) – all information on revenues and income tax, partial information on community contributions – description of projects

BEST UNLISTED COMPANIES

- Petronas (state-owned) – best overall index score: 6.3
- Votorantim Group (private) and Petronas (state-owned) – best in reporting on anti-corruption programmes: 88%
- Emirates Airlines (state-owned) and Petronas (state-owned) – best in organisational transparency: 100%
- Odebrecht Group (private) – best in country-by-country reporting: 6%

4. REPORTING ON ANTI-CORRUPTION PROGRAMMES



92%

HIGHEST PERFORMING

TATA COMMUNICATIONS, TATA GLOBAL BEVERAGES, TATA STEEL, VEDANTA RESOURCES

46%

AVERAGE

0%

WORST PERFORMING

CHAROEN POKPHAND GROUP, CHERY AUTOMOBILE, EL SEWEDY ELECTRIC, EMIRATES AIRLINES, ETISALAT, FUNG GROUP, MABE, ODEBRECHT GROUP

4. REPORTING ON ANTI-CORRUPTION PROGRAMMES

For companies, the first line of defence against the risk of bribery and corruption must be a comprehensive anti-corruption programme which is fully implemented and monitored on a regular basis. The recommended elements of such a programme are described in the *Business Principles for Countering Bribery*,[13] which were developed by Transparency International in collaboration with a multi-stakeholder group comprised of leading companies, business ethics experts, academics and trade union representatives.

Transparency International believes that public disclosure of measures to counter corruption is key to improving corporate transparency, which in turn underpins good governance. Furthermore, the external communication of a company's anti-corruption programme confirms a company's commitment to ethical conduct, not only in the eyes of its employees, but also in the eyes of other stakeholders including business partners, investors and citizens.

In 2009, Transparency International and the UN Global Compact jointly issued *Reporting Guidance on the 10th Principle Against Corruption*.[14] This tool derived from the *Business Principles for Countering Bribery*, sets clear recommendations to companies on the elements of their anti-corruption programmes that should be publicly disclosed.

Since 2008, Transparency International has conducted four studies assessing disclosure practices among companies with respect to their anti-corruption programmes. These studies have highlighted significant progress on that front with many of the assessed companies having recognised the value of public reporting and the need to respond to stakeholder demands for greater transparency. As a result, they have opted to make public documents such as codes of conduct or anti-corruption policies and, in some cases, they have introduced new, more comprehensive anti-corruption policies and disclosed them to the public.

SIGNS OF PROGRESS

There was a small overlap between the companies surveyed in this study and those covered in the June 2012 study *Transparency in Corporate Reporting: Assessing the World's Largest Companies*. The five companies included in both reports are: América Móvil, Gazprom, Petrobras, Reliance Industries and Saudi Basic Industries.

While the performance of Petrobras remained almost unchanged, the scores of the other four companies improved considerably in this study. The positive change was primarily observed in the first dimension, reporting on anti-corruption programmes, and was in large part due to the publication of updated or newly disclosed documents on their websites.

BOX 2: IS REPORTING ON ANTI-CORRUPTION PROGRAMMES MEANINGFUL?

Some argue that company reporting on anti-corruption programmes is a superficial indicator and that reporting and actual compliance or good behaviour are not the same thing.

While recognising that reporting and compliance are not the same, there are strong arguments supporting the value of good reporting:

- Public commitments make a company accountable to all its stakeholders and to the general public.
- Public commitments facilitate monitoring by stakeholders and the general public.
- The legal and reputational risks to which a company exposes itself by making false public statements act as a deterrent to false or exaggerated claims.
- Reporting focuses the attention of the company on its practices and drives improvement.
- The publication of anti-corruption policies by companies has a positive impact on employees at home and abroad because it underscores the company's commitment and support for ethical behaviour.

COMPANY RESULTS

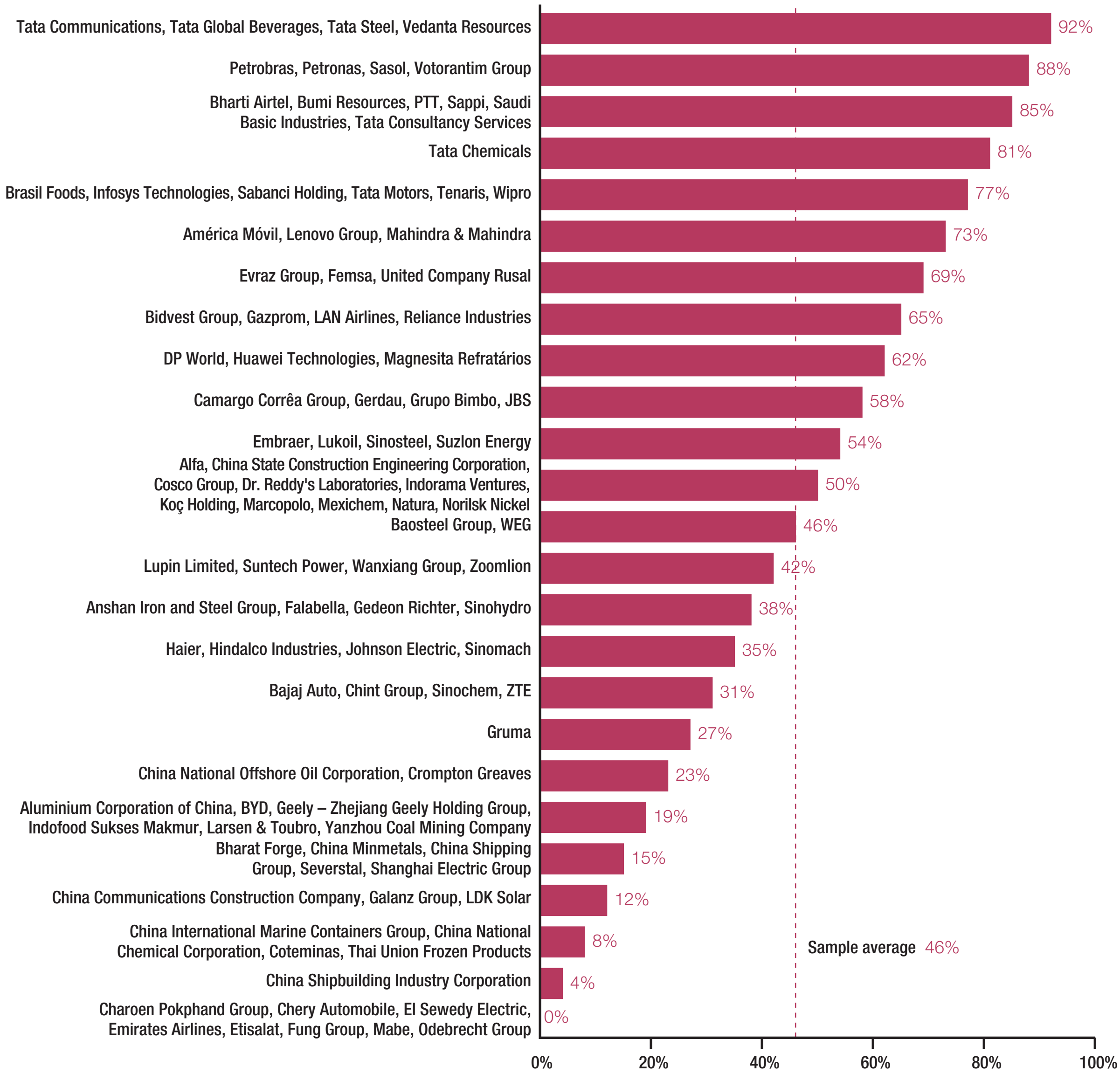
The 100 emerging market companies evaluated in this study achieved an average result of 46 per cent in reporting on anti-corruption programmes, the first dimension in this study. This means that on average companies scored 6 out of a possible 13 points. In the 2012 Transparency International report assessing the reporting performance of the world's 105 largest listed companies, the average score on reporting on anti-corruption programmes was 68 per cent.

No company achieved the full score of 100 per cent. However, Tata Communications, Tata Global Beverages, Tata Steel and Vedanta Resources (all publicly listed companies incorporated in India) scored 92 per cent each, only a point short of a perfect score.

Eight companies scored zero in this dimension: Charoen Pokphand Group, Chery Automobile, El Sewedy Electric, Emirates Airlines, Etisalat, Fung Group, Mabe and Odebrecht Group. Interestingly, 50 per cent of the worst performing companies in this dimension are privately owned, even though privately owned companies constitute only 12 per cent of the overall sample.

Diagram 2
Reporting on anti-corruption programmes

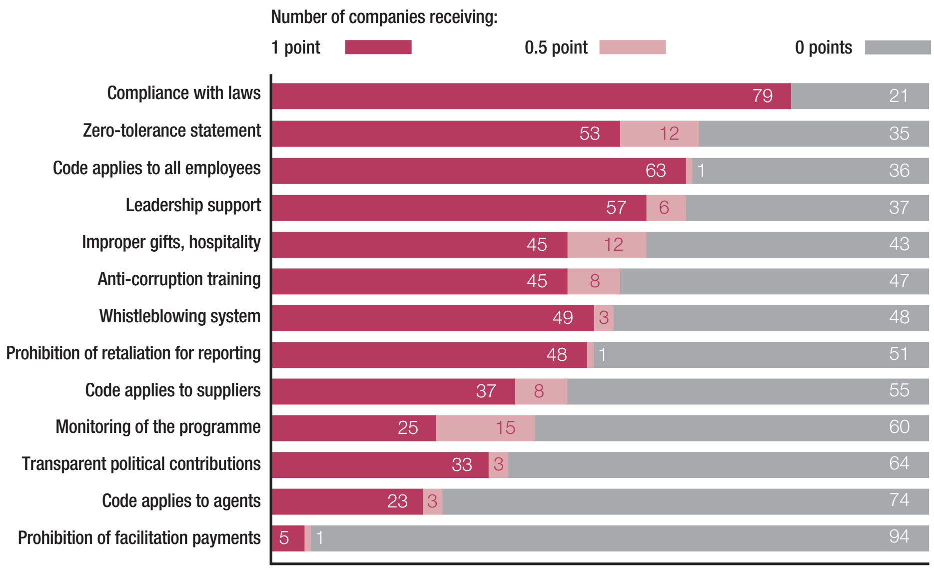
Where 100% means full transparency on anti-corruption programmes



Companies scored very differently on each of the 13 questions measured in the first dimension. However, the question that achieved the highest score sought to assess whether their public documents included a commitment to complying with all relevant laws, including anti-corruption laws. Of the 100 companies surveyed, 79 published a statement to that effect. Only six companies were found to have a public statement on the prohibition of facilitation payments, the poorest result in this dimension.

Diagram 3
Reporting on anti-corruption programmes: Results by question

Proportion of companies scoring 1, 0.5, or 0 respectively out of 100 companies



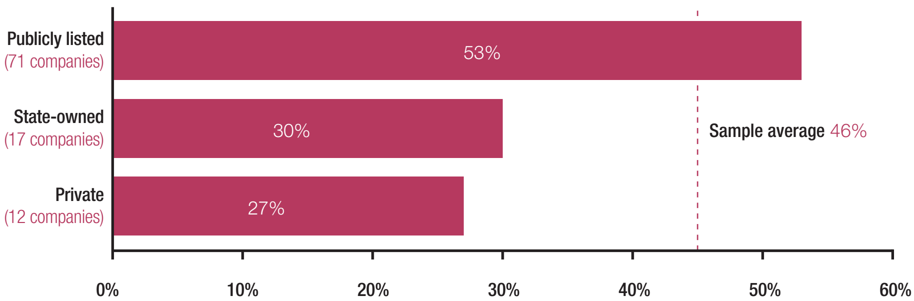
OWNERSHIP STRUCTURE

The sample for this survey includes companies with different ownership structures. Of the 100 companies, 71 are listed on stock markets. Of the 29 remaining companies, 17 are state-owned (among which 15 are Chinese) and 12 are in private hands with no publicly listed shares.

The publicly listed companies performed better on average than the two other groups with an average of 53 per cent. As was observed in a previous Transparency International study, listed companies exhibit higher public reporting standards owing in part to mandatory reporting obligations and the need to respond to pressures from investors. In contrast to the listed companies, state-owned and privately owned companies had similar scores of 30 per cent and 27 per cent respectively.

Diagram 4
Reporting on anti-corruption programmes: Average company performance by ownership structure

Where 100% means full transparency on anti-corruption programmes



5. ORGANISATIONAL TRANSPARENCY

100%

HIGHEST PERFORMING

EMIRATES AIRLINES, JOHNSON ELECTRIC, PETRONAS, SHANGHAI ELECTRIC, UNITED COMPANY RUSAL

54%

AVERAGE

0%

WORST PERFORMING

ANSHAN IRON & STEEL GROUP, CHERY AUTOMOBILE, CHINA NATIONAL OFFSHORE OIL CORPORATION, CHINA SHIPBUILDING INDUSTRY CORPORATION, CHINT GROUP, GALANZ GROUP, GEELY – ZHEJIANG GEELY HOLDING GROUP, HUAWEI TECHNOLOGIES, MABE, ODEBRECHT GROUP, WANXIANG GROUP

5. ORGANISATIONAL TRANSPARENCY

Large international companies are often organised using complex structures. They include extensive networks of subsidiaries, affiliates, joint ventures and other holdings which may be incorporated in different jurisdictions, including secrecy jurisdictions, and whose relationships may be difficult to detect. Understanding complex company structures and other critical information such as intra-company financial flows is only possible if companies are transparent about their organisational structure.

This study evaluates organisational transparency by assessing the amount of information companies disclose on their related holdings, particularly information on majority and minority holdings: names, percentages owned by the parent company, country of incorporation and countries of operations. The regulatory requirements for such disclosure are limited and differ from one country to the next.

Organisational transparency is important for many reasons, not least because company structures can be made deliberately opaque for the purpose of hiding the proceeds of corruption. But on a more basic level, it is important because it allows local stakeholders to know which companies are operating in their territories, bidding for government licences or contracts, or have applied for or obtained favourable tax treatment. It also informs local stakeholders about which international networks these companies may belong to and how they are related to other companies operating in the same country. In addition, through full disclosure of corporate holdings, stakeholders can gain more complete knowledge of financial flows such as intra-company transfers and payments to governments. Organisational transparency allows citizens to hold companies accountable for the impact they have on their communities.

COMPANY RESULTS

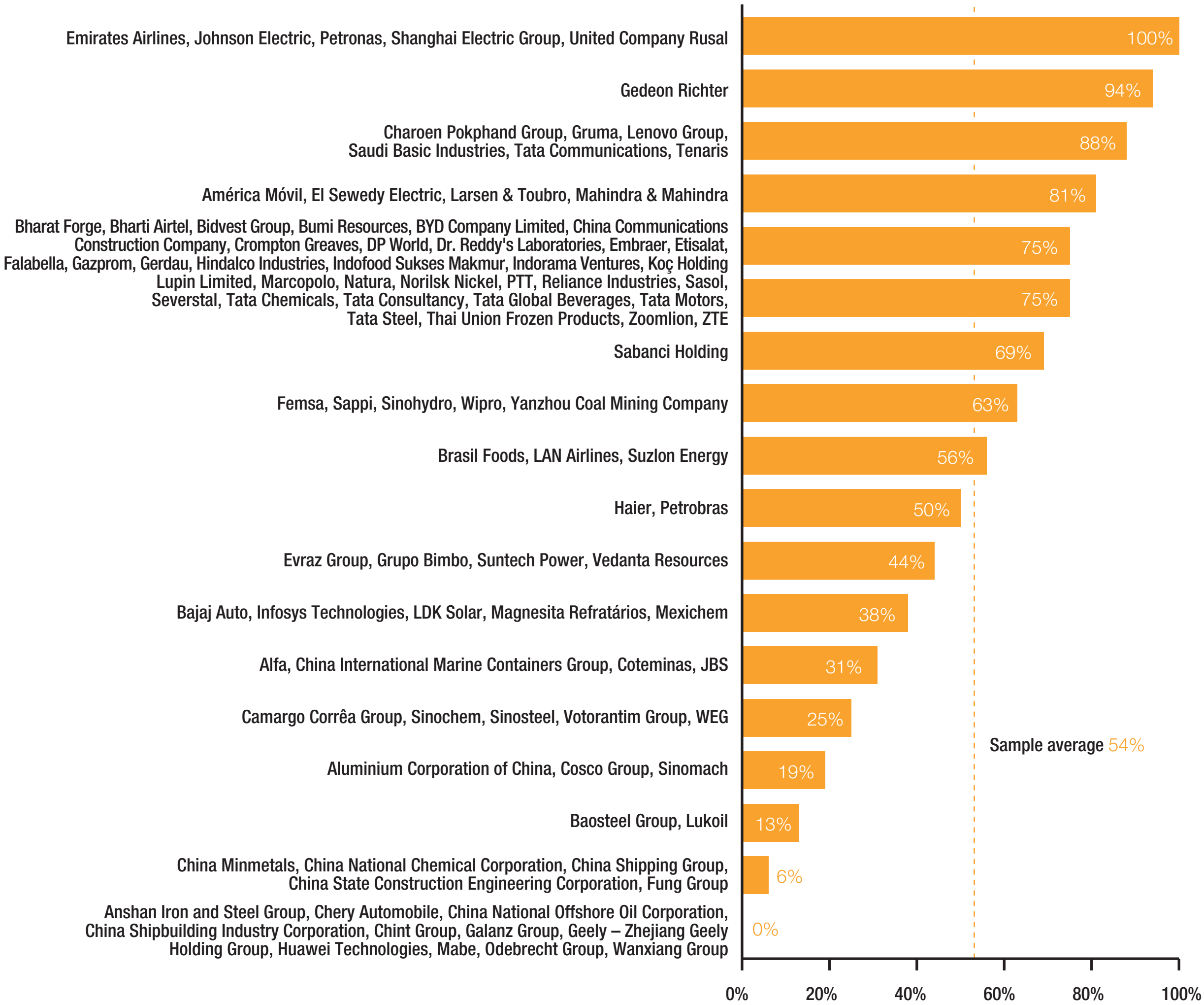
The average result for the organisational transparency dimension is 54 per cent. On average, companies scored 4.3 out of 8 possible points. This falls considerably below the average company score of 72 per cent achieved in the same category by the top 105 companies assessed in Transparency International's 2012 report.

Five companies achieved a perfect score of 100 per cent: Emirates Airlines, Johnson Electric, Petronas, Shanghai Electric and United Company Rusal. Three of these companies are publicly listed and two are state-owned. No specific industry or country pattern could be detected.

Eleven companies scored zero in this dimension: Anshan Iron and Steel Group, Chery Automobile, China National Offshore Oil Corporation, China Shipbuilding Industry Corporation, Chint Group, Galanz Group, Geely – Zhejiang Geely Holding Group, Huawei Technologies, Mabe, Odebrecht Group and Wanxiang Group. Nine out of the eleven worst performers are incorporated in China, seven of which are privately owned and four state-owned.

Diagram 5
Organisational transparency

Where 100% means full organisational transparency



OWNERSHIP STRUCTURE

When analysed by ownership structure, the companies achieved similar results to those in the first dimension on reporting on anti-corruption programmes, with publicly listed companies outperforming the rest of the sample.

Publicly listed companies achieved an average score of 67 per cent. Johnson Electric, Shanghai Electric and United Company Rusal achieved 100 per cent. Lukoil came in last with a score of 13 per cent.

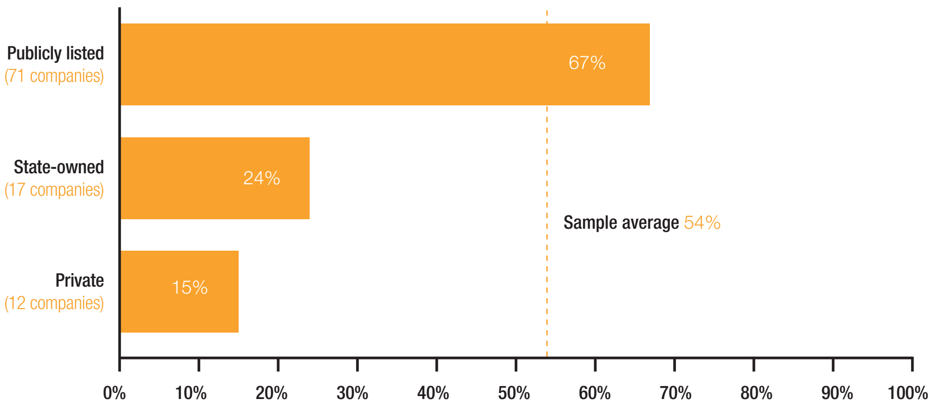
Unlisted companies generally disclose the least amount of information with respect to their company structure and received low average scores: state-owned companies averaged 24 per cent and privately owned companies 15 per cent.

Among the 17 state-owned companies, four received zero scores and two, Emirates Airlines and Petronas, achieved full scores, demonstrating that state ownership is not in and of itself a barrier to organisational disclosure. The rest of the sample scored between 6 per cent and 63 per cent.

Among the 12 privately owned companies, seven scored zero, four remained in the below-average zone of 6 per cent to 31 per cent and only one company, Thailand's Charoen Pokphand Group, achieved a high score of 88 per cent.

Diagram 6
Organisational transparency: Average company performance by ownership structure

Where 100% means full organisational transparency



6. COUNTRY-BY-COUNTRY REPORTING

50%

HIGHEST PERFORMING

FALABELLA

9%

AVERAGE

0%

WORST PERFORMING

38 OUT OF 100 COMPANIES

6. COUNTRY-BY-COUNTRY REPORTING

This section evaluates country-by-country disclosure of international operations by the 100 emerging market companies in the sample. An industry-neutral set of criteria was used to measure the disclosure by country of financial reporting of revenues, capital expenditure, income before tax, income tax and community contributions.

The importance of country-by-country reporting was first recognised and advocated in the extractive sector as a transparency practice required to help prevent the "resource curse" which has afflicted many resource rich countries in the developing world. Most prominent among relevant legislative changes is the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act which makes mandatory country-level reporting of all payments to governments (US and foreign) by extractive companies registered on the US stock exchange. In the European Union, legislators recently adopted similar rules for European companies in the oil, gas, mining and logging industries.

However, this information is useful in preventing and detecting corruption in all industries. Key financial data give citizens the possibility to understand the activities of a particular company in their country and to monitor the appropriateness of their payments to governments.

COMPANY RESULTS

In this dimension, the average score was 9 per cent. Although this score is low compared to the average results registered in the previous two dimensions (46 per cent and 54 per cent), when compared to the results for country-by-country reporting achieved by the largest 105 global companies evaluated in our 2012 study, it is more than twice as high as that group's 4 per cent score.

This encouraging result among emerging market companies can be credited in large part to the 20 Indian companies in the survey, which scored an average of 29 per cent. It should be noted that Indian law requires companies to provide key financial information on their subsidiaries.[15]

Without this strong Indian performance, the average result of the sample would have been similar to that of the weak score of the 105 largest global companies.

The best performing company was Falabella, a Chilean retailer, which achieved a 50 per cent score. On the other side of the ledger, 38 companies, or more than one-third of the sample, scored zero.

Diagram 7
Country-by-country reporting

Where 100% means a company is fully transparent in all its countries of operation

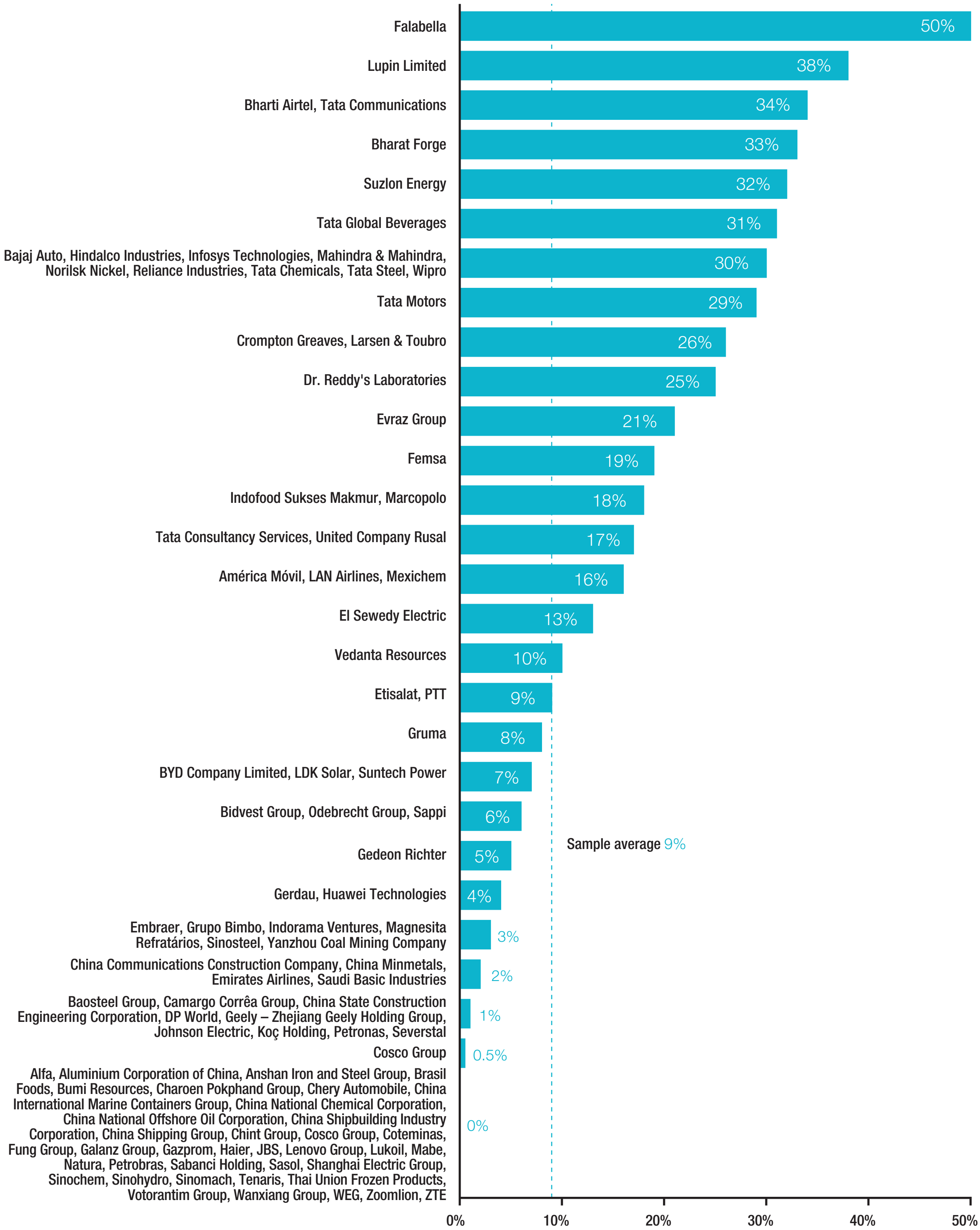
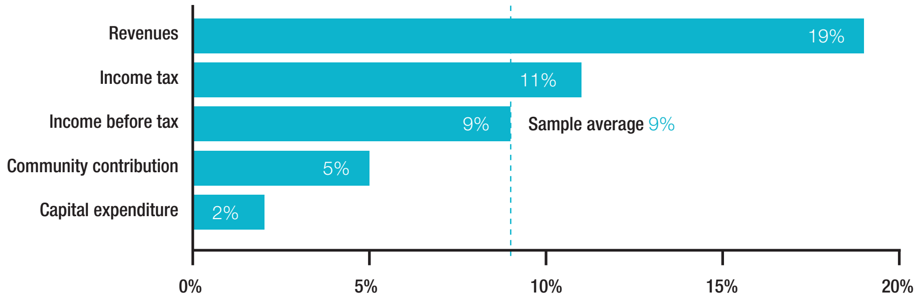


Diagram 8
Country-by-country reporting: Results by question

Where 100% means a company is fully transparent in all its countries of operation



Within this dimension, information on country-level revenues was the most frequently disclosed data point (19 per cent on average). Capital expenditure, on the other hand, was the least frequently disclosed information (only 2 per cent on average).

BOX 3: SUBSIDIARY-BY-SUBSIDIARY VS. COUNTRY-BY-COUNTRY REPORTING

More than 20 companies in the sample report financial data on a subsidiary-by-subsidiary basis. They are:

- all companies based in India
- PTT (Thailand)

This reporting is a positive step towards greater transparency because:

- It constitutes a good basis to evaluate subsidiary performance and related payments.
- It allows for more transparency in inter-company flows within multinational corporations.

However, country-by-country reporting is preferable because:

- Larger subsidiaries may have cross-border operations. In this case, country-level disclosure is lost by reporting only on a subsidiary level.
- To comply with regulatory requirements, some companies report on “material” subsidiaries only but smaller subsidiaries may be omitted. There may be several such “non-material” subsidiaries in a given country, making the company’s presence in that country quite relevant overall.

Why does Transparency International advocate country-by-country reporting?

- It exposes the link between the parent company and the local jurisdiction in which it operates, making companies accountable in both places.
- It provides a basis for comparison between companies operating in a particular country, making it possible for citizens to monitor the appropriateness of payments to governments.
- It sheds light on any special arrangements between governments and companies, resulting in greater accountability.
- It ensures disclosure of all holdings, material and non-material.

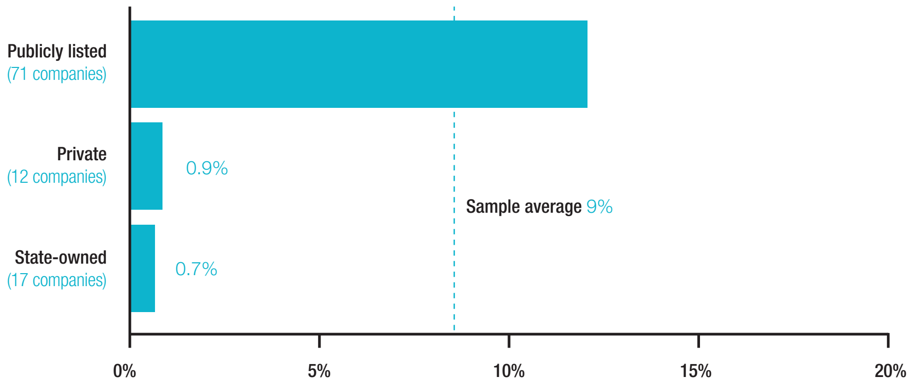
OWNERSHIP STRUCTURE

It is in this dimension that the gap between the performance of publicly listed companies and unlisted companies was the most striking. The 71 publicly listed companies in the sample achieved an average score of 13 per cent, while private and state-owned groups each scored below 1 per cent.

Diagram 9

Country-by-country reporting: Average company performance by ownership structure

Where 100% means a company is fully transparent in all its countries of operation



Only four out of twelve privately held companies and six out of seventeen state-owned companies scored above 0. The other 19 state-owned companies disclosed not a single data point on their international operations.

KEY FINANCIAL REPORTING ON DOMESTIC OPERATIONS

In general, companies tend to report more fully on their domestic rather than on their international operations. In some cases, this is due to regulatory requirements, whereas in other cases it relates to the proportionately large size of the company's domestic business. On average, companies in the sample scored 37 per cent in reporting on domestic operations, which means that they scored almost two points out of a possible five. Domestic revenues were most often disclosed whereas domestic income before tax was least often revealed.

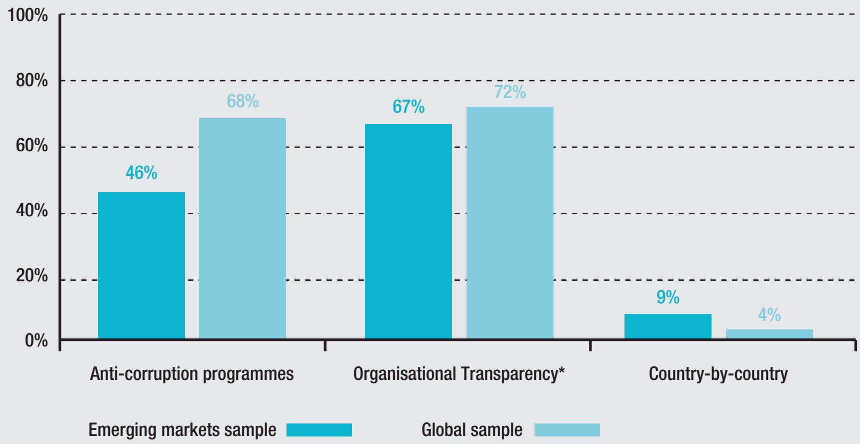
Russia's Lukoil was the only company to report on all required items and to receive a full score for domestic disclosure, while 12 companies disclosed not a single required item on their domestic operations. Of these, nine were Chinese.

It is important to note that the data on domestic operations is not included in the calculation of the overall Index. A single company ranking which includes both domestic and international operations would give an unintended comparative edge to companies operating in fewer countries.

BOX 4: EMERGING MARKET MUTINATIONALS VS. THE WORLD'S LARGEST GLOBAL COMPANIES

In 2012, Transparency International published the study *Transparency in Corporate Reporting: Assessing the World's Largest Companies*, which evaluated the reporting practices of the 105 largest publicly listed multinationals worldwide. Using the same methodology, the current study evaluates 100 emerging markets companies. On average, the global sample performed better in the first and second dimensions which were evaluated, while the emerging markets sample performed better in the third dimension.

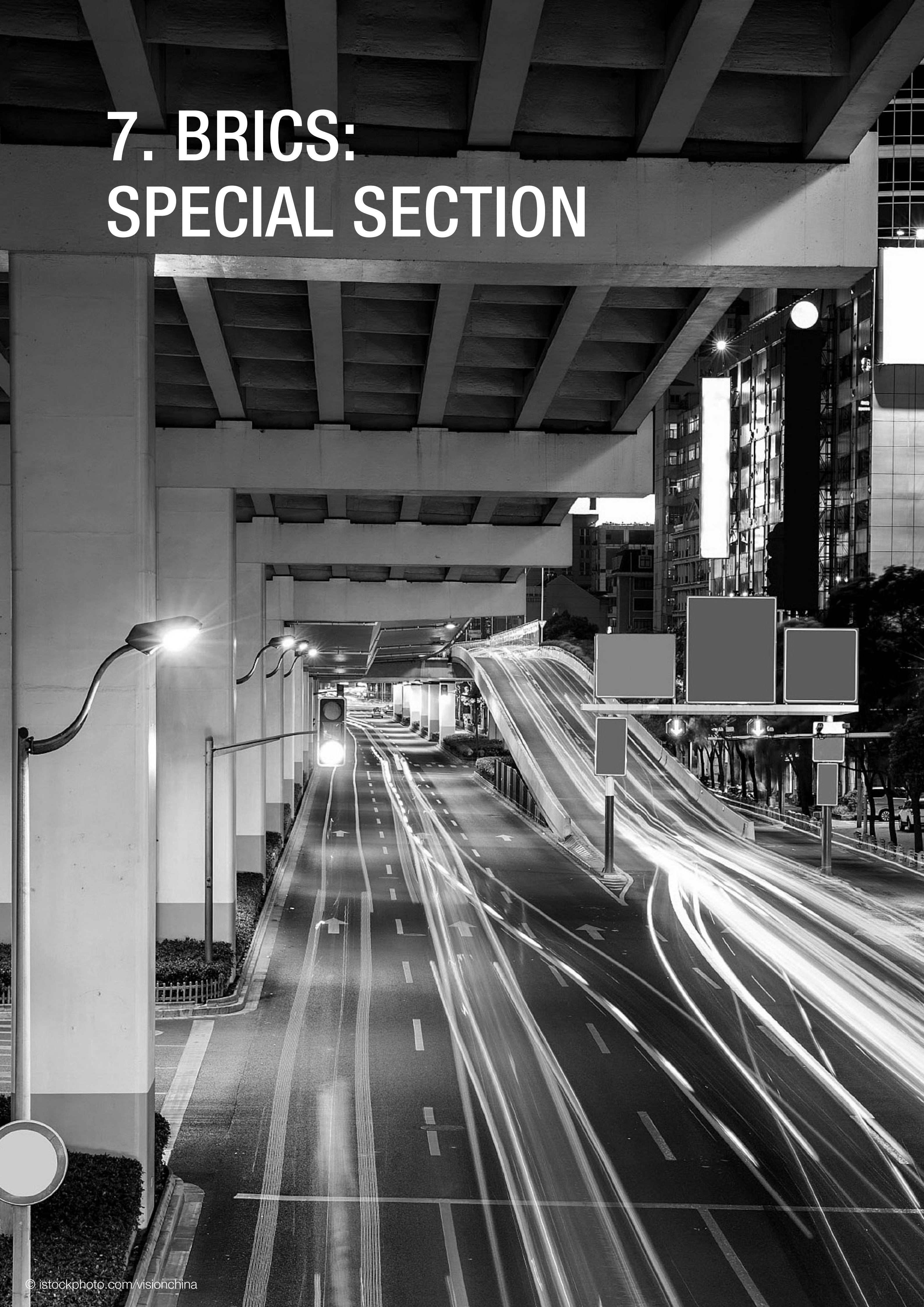
Emerging market companies vs. largest global companies – comparison of sample averages



- The performance of emerging market companies was poorer than their global counterparts on each of the 13 questions related to reporting on their anti-corruption programmes with an average score of 46 per cent for the emerging market sample compared with 68 per cent for the global sample.
- With respect to organisational transparency the two samples achieved reasonably similar scores. The score of the global sample was 72 per cent and the adjusted score of the emerging markets sample was 67 per cent (see the note in the diagram), representing only a 5 percentage points difference.
- In the third dimension on country-by-country reporting, the emerging markets companies performed over twice as well as the global companies. This unexpected but encouraging result is mostly due to the performance of the Indian companies, which constitute one-fifth of the sample and achieved an average score of 29 per cent.

** Organisational transparency scores were measured differently in the two studies. In the case of the July 2012 report, only six of eight questions pertaining to organisational transparency were included in the calculations due to methodological concerns. For the purposes of the comparison in this diagram, the scores for the emerging market companies were adjusted in the same way. This explains the difference between the 67 per cent score shown here and the 54 per cent highlighted in the main findings of the report.*

7. BRICS: SPECIAL SECTION



5.4/10

HIGHEST PERFORMING

INDIA

3.5/10

AVERAGE

2/10

WORST PERFORMING

CHINA

7. BRICS: SPECIAL SECTION

The growing economic and political weight of the BRICS reflects the shifting of power from the developed economies towards emerging economies. The dynamism of the BRICS has spawned the emergence of an expanding group of multinationals based in these five countries but whose ambitions are much wider. As an increasingly formalised group whose influence is growing, the BRICS warrant particular attention in this report.

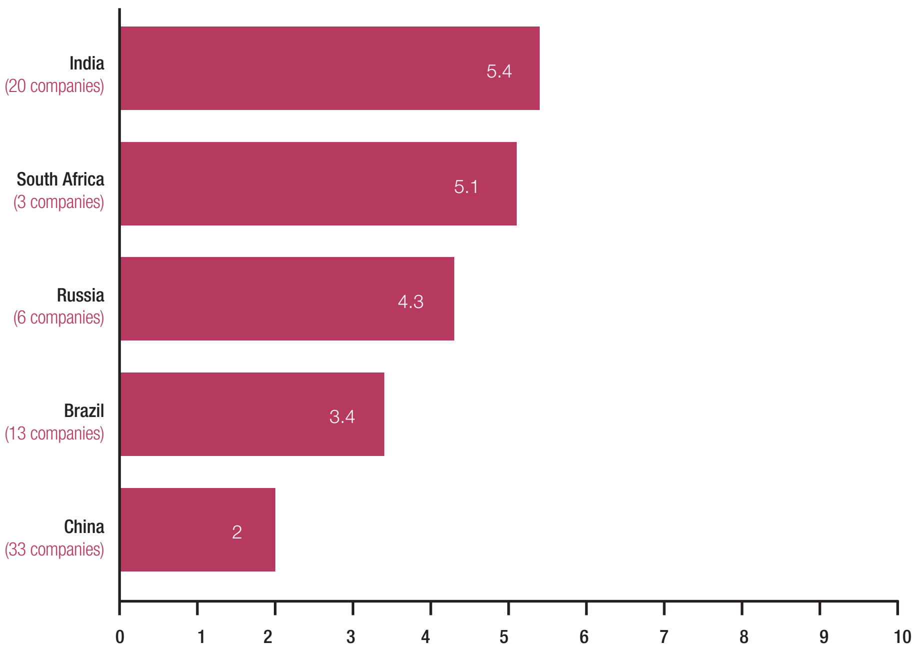
BRICS countries make up 20 per cent of global economic output and 15 per cent of world trade. Their total contribution to global economic growth is estimated to have soared to 50 per cent following the financial crisis.[16] Given the increasing economic weight of the BRICS, these companies should lead the way by adopting high standards of transparency and anti-corruption.

Among the 75 companies from the BRICS in the sample, 33 are from China, 20 from India, 13 from Brazil, 6 from Russia and 3 from South Africa.

Companies from India performed the best overall among the BRICS with a score of 54 per cent (5.4 out of a maximum score of 10) on the strength of their performance on country-by-country reporting. South African companies followed close behind, leading on the first two dimensions: reporting on anti-corruption programmes and organisational transparency. China lagged behind with a poor score of 20 per cent (2 out of a maximum score of 10). Russian companies averaged 43 per cent (4.3 out of a maximum score of 10).

Diagram 10
Index: BRICS – average results

Scale 0–10 where 0 is the least transparent and 10 is the most transparent. This index is based on the unweighted average of results in all three categories.



REPORTING ON ANTI-CORRUPTION PROGRAMMES

The three South African companies in the sample scored highest in the BRICS group achieving an average score of 79 per cent with individual company results between 65 per cent and 88 per cent.

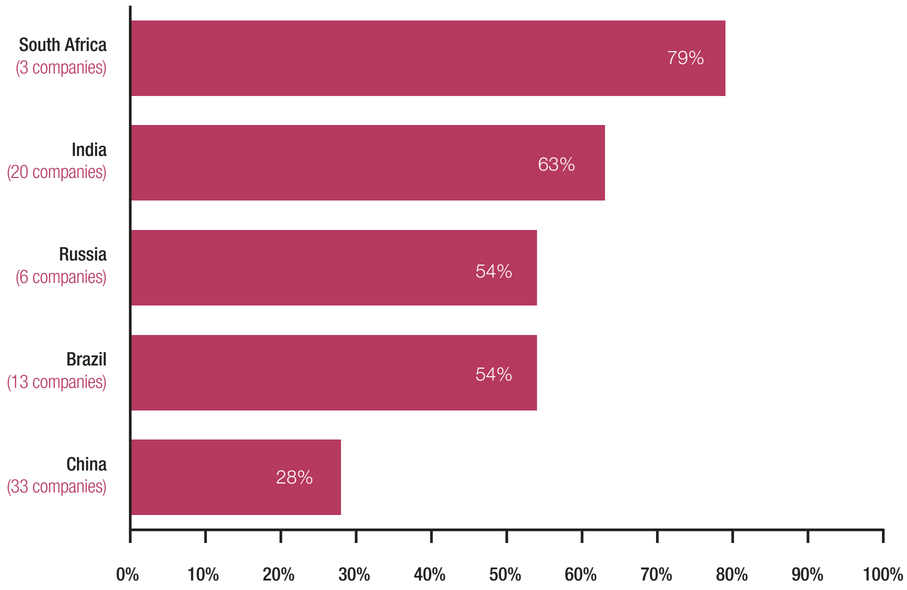
The 20 Indian companies achieved the second highest average score at 63 per cent. The four best overall performers in this dimension were Indian companies with a score of 92 per cent. Even the worst performer among Indian companies, Bharat Forge, achieved a result of 15 per cent.

Companies from Russia and Brazil performed similarly, achieving average results of 54 per cent. Russian scores ranged from 15 per cent to 69 per cent, while Brazilian scores varied from 0 per cent to 88 per cent.

The worst performers in this group were the Chinese companies, which scored 28 per cent on average. Huawei Technologies was the best performer among the 33 Chinese companies with 62 per cent. Two Chinese companies, Fung Group and Chery Automobile, scored zero.

Diagram 11
Reporting on anti-corruption programmes: BRICS – average results

Where 100% means full transparency on anti-corruption programmes



ORGANISATIONAL TRANSPARENCY

As in the first dimension under study in this report (reporting on anti-corruption programmes), South Africa ranked highest followed by India, Russia, Brazil and China. However, the spread between the countries was not as pronounced as in the first dimension.

The South African companies achieved an average result of 71 per cent.

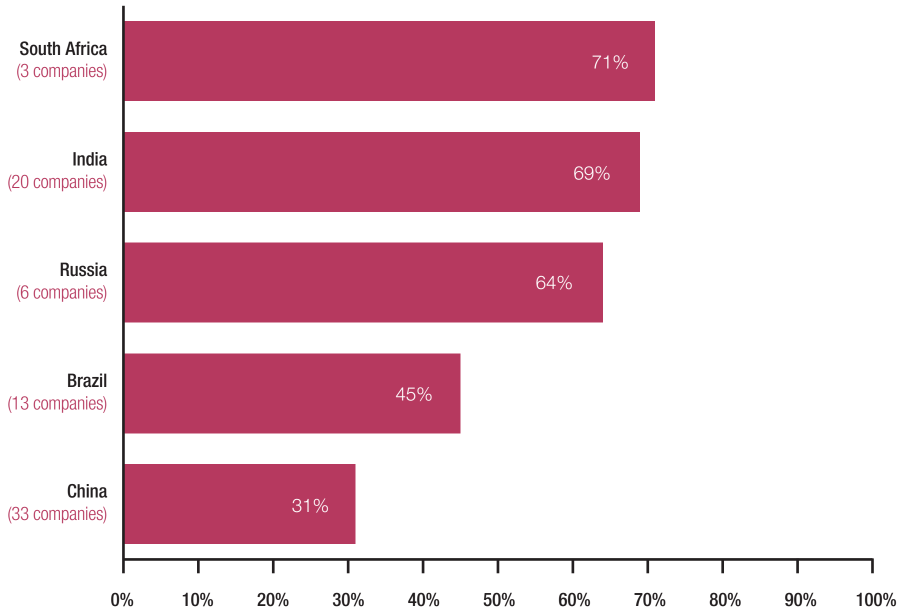
The Indian sub-sample came very close to the leader with an average score of 69 per cent, with individual company scores ranging from 38 per cent to 88 per cent.

Also scoring above the sample average was Russia, with an average result of 64 per cent. It is interesting to note the sharp contrast between the strongest scoring Russian company, United Company Rusal, with a perfect score of 100 per cent, and the weakest, Lukoil, with just 13 per cent.

Brazil and China both scored below the sample average, with 45 per cent and 31 per cent respectively. In Brazil, scores ranged between a low of 0 per cent for Odebrecht Group and a high of 75 per cent for Embraer, Gerdau, Marcopolo and Natura. In China, nine companies, all of them unlisted, scored zero whilst two publicly listed companies scored 100 per cent.

Diagram 12
Organisational transparency: BRICS – average results

Where 100% means full organisational transparency



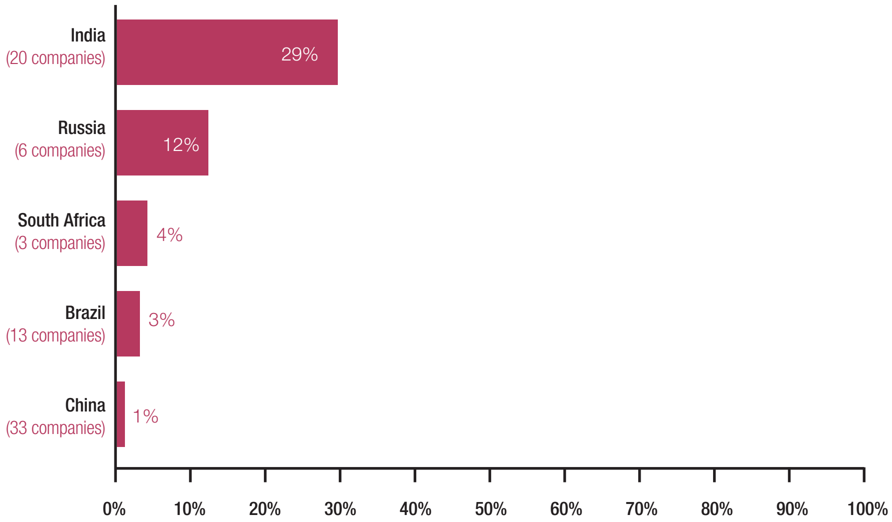
COUNTRY-BY-COUNTRY REPORTING

Among companies from the five BRICS countries, the best performing by far were Indian. This was mostly related to the previously mentioned law that requires Indian companies to disclose key financial information for all their subsidiaries. Despite this legal obligation, however, the results among Indian companies still vary, mostly due to their performance on voluntary country-level disclosure of revenues and community contributions. The results ranged between 10 per cent and 34 per cent.

Also performing significantly better than average was Russia, with a result of 12 per cent. The best performing among the Russian companies were Norilsk Nickel, Evraz Group and United Company Rusal.

Diagram 13
Country-by-country reporting: BRICS – average results

Where 100% means full organisational transparency



The remaining BRICS performed well below average with South Africa at 4 per cent, Brazil at 3 per cent and China at a mere 1 per cent. Over half of the Brazilian companies and almost two-thirds of the Chinese companies scored zero.

8. RECOMMENDATIONS

On the basis of the analysis in this report, Transparency International has formulated the following recommendations.

TO EMERGING MARKET COMPANIES

1. Companies in the BRICS countries should lead by example.

Given their growing political and economic clout among emerging markets and globally, companies in the BRICS group of countries should strive to lead the way with the most advanced anti-corruption and transparency practices. BRICS companies should take this opportunity to challenge companies from developed economies not only in their products and services, but in all aspects of their business, including their anti-corruption behaviour.

2. Emerging market companies should recognise their transparency obligations to stakeholders.

As rising stars aiming to operate globally, emerging market companies should recognise that they have an obligation to demonstrate more transparency to all their stakeholders, both at home and abroad. A commitment to transparency should not be dictated solely by legal disclosure requirements, where they exist, but by an understanding that transparency is a basic responsibility.

3. Emerging market companies should raise their level of anti-corruption practice.

Emerging market companies should work to develop best practice anti-corruption programmes to protect themselves against the risk of bribery and corruption. Compared to their global counterparts, emerging market companies, and in particular, unlisted and state-owned companies, have much work to do to improve their anti-corruption practices. They have an opportunity to improve their level of anti-corruption practice by taking advantage of the lessons learned by global companies in the last two decades. They should also seek opportunities to learn from each other through the sharing of good practices.

4. Emerging market companies should make their anti-corruption programmes publicly available.

Easy-to-access public reporting on anti-corruption programmes increases credibility and accountability: it sends a strong and clear message to stakeholders, gives support to employees, and enhances anti-corruption efforts.

5. Emerging market companies should publish exhaustive lists of their subsidiaries, affiliates, joint ventures and other related entities.

Emerging market companies should step up their disclosure practices by publishing information on all of their related entities and this should not be limited to "material" subsidiaries only.

The "materiality" criteria can result in the exclusion of many holdings that are relevant for understanding and evaluating a company's tax structure and anti-corruption compliance. For example, a subsidiary operating in a given country may not meet the "materiality" criteria of a multinational company, although the scale of its operations may be significant to the local population.

Such lists of all holdings do not have to be included in annual reports, but they should be easily accessible from corporate websites in one form or another. Ideally, they should include information on each company name, the percentage owned by the group, the place of incorporation and basic information on company operations (where it is and what kind of business it conducts).

6. Emerging market companies should publish individual financial accounts for each country of operations.

Emerging market companies should publish their data on a country-by-country basis. Currently, it is not widespread practice for emerging market multinationals to publish this data, with the exception of Indian companies which have been required by law to do so. The Indian example shows that, at a minimum, this level of disclosure is achievable.

While publishing individual financial accounts for each country represents a relatively small incremental effort for multinational companies, as the information is already available to them internally, it will have a big impact on the countries in which they operate. While most companies declare their commitment to supporting local communities, they significantly hamper the monitoring of this commitment by failing to publish adequate detailed financial information on their local operations. Transparency of country-level activity and disclosure of profit, transfers, taxes and government contracts are necessary preconditions to effective monitoring of a company's impact on local economic development.

7. Emerging market companies should disclose their organisational structure in a reasonably accessible manner.

Emerging market companies should clearly disclose and communicate their organisational structure and operations by providing complete and easy-to-understand information on company websites or in publicly available documents. The information that can be found on company websites with respect to a company's organisational structure and countries of operations is often scant, incomplete and confusing. Ensuring that a straightforward and complete illustration or narrative explanation of how the company is organised and where it operates is available would improve stakeholder understanding of the company and enhance transparency. Such transparency is important because it builds trust with stakeholders, including investors who value clear and straightforward information when making investment decisions. A transparent, informative and unrestricted corporate website, available in at least one international language, should be the standard communication tool for all large emerging market multinationals. This applies to unlisted, state-owned and publicly listed companies alike.

Most emerging market companies already make use of publicly available websites as a basic means of corporate communication. But some still reserve a great deal of corporate information for their registered investors, employees or selected stakeholders. Transparency International strongly encourages all emerging market companies to populate their public websites with the greatest possible number of financial and non-financial reports and corporate documents. This would offer numerous benefits: a well-founded reputation for openness and transparency attracts more ethical employees and investors, and enhanced reporting enables civil society to play its oversight role.

8. Unlisted emerging market companies and state-owned enterprises should improve their disclosure practices.

Unlisted companies and state-owned enterprises are subject to fewer mandatory reporting requirements. Consequently, their levels of transparency tend to be lower. Privately held and state-owned companies from emerging markets should recognise the importance of transparency and accountability in building confidence among stakeholders and strive to improve their disclosure practices.

TO INTERNATIONAL FINANCIAL INSTITUTIONS

1. International Financial Institutions should consider the adoption of robust anti-corruption programme requirements.

As recommended by the B20 business leaders to G20 governments in 2013, international financial institutions such as the World Bank and regional developments banks should be encouraged to make their loans, investments, guarantees and provision of other funding conditional on the beneficiaries of their financing having in place effective internal controls, ethical standards, and compliance and anti-corruption programmes.[17]

TO GOVERNMENTS AND REGULATORY BODIES

1. National governments in emerging markets should consider adopting rules for mandatory company reporting on anti-corruption measures.

Currently most company reporting on anti-corruption programmes is carried out on a voluntary basis. In April 2013, the European Commission announced a proposal that would require European companies with more than 500 employees to be more transparent about their efforts to combat corruption and bribery. Governments in emerging markets should follow suit by passing legislation making anti-corruption reporting mandatory.

2. National governments in emerging markets should require companies under their jurisdiction to disclose all subsidiaries, affiliates, joint ventures and other related entities.

Most laws and regulations applying to publicly listed companies limit disclosure of holdings to material investments. This standard, although it provides a starting point for improved transparency, often results in limited disclosure and can lead to the omission of many group holdings. An exhaustive list of related entities for each multinational company should be publicly available: if not in an annual report, then as a separate document accessible on the corporate website. Such lists should include each entity's name, the group's ownership interest, and the countries of incorporation and operation. This information is a necessary precondition to enable the monitoring of financial flows into and from countries. Transparency International encourages national regulators to impose higher standards of transparency and require the publication of detailed information on the organisational structures of multinational companies, regardless of industry and ownership structure.

3. National governments in emerging markets should require companies under their jurisdiction to report on a country-by-country basis.

The adoption of the Dodd-Frank legislation in the United States in 2011 was a positive and significant step towards ensuring more country-by-country transparency in international business by requiring extractive companies registered on a US stock exchange to report their governmental payments on a country-by-country basis. EU legislators recently adopted new transparency rules for European companies in the oil, gas, mining and logging industries. These companies will be obliged to report payments of more than €100,000 made to the government in the countries where they operate.

Transparency International recommends that all national governments in emerging markets follow this lead and adopt legislation that promotes the highest possible standards. Indeed, they should go beyond existing legislation and require all multinational companies incorporated or operating in their country, regardless of industry or ownership structure, to publicly disclose their financial accounts on a country-by-country basis. Such transparency would greatly enhance the monitoring of money flows, government contracts, and tax and royalty payments.

4. Accounting standards relating to financial accounting as well as to corporate social responsibility reporting should include corruption-relevant disclosures.

International accounting standards requiring organisational transparency and country-by-country disclosure should be established. Such standards would benefit companies, investors, civil society and governments. They would introduce transparency to companies' international operations and thereby expose the many related risks. The new standards would provide much needed information to civil society and governments, enabling them to follow financial inflows and outflows to and from their countries, allowing for better detection of illicit money flows.

TO INVESTORS

1. Institutional and private investors should demand reporting on anti-corruption programmes, organisational transparency and country-by-country reporting and factor this information into their investment decisions.

Investors should demand that emerging market companies provide them with the information they need to make investment decisions that are consistent with their ethical standards and strategies. It is in the interest of investors to evaluate all of their investment risks. Transparent organisational structures, where each subsidiary, affiliate or joint venture is identified, accompanied by country-by-country reporting, are necessary to understand the company and identify significant risks – economic, political and reputational. Lack of transparency on this front is a serious risk factor, which in itself should be carefully considered by investors.

2. Risk rating agencies as well as corporate responsibility indices should include transparency measures as an integral part of their evaluation process.

Transparency International encourages risk rating agencies, risk and corporate responsibility analysts and all institutions that publish indices of corporate responsibility to include transparency and anti-corruption compliance in their evaluation models.

Anti-corruption programmes and transparency enhancing measures lower the risk and incidence of corruption. Therefore, ratings that fail to account for good standards in reporting on anti-corruption programmes, transparency in organisational structures and country-by-country operations are at best incomplete and at worst unreliable.

TO CIVIL SOCIETY ORGANISATIONS

1. Civil society organisations should get involved in the monitoring of multinational businesses located or operating in their countries to promote greater transparency.

Transparency International strongly encourages civil society organisations in all countries, including emerging markets, to monitor transparency and integrity in multinational business. As their role and influence in the world economy increases, emerging market companies should adhere to higher standards of transparency. Civil society should encourage emerging market companies to apply ethical standards that are consistent with global best practice and to adhere to those high standards in all their operations. They should also be encouraged to report on these practices both in their home jurisdiction, as well as others, with equal detail and attention to the three dimensions identified in this report: anti-corruption programmes, organisational transparency and country-by-country reporting.

2. Civil society organisations should focus advocacy efforts on businesses located or operating in their countries to improve the depth and scope of their commitments to transparency, and in particular to improve their level of anti-corruption reporting.

Transparency International encourages civil society organisations to focus advocacy efforts on achieving greater transparency in multinational business. Such advocacy should target governments, regulators and companies with the objective of countering illicit money flows and corruption generally. They should address all three dimensions of corporate transparency: reporting on anti-corruption programmes, organisational transparency and country-by-country reporting.

9. ANNEXES

ANNEX 1: METHODOLOGY

This report is designed and carried out to encourage increased levels of transparency in international business. It analyses reporting practices of 100 large emerging market companies from diverse industries and countries.

The methodology was based on the previous Transparency International projects and was most recently used for our July 2012 report on *Transparency in Corporate Reporting: Assessing the World's Largest Companies.* The table below compares the various corporate reporting studies undertaken by Transparency International.

Table 1
Comparison of Transparency International Studies on Transparency in Corporate Reporting

EVALUATED AREAS	TRANSPARENCY IN CORPORATE REPORTING (2012)	PROMOTING REVENUE TRANSPARENCY (2011)	TRANSPARENCY IN REPORTING ON ANTI-CORRUPTION (2009)	PROMOTING REVENUE TRANSPARENCY (2008)
Reporting on anti-corruption programmes	✓	✓	✓	✓
Organisational disclosure	✓	✓		✓
Country-level disclosure	✓	✓		✓
INDUSTRIES	Various	Oil and gas	Various	Oil and gas
NUMBER OF COMPANIES	105	44	500	42
OWNERSHIP	Publicly listed	Various	Publicly listed	Various

COMPANY SELECTION

The selection of companies was based on the Boston Consulting Group list of *Global Challengers* 2011. The list of companies and the structure of the sample are presented in Annex 3.

The subject companies were not selected with a view towards reaching geographic or industry-wide conclusions. The Industry Classification Benchmark was used to classify companies by industry.

All companies were contacted in January 2013 when they were informed of the research and the publication of the report including a company ranking.

Sample structure

BY COUNTRY		
1	Argentina	1
2	Brazil	13
3	Chile	2
4	China	33
5	Egypt	1
6	Hungary	1
7	India	20
8	Indonesia	2
9	Malaysia	1
10	Mexico	7
11	Russia	6
12	Saudi Arabia	1
13	South Africa	3
14	Thailand	4
15	Turkey	2
16	United Arab Emirates	3

BY INDUSTRY		
1	Basic materials	28
2	Consumer goods	20
3	Consumer services	6
4	Financials	0
5	Health care	3
6	Industrials	23
7	Oil & gas, energy	10
8	Technology	5
9	Telecommunications	4
10	Utilities	1

BY OWNERSHIP		
1	Publicly listed	71
2	Private	12
3	State-owned	17

DATA COLLECTION AND VERIFICATION

All data were collected by desk research conducted between 21 January and 18 March 2013. The team included researchers with fluency in English, Mandarin, Portuguese and Russian to ensure thorough understanding of original-language source materials where it was needed. The sources included company websites and the relevant links and documents directly accessible through them. Data for each question were recorded and the exact sources documented (e.g. corporate documents with page numbers or websites with dates of when the data were downloaded). The research was based on the latest available documentation. The reporting periods covered in the company documents may differ among the selected companies.

All data points collected were independently validated by a second researcher.

Transparency International has not undertaken to verify whether information disclosed on websites or in reports is complete or correct. In other words, if a company publishes what it refers to as “a full list of its fully consolidated material subsidiaries” this has been accepted at face value and scored accordingly. In addition, it is beyond the scope of this research to judge levels of integrity in company practices.

Rather, the research focuses solely on reporting on transparency and anti-corruption in corporate policies and procedures, which Transparency International believes are crucial elements in ensuring good corporate governance and mitigating the risk of corruption.

DATA SHARING AND REVIEWING

On 4 March 2013 preliminary data sets were shared with the companies. Each company was given the opportunity to review its own data and to provide feedback or propose corrections. Feedback was accepted until 18 March 2013.

Each data set consisted of four elements:

- scores and data sources for questions 1–13 on anti-corruption programmes
- scores and data sources for questions 14–21 on organisational transparency
- country-by-country data (questions 22–26)
- list of countries of operations

The companies were asked to review the collected data in order to verify their completeness and accuracy. Of the 100 companies, 17 provided feedback. All requests for corrections were carefully analysed and discussed by the research team. Whenever necessary, further information, substantiation or documentation was requested and obtained from companies. This process resulted in a number of data point adjustments and in updates of some data sources which led to improvements in the scores for 12 of the 17 companies that provided feedback. For purposes of scoring, all sources that were published on corporate websites on or before 18 March 2013 were taken into account.

Corrections were most often the result of one or more of the following:

- the publication of new corporate documents or policies
- changes to or updates of policies
- identification of documents or sources that had been missed and therefore omitted by the initial review
- clarification of specific terminology

The following companies provided feedback during the data review process: Alfa, América Móvil, Bharti Airtel, Brasil Foods, Emirates Airlines, Gedeon Richter, Gazprom, Gerdau, Koç Holding, Mabe, Mahindra & Mahindra, Natura, Petrobras, Petronas, Saudi Basic Industries, Tata Communications, Votorantim Group.

Transparency International greatly appreciates company engagement in this process as it contributes to the high quality of the data. As a result of this dialogue, a better overview and understanding of diverse reporting practices and standards was gained.

QUESTIONNAIRE STRUCTURE AND SCORING

The questionnaire covers a broad spectrum of issues influencing corporate transparency. It was constructed in the same manner as the questionnaire used for the most recent report *Transparency in Corporate Reporting: Assessing the World's Largest Companies* in 2012. It focuses on three dimensions:

1. reporting on anti-corruption programmes
2. organisational transparency
3. country-by-country reporting

The first dimension is derived from the UN Global Compact – Transparency International *Reporting Guidance on the 10th Principle Against Corruption*. It includes 13 questions; each one is allocated a score of 0, 0.5 or 1. The maximum score is 13 points. The final score for this dimension for each company is then expressed as a percentage of the maximum possible score (between 0 and 100 per cent).

The second dimension includes eight questions. It evaluates the level of disclosure of material, fully and non-fully consolidated entities. Reporting on names, percentages owned by the parent company, countries of incorporation and countries of operations is reviewed for all such entities. Again, each question is awarded a score of 0, 0.5 or 1.

The maximum score achievable in organisational transparency is 8 points. Companies that do not have any non-fully consolidated entities are evaluated on their disclosure of fully consolidated entities only (maximum 4 points). The final individual company score for this dimension is expressed as a percentage of the maximum possible score (between 0 and 100 per cent).

The third dimension, country-by-country reporting, includes five questions, four of them relating to basic elements of financial accounts and the fifth to community and charitable contributions. The maximum achievable score per country is 5. The full set of five questions applies to each country of foreign operations only.

Once all countries are scored for country-by-country reporting, a total score per country is calculated by adding up the scores received on each of the five questions. The individual country scores are aggregated and then divided by the number of countries to arrive at the total score per country. The final result in country-by-country reporting is then expressed as a percentage of the maximum possible score (5 points per country).

For example, if a company operates in 10 foreign countries and discloses its revenues for six of these countries, it receives one point for each of the six countries for question number 22 which relates to revenue reporting. If the company does not disclose any other relevant country-level information, it receives a score of zero for questions 23, 24, 25 and 26. For that dimension, the company's score is 6 out of a possible optimal score of 50 (five questions per country multiplied by 10 countries). The actual score of 6 translates as 12 per cent of the best possible score of 50. Thus, the result for this company in country-by-country reporting is 12 per cent.

The overall index is derived from taking a simple, unweighted average of the results achieved for each dimension, rescaled from 0–10, where 0 is the worst and 10 the best score.

ANNEX 2: QUESTIONNAIRE

I. DISCLOSURE OF ANTI-CORRUPTION PROGRAMMES

1. Does the company have a publicly stated commitment to anti-corruption?
2. Does the company publicly commit to be in compliance with all relevant laws, including anti-corruption laws?
3. Does the company leadership demonstrate support for anti-corruption? For example: is there a statement in a corporate citizenship report or in public pronouncements on integrity?
4. Does the company's code of conduct/anti-corruption policy explicitly apply to all employees?
5. Does the company's code of conduct/anti-corruption policy explicitly apply to all agents and other intermediaries (third parties working on behalf of the company)?
6. Does the company's code of conduct/anti-corruption policy explicitly apply to contractors, subcontractors and suppliers?
7. Does the company have an anti-corruption training programme for its employees in place?
8. Does the company have a policy defining appropriate/inappropriate gifts, hospitality and travel expenses?
9. Is there a policy that explicitly forbids facilitation payments?

10. Does the company prohibit retaliation for reporting the violation of a policy?
11. Does the company provide channels through which employees can report potential violations of policy or seek advice (e.g. whistleblowing) in confidence?
12. Does the company carry out regular monitoring of its anti-corruption programme?
13. Does the company have a policy prohibiting political contributions or if it does make such contributions, are they fully disclosed?

II. ORGANISATIONAL TRANSPARENCY

14. Does the company disclose the full list of its fully consolidated material subsidiaries?
15. Does the company disclose percentages owned in its fully consolidated material subsidiaries?
16. Does the company disclose countries of incorporation of its fully consolidated material subsidiaries?
17. Does the company disclose countries of operations of its fully consolidated material subsidiaries?
18. Does the company disclose the full list of its non-fully consolidated material holdings?
19. Does the company disclose percentages owned in its non-fully consolidated material holdings?
20. Does the company disclose countries of incorporation of its non-fully consolidated material holdings?
21. Does the company disclose countries of operations of its non-fully consolidated material holdings?

(For qq.18–21: "Non-fully consolidated material holdings" include associated companies, joint ventures, entities consolidated by equity method)

III. COUNTRY-BY-COUNTRY DISCLOSURE

For the purposes of this study, "countries of operations" are those countries (excluding the home country) in which a company is present either directly or through its subsidiaries. The relevant list of countries of operations is based on the company's own reporting.

For each country of the company's operations the following set of questions was assessed:

22. Does the company disclose its revenues/sales in country X?
23. Does the company disclose its capital expenditure in country X?
24. Does the company disclose its pre-tax income (income before tax) in country X?
25. Does the company disclose its income tax in country X?
26. Does the company disclose its community/charitable contribution in country X?

ANNEX 3: DATA TABLES

#	COMPANY	COUNTRY	OWNERSHIP	INDUSTRY	ACP	OT	CBC	INDEX	FEEDBACK ON DATA
1	Alfa**	Mexico	publicly listed	Basic materials	50%	31%	0%	2.7	yes
2	Aluminium Corporation of China**	China	state-owned	Basic materials	19%	19%	0%	1.3	
3	América Móvil*	Mexico	publicly listed	Telecommunications	73%	81%	16%	5.7	yes
4	Anshan Iron and Steel Group	China	state-owned	Basic materials	38%	0%	0%	1.3	
5	Bajaj Auto	India	publicly listed	Consumer goods	31%	38%	30%	3.3	
6	Baosteel Group	China	state-owned	Basic materials	46%	13%	1%	2.0	
7	Bharat Forge	India	publicly listed	Industrials	15%	75%	33%	4.1	
8	Bharti Airtel	India	publicly listed	Telecommunications	85%	75%	34%	6.4	yes
9	Bidvest Group	South Africa	publicly listed	Consumer services	65%	75%	6%	4.9	
10	Brasil Foods	Brazil	publicly listed	Consumer goods	77%	56%	0%	4.4	yes
11	Bumi Resources	Indonesia	publicly listed	Basic materials	85%	75%	0%	5.3	
12	BYD Company Limited	China	publicly listed	Consumer goods	19%	75%	7%	3.4	
13	Camargo Corrêa Group	Brazil	private	Industrials	58%	25%	1%	2.8	
14	Charoen Pokphand Group	Thailand	private	Consumer services	0%	88%	0%	2.9	
15	Chery Automobile	China	state-owned	Consumer goods	0%	0%	0%	0.0	
16	China Communications Construction Company	China	publicly listed	Industrials	12%	75%	2%	2.9	
17	China International Marine Containers Group**	China	publicly listed	Industrials	8%	31%	0%	1.3	
18	China Minmetals**	China	state-owned	Basic materials	15%	6%	2%	0.8	
19	China National Chemical Corporation	China	state-owned	Basic materials	8%	6%	0%	0.5	
20	China National Offshore Oil Corporation[18]**	China	state-owned	Oil & gas, energy	23%	0%	0%	0.8	
21	China Shipbuilding Industry Corporation	China	state-owned	Industrials	4%	0%	0%	0.1	
22	China Shipping Group	China	state-owned	Industrials	15%	6%	0%	0.7	
23	China State Construction Engineering Corporation	China	state-owned	Industrials	50%	6%	1%	1.9	
24	Chint Group	China	private	Utilities	31%	0%	0%	1.0	
25	Cosco Group**	China	state-owned	Industrials	50%	19%	0%	2.3	
26	Coteminas	Brazil	private	Consumer goods	8%	31%	0%	1.3	
27	Crompton Greaves	India	publicly listed	Industrials	23%	75%	26%	4.1	
28	DP World	United Arab Emirates	publicly listed	Industrials	62%	75%	1%	4.6	
29	Dr. Reddy's Laboratories**	India	publicly listed	Health care	50%	75%	25%	5.0	
30	El Sewedy Electric	Egypt	publicly listed	Industrials	0%	81%	13%	3.1	
31	Embraer**	Brazil	publicly listed	Industrials	54%	75%	3%	4.4	
32	Emirates Airlines	United Arab Emirates	state-owned	Consumer services	0%	100%	2%	3.4	yes
33	Etisalat	United Arab Emirates	publicly listed	Telecommunications	0%	75%	9%	2.8	
34	Evraz Group	Russia	publicly listed	Basic materials	69%	44%	21%	4.5	
35	Falabella**	Chile	publicly listed	Consumer services	38%	75%	50%	5.4	
36	Femsa	Mexico	publicly listed	Consumer goods	69%	63%	19%	5.0	
37	Fung Group**	China	private	Consumer services	0%	6%	0%	0.2	
38	Galanz Group	China	private	Consumer goods	12%	0%	0%	0.4	
39	Gazprom*	Russia	publicly listed	Oil & gas, energy	65%	75%	0%	4.7	yes

#	COMPANY	COUNTRY	OWNERSHIP	INDUSTRY	ACP	OT	CBC	INDEX	FEEDBACK ON DATA
40	Gedeon Richter	Hungary	publicly listed	Health care	38%	94%	5%	4.6	yes
41	Geely – Zhejiang Geely Holding Group	China	private	Consumer goods	19%	0%	1%	0.7	
42	Gerdau	Brazil	publicly listed	Basic materials	58%	75%	4%	4.6	yes
43	Gruma	Mexico	publicly listed	Consumer goods	27%	88%	8%	4.1	
44	Grupo Bimbo	Mexico	publicly listed	Consumer goods	58%	44%	3%	3.5	
45	Haier	China	publicly listed	Consumer goods	35%	50%	0%	2.8	
46	Hindalco Industries	India	publicly listed	Basic materials	35%	75%	30%	4.7	
47	Huawei Technologies**	China	private	Technology	62%	0%	4%	2.2	
48	Indofood Sukses Makmur	Indonesia	publicly listed	Consumer goods	19%	75%	18%	3.7	
49	Indorama Ventures	Thailand	publicly listed	Basic materials	50%	75%	3%	4.3	
50	Infosys Technologies**	India	publicly listed	Technology	77%	38%	30%	4.8	
51	JBS	Brazil	publicly listed	Consumer goods	58%	31%	0%	3.0	
52	Johnson Electric	China	publicly listed	Industrials	35%	100%	1%	4.5	
53	Koç Holding**	Turkey	publicly listed	Industrials	50%	75%	1%	4.2	yes
54	LAN Airlines	Chile	publicly listed	Consumer services	65%	56%	16%	4.6	
55	Larsen & Toubro	India	publicly listed	Industrials	19%	81%	26%	4.2	
56	LDK Solar	China	publicly listed	Oil & gas, energy	12%	38%	7%	1.9	
57	Lenovo Group**	China	publicly listed	Consumer goods	73%	88%	0%	5.4	
58	Lukoil**	Russia	publicly listed	Oil & gas, energy	54%	13%	0%	2.2	
59	Lupin Limited	India	publicly listed	Health care	42%	75%	38%	5.2	
60	Mabe[19]	Mexico	private	Consumer goods	0%	0%	0%	0.0	yes
61	Magnesita Refratários	Brazil	publicly listed	Basic materials	62%	38%	3%	3.4	
62	Mahindra & Mahindra**	India	publicly listed	Industrials	73%	81%	30%	6.1	yes
63	Marcopolo	Brazil	publicly listed	Industrials	50%	75%	18%	4.8	
64	Mexichem	Mexico	publicly listed	Basic materials	50%	38%	16%	3.4	
65	Natura**	Brazil	publicly listed	Consumer goods	50%	75%	0%	4.2	yes
66	Norilsk Nickel	Russia	publicly listed	Basic materials	50%	75%	30%	5.2	
67	Odebrecht Group	Brazil	private	Basic materials	0%	0%	6%	0.2	
68	Petrobras* **	Brazil	publicly listed	Oil & gas, energy	88%	50%	0%	4.6	yes
69	Petronas	Malaysia	state-owned	Oil & gas, energy	88%	100%	1%	6.3	yes
70	PTT**	Thailand	publicly listed	Oil & gas, energy	85%	75%	9%	5.6	
71	Reliance Industries*	India	publicly listed	Oil & gas, energy	65%	75%	30%	5.7	
72	Sabanci Holding	Turkey	publicly listed	Industrials	77%	69%	0%	4.9	
73	Sappi**	South Africa	publicly listed	Basic materials	85%	63%	6%	5.1	
74	Sasol**	South Africa	publicly listed	Basic materials	88%	75%	0%	5.4	
75	Saudi Basic Industries* **	Saudi Arabia	publicly listed	Basic materials	85%	88%	2%	5.8	yes
76	Severstal	Russia	publicly listed	Basic materials	15%	75%	1%	3.0	
77	Shanghai Electric Group	China	publicly listed	Industrials	15%	100%	0%	3.8	
78	Sinochem**	China	state-owned	Basic materials	31%	25%	0%	1.9	
79	Sinohydro	China	state-owned	Industrials	38%	63%	0%	3.4	
80	Sinomach	China	state-owned	Industrials	35%	19%	0%	1.8	
81	Sinosteel**	China	state-owned	Basic materials	54%	25%	3%	2.7	
82	Suntech Power	China	publicly listed	Oil & gas, energy	42%	44%	7%	3.1	
83	Suzlon Energy	India	publicly listed	Oil & gas, energy	54%	56%	32%	4.7	
84	Tata Chemicals**	India	publicly listed	Basic materials	81%	75%	30%	6.2	
85	Tata Communications	India	publicly listed	Telecommunications	92%	88%	34%	7.1	yes

#	COMPANY	COUNTRY	OWNERSHIP	INDUSTRY	ACP	OT	CBC	INDEX	FEEDBACK ON DATA
86	Tata Consultancy Services**	India	publicly listed	Technology	85%	75%	17%	5.9	
87	Tata Global Beverages	India	publicly listed	Consumer goods	92%	75%	31%	6.6	
88	Tata Motors**	India	publicly listed	Consumer goods	77%	75%	29%	6.0	
89	Tata Steel**	India	publicly listed	Basic materials	92%	75%	30%	6.6	
90	Tenaris	Argentina	publicly listed	Basic materials	77%	88%	0%	5.5	
91	Thai Union Frozen Products	Thailand	publicly listed	Consumer goods	8%	75%	0%	2.8	
92	United Company Rusal**	Russia	publicly listed	Basic materials	69%	100%	17%	6.2	
93	Vedanta Resources	India	publicly listed	Basic materials	92%	44%	10%	4.9	
94	Votorantim Group**	Brazil	private	Basic materials	88%	25%	0%	3.8	yes
95	Wanxiang Group	China	private	Consumer goods	42%	0%	0%	1.4	
96	WEG	Brazil	publicly listed	Industrials	46%	25%	0%	2.4	
97	Wipro**	India	publicly listed	Technology	77%	63%	30%	5.7	
98	Yanzhou Coal Mining Company	China	publicly listed	Basic materials	19%	63%	3%	2.8	
99	Zoomlion	China	publicly listed	Industrials	42%	75%	0%	3.9	
100	ZTE**	China	publicly listed	Technology	31%	75%	0%	3.5	

* Companies evaluated in the 2012 report *Transparency in Corporate Reporting: Assessing the World's Largest Companies.*

** Participant in the United Nations Global Compact.

LIST OF TABLES, DIAGRAMS AND BOXES

TABLES

DIAGRAMS

BOXES

ENDNOTES

1. The list of companies assessed in this report was taken from the Boston Consulting Group list of *Global Challengers* 2011. See: www.slideshare.net/fred.zimny/2011-bcg-companies-on-the-move-rising-stars-from-rapdily-developing-economies-are-reshaping-global-industries

2. The term BRIC was originally coined by economist Jim O'Neill in 2001 to describe the four dynamic emerging economies of Brazil, Russia, India and China. In 2010, South Africa joined the group, following which the acronym was changed to BRICS. Companies from the BRICS including South Africa are studied in this report.

3. See: *Promoting Revenue Transparency: 2011 Report on Oil and Gas Companies*, Transparency International 2011. www.transparency.org/whatwedo/pub/promoting_revenue_transparency_2011_report_on_oil_and_gas_companies

4. When it is adjusted to be fully comparable to the score achieved by the largest companies in the 2012 report, the average score of emerging market multinationals is 67 per cent, which compares well with 72 per cent score achieved by the 2012 sample.

5. See: *Transparency in Corporate Reporting: Assessing the World's Largest Companies*. Transparency International 2012. www.transparency.org/whatwedo/pub/transparency_in_corporate_reporting_assessing_the_worlds_largest_companies

6. See: *Tracking global trends: How six key developments are shaping the business world*, Ernst &Young 2011. www.ey.com/Publication/vwLUAssets/Tracking_global_trends/$FILE/Tracking%20global%20trends.pdf

7. See: *Human Development Report 2013, The Rise of the South: Human Progress in a Diverse World*. www.hdr.undp.org/en/media/HDR_2013_EN_complete.pdf

8. See: www.sec.gov/about/laws/wallstreetreform-cpa.pdf

9. For more information on the 9 April 2013 EU Agreement on disclosure requirements for the extractive industry and loggers of primary forests and on simpler accounting requirements for small companies, see: www.ec.europa.eu/internal_market/accounting/country-reporting/index_en.htm

10. See: www.europa.eu/rapid/press-release_IP-13-330_en.htm

11. See: www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/UNGC_AntiCorruptionReporting.pdf

12. See: www.transparency.org/whatwedo/tools/business_principles_for_countering_bribery/1/

13. See: www.transparency.org/whatwedo/tools/business_principles_for_countering_bribery/1/

14. See: www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/UNGC_AntiCorruptionReporting.pdf

15. Indian law requires that companies report key financial information on their subsidiaries. Such reporting, although it is a reasonable proxy for country-by-country reporting provided the countries of incorporation of the subsidiaries are also disclosed, is not ideal. Considering the positive but limited aspects of such reporting we awarded half scores. See Box 3 for more information on this topic.

16. See: *Backgrounder: Basic facts about BRICS*, Xinhua 26 March 2013. www.news.xinhuanet.com/english/world/2013-03/26/c_132262846.htm

17. See: *B20–G20 PARTNERSHIP FOR GROWTH AND JOBS – Recommendations from Business 20, 2013*. www.b20russia.com/B20_WhiteBook_web.pdf

18. China National Offshore Oil Corporation (CNOOC) is the parent company of CNOOC Ltd., which was evaluated in *Transparency in Corporate Reporting: Assessing the World's Largest Companies*, Transparency International 2012.

19. The Mexican company Mabe restricts access to the Investor Relations pages on its company website. These pages can only be consulted with prior approval of the company. The restricted pages did include information which would have been scored positively, had it been freely available to the public. There were other instances where companies indicated that they had documents relevant to anti-corruption but that these were only available upon request and with prior approval. In all such cases zero scores were given, consistent with the intent of the study which measures public disclosure of information.

Transparency International
International Secretariat
Alt-Moabit 96
10559 Berlin
Germany

Phone: +49 - 30 - 34 38 200
Fax: +49 - 30 - 34 70 39 12

ti@transparency.org
www.transparency.org

blog.transparency.org
facebook.com/transparencyinternational
twitter.com/anticorruption