

TRANSPARENCY IN CORPORATE REPORTING

ASSESSING THE TOP 50 LISTED COMPANIES IN SRI LANKA

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Transparency International Sri Lanka (TISL) is an independent, non-governmental, non-profit and non-partisan organisation with a vision of Sri Lanka in which government, politics, business, civil society and the everyday lives of citizens are free from corruption. As the fully accredited national chapter in Sri Lanka of the Berlin-based Transparency International (TI), TISL partners and works with TI and its chapters world-wide.

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FOREWORD

The pivotal role of the corporate sector in the day to day life of Sri Lankan citizens is beyond question. This ranges from the work of small and medium sized enterprises all the way to telecom companies that keep us connected and conglomerates that employ thousands of workers. The wellbeing of these entities and the wellbeing of Sri Lankan citizens is inextricably interwoven.

A question that arises is whether such entities disclose information to their stakeholders optimally, beyond their minimum statutory obligations. Transparency International at the global level has observed the corporate sector in numerous ways, which has seen research focused on the World's largest companies in 2014, to assessing emerging market multinationals in 2016. This interest in the corporate sector established the Transparency in Corporate Reporting (TRAC) assessment methodology, which has now been implemented in Sri Lanka.

Transparency International Sri Lanka (TISL) has for the first time conducted a TRAC report assessing the corporate reporting practices of Sri Lanka's top 50 listed entities (by market capitalisation as at 28 February 2019). This assessment scores companies on their 2018 or 2018/19 annual reports (and any other publicly disclosed material) across three thematic sections broken down into twenty-six questions, ranging from stated policies on facilitation payments to disclosure on corporate holding structures. These scores are aggregated and companies ranked to illustrate the performance of each of the top 50 listed entities.

This report is not an end in itself, but an opportunity to take stock of current disclosure practices, with a view to starting a conversation on potential innovations for the future. A low rank is not a sign of wrongdoing, but rather highlights a potential opportunity to enhance disclosure to stakeholders. Whilst we appreciate that senior management cannot oversee every individual action within an organisation, our methodology does assess the stated commitments of management to tackle corruption and improve transparency. We acknowledge from the outset that there will always be differences in organisational culture and policy implementation, which falls beyond the scope of this report.

TISL has reached out to all 50 companies introducing them to this assessment and I would like to take this opportunity to thank the companies that provided feedback when contacted with their draft assessments. We have reviewed their feedback and incorporated changes where necessary.

In the interests of transparency, we have provided our working documents for examination which can be viewed at www.tisrilanka.org/TRAC. I encourage readers to also engage with our recommendations (please refer page 27) which could be implemented to strengthen future corporate disclosure.

We look forward to working closely with our corporate sector colleagues and their broader stakeholders on similar initiatives into the future.

S.C. Asoka Obeyesekere
Executive Director
Transparency International Sri Lanka

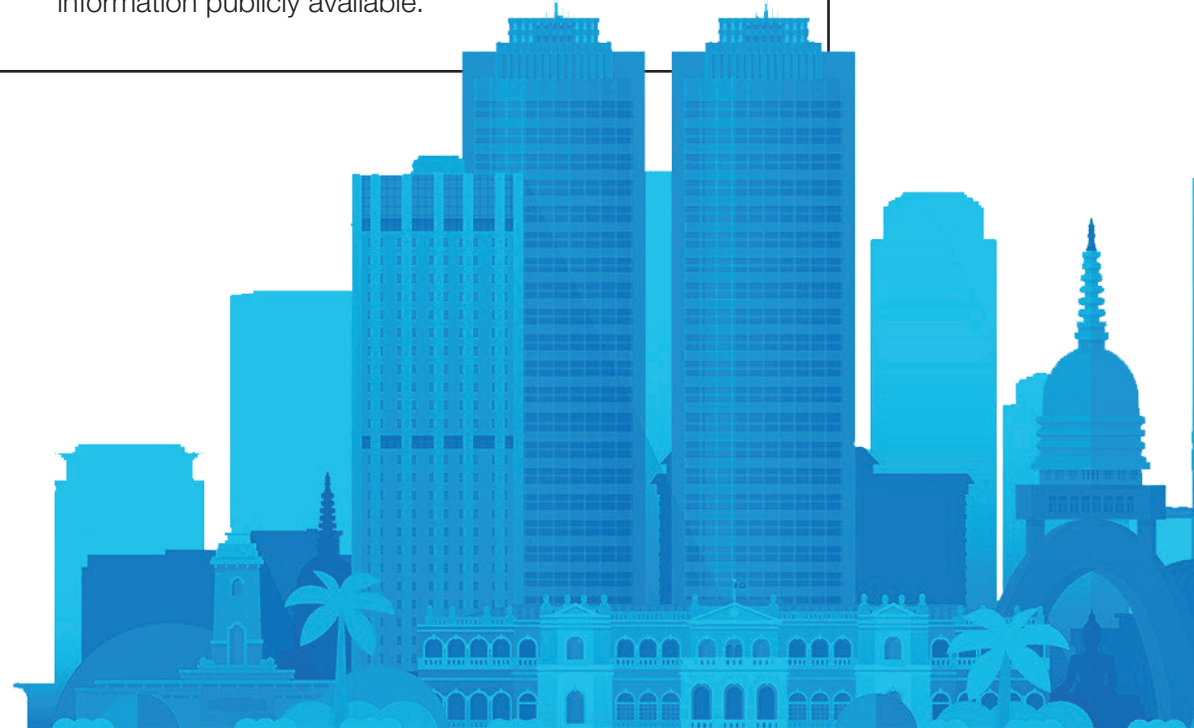
WHAT?

The Transparency in Corporate Reporting (TRAC) assessment analyses a company's reporting practices through publicly available information in three areas that are crucial to fighting corruption: their anti-corruption mitigation procedures, transparency in reporting on their organisational structure and the key financial data disclosed on their national and transnational operations. Overall company scores range from 0 to 10, where 0 is the least transparent in corporate reporting and 10 is fully transparent. Transparency International has used this methodology to conduct a series of TRAC reports worldwide since 2008.



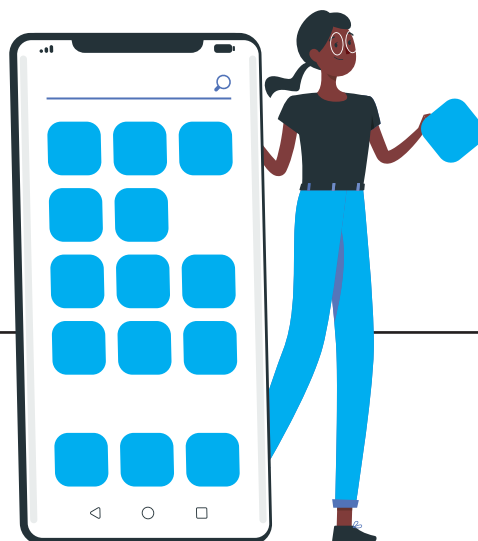
WHY?

From bribery scandals to tax avoidance, companies are under increasing pressure to account for their actions around the world. Similarly, the corporate sector can be a leader in driving improved standards of Corporate Governance. Transparency is crucial for ensuring that companies are accountable for their activities, enabling the prevention, detection and prosecution of corrupt practices. One important outcome of conducting this review is to ensure that senior management, where necessary, incorporates and strengthens already existing anti-corruption practices in their companies and makes this information publicly available.



WHO?

The 50 largest public limited companies in Sri Lanka were selected for the review based on Market Capitalisation on the Colombo Stock Exchange as at 28th February 2019.



HOW?

The data source of this TRAC report were the latest available Annual Reports (either 2018 or 2018/2019) published by the companies. Data for each of the 26 questions was recorded and the exact sources documented (e.g. page numbers in the Annual Report). Once each company was scored, the scoring sheets were shared with the respective companies, who were given the opportunity to provide feedback on their scores. The companies were allowed to revert to Transparency International Sri Lanka (TISL) with specific, verifiable and public references that were available in their company's Annual Report or website. The feedback provided by companies was received by TISL and checked against the guidelines provided for scoring. Once this was done, changes if any, were made and the final scores were computed. The companies are equally scored in three thematic sections: Reporting on Anti-Corruption Programmes, Organisational Transparency and Domestic Financial Reporting. For all questions, companies received one point for a measure in place or data disclosed and 0.5 for partial disclosure. They scored zero when the information was either not available or was unclear.



USING THIS REPORT

This report seeks to cast light on how the largest listed entities in Sri Lanka incorporate anti-corruption and transparency measures into their public disclosures. A low score does not mean there has been any wrongdoing, but rather illustrates an opportunity for improvement in disclosure practices. Likewise, a high score illustrates strong disclosure systems, but this may not reflect operational and implementation success. This report seeks to provide a basis upon which a broader discussion can commence on normalising transparency in corporate reporting.

Transparency International Sri Lanka (TISL) has not undertaken an independent verification of whether information disclosed in the annual reports is complete or correct. Therefore, if a company publishes what it refers to as ‘a full list of its fully consolidated subsidiaries’ this has been accepted at face value and scored accordingly.

It is important to note that it is beyond the scope of this research to judge levels of integrity within companies. Rather, the report focuses on public reporting by companies on anti-corruption policies and procedures and other disclosures with respect to company holdings and key financial data, which TISL believes are crucial elements in ensuring good corporate governance and mitigating the risk of corruption.

This objective review allows companies to assess the transparency in their reporting and also in how they perform in comparison to other companies. If companies incorporate the findings of this report into their future annual reports, it would increase their transparency in corporate reporting.





FINDINGS

Companies received a score for each thematic section: Reporting on Anti- Corruption Programmes, Organisational Transparency and Domestic Financial Reporting. The final TRAC score for each company was given by taking the average of the three thematic scores and then rebasing the scores on a scale from 0 – 10 where 0 is the least transparent and 10 is fully transparent. The companies were then ranked from 1 – 50, based on their overall scores. Companies with equal index scores are ranked equally and ordered alphabetically (See Fig. 1). For more information on this process, please refer Annex 2: Methodology.

- The average Top 50 listed company in Sri Lanka is moderately transparent with a score of 6.73.
- Only 5 companies John Keells Holdings, Seylan Bank, Hemas Holdings, National Development Bank and People’s Leasing & Finance are classified as Significantly Transparent.
- All companies were at the very least, Partially Transparent, with the lowest score being 4.33.
- Companies were Slightly Transparent in reporting on their Anti-Corruption Programmes, with an average score of 27%.
- Companies had significant organisational transparency, with an average score of 86%.
- 31 companies were fully transparent in domestic financial reporting, with the average score across all 50 companies being 92%.

As seen above, although the average top 50 company is moderately transparent, on average companies have scored poorly in terms of their reporting on anti-corruption programmes. The code book (please refer Annex 3) and the respective company specific data were shared with each company. They were given the opportunity to review their own scores and provide feedback or propose corrections before the final scores were calculated. Of the 50 companies assessed, 9 provided feedback. This input was validated, and corrections were made if necessary.

HIGHLIGHTS

6.73/10.00

Average Overall Score

The average Top 50 listed company in Sri Lanka is moderately transparent

4.33/10.00

Lowest Overall Score

All companies were at the very least, Partially Transparent

5
Companies

John Keells Holdings, Seylan Bank, Hemas Holdings, National Development Bank and People's Leasing & Finance are classified as Significantly Transparent overall

HIGHLIGHTS

27%

**Average Score
(Anti-Corruption
Programmes)**

**Companies were
slightly transparent
in reporting on
their anti-corruption
programmes**

86%

**Average Score
(Organisational
Transparency)**

**Companies
had significant
organisational
transparency**

92%

**Average Score
(Domestic Financial
Reporting)**

**31 companies
were fully
transparent
in domestic
financial
reporting**

**OVERALL TRAC SCORES:
HOW TRANSPARENT ARE
SRI LANKA'S TOP 50
LISTED COMPANIES?**



OVERALL TRAC SCORES – RANKED WITH SCORES

Rank	Fully to Least Transparent (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
1	John Keells Holdings PLC	8.83
2	Seylan Bank PLC	8.73
3	Hemas Holdings PLC	8.20
3	National Development Bank PLC	8.20
3	People's Leasing & Finance PLC	8.20
6	Aitken Spence PLC	7.93
7	Softlogic Life Insurance PLC	7.90
8	Commercial Bank of Ceylon PLC	7.83
9	Dialog Axiata PLC	7.77
10	Ceylon Tobacco Company PLC	7.70
10	Dilmah Ceylon Tea Company PLC	7.70
10	L B Finance PLC	7.70
13	Hayleys PLC	7.57
14	Sampath Bank PLC	7.53
15	Teejay Lanka PLC	7.47
16	Hatton National Bank PLC	7.43
16	John Keells Hotels PLC	7.43
16	Union Assurance PLC	7.43
19	Access Engineering PLC	7.30
19	Nations Trust Bank PLC	7.30
21	Melstacorp PLC	7.27
22	LOLC PLC	7.17
22	Sri Lanka Telecom PLC	7.17
24	Cargills (Ceylon) PLC	7.10
25	The Lanka Hospital Corporation PLC	7.07

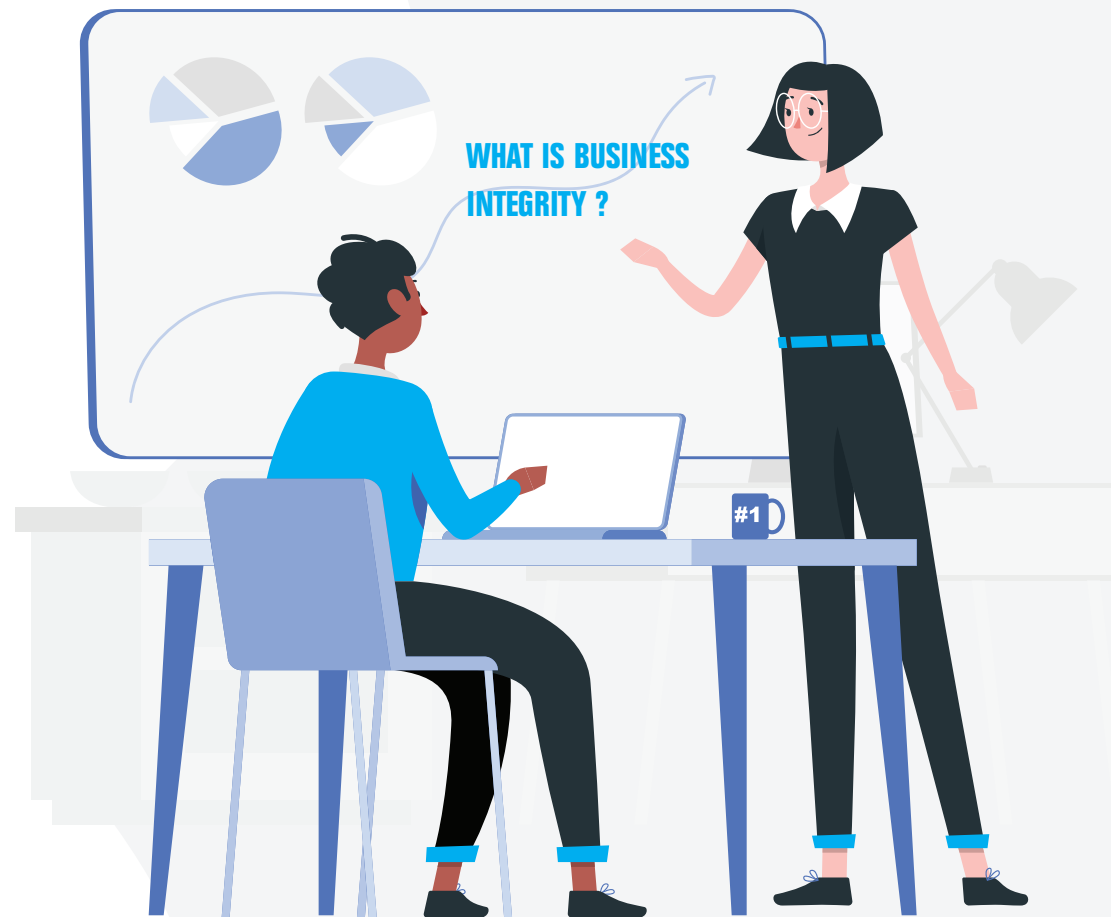
Rank	Fully to Least Transparent (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
26	Ceylinco Insurance PLC	6.93
27	Central Finance Company PLC	6.63
27	Union Bank of Colombo PLC	6.63
29	Asian Hotels and Properties PLC	6.60
30	AIA Insurance Lanka PLC*	6.50
31	Lanka IOC PLC	6.33
32	Softlogic Holdings PLC	6.30
33	Ceylon Cold Stores PLC	6.27
34	DFCC Bank PLC	6.20
35	Trans Asia Hotels PLC	6.15
36	Vallibel One PLC	6.03
37	Bukit Darah PLC	6.00
37	Carson Cumberbatch PLC	6.00
39	Overseas Realty (Ceylon) PLC	5.93
40	Brown and Company PLC	5.80
41	Commercial Leasing & Finance PLC	5.67
42	Asiri Hospital Holdings PLC	5.63
43	Nestle Lanka PLC	5.40
44	LOLC Finance PLC	5.35
45	Chevron Lubricants Lanka PLC	5.15
46	Distilleries Company of Sri Lanka PLC	4.83
47	CT Holdings PLC	4.77
48	Richard Pieris & Company PLC	4.73
49	Ceylon Beverages Holdings PLC	4.33
49	Lion Brewery (Ceylon) PLC	4.33

Least Transparent	Slightly Transparent	Partially Transparent	Moderately Transparent	Significantly Transparent	Fully Transparent
0.00 - 1.99	2.00 - 3.99	4.00 - 5.99	6.00 - 7.99	8.00 - 9.99	10.00

Fig. 1

*As of October 2019, AIA Insurance Lanka was delisted and no longer trades in the Colombo Stock Exchange. The company is now registered as AIA Insurance Lanka Limited.

**REPORTING ON
ANTI-CORRUPTION
PROGRAMMES:
WHAT ARE COMPANIES
DOING TO FIGHT CORRUPTION?**



REPORTING ON ANTI-CORRUPTION PROGRAMMES

Companies in understanding and realising the risks of corruption, should publicly commit to follow ethical business practices that detect and prevent the occurrence of corruption. In order to do this, companies should establish and publicly disclose an anti-corruption programme as a sign of responsible corporate citizenship. A strong anti-corruption programme would be applicable to all employees, directors, senior management and even agents, suppliers and other third parties the company works with.

This section includes 13 questions, each covering different elements of a robust anti-corruption programme. Each question is allocated a score of 0, 0.5 or 1. The maximum score for this section is 13 points and the final score for this section for each company is expressed as a percentage of the maximum possible score (between 0 and 100 per cent).

The questions cover a range of issues from companies stating compliance with all laws and regulations, to the prohibition of facilitation payments and political contributions¹. It also covers conducting anti-corruption trainings for all levels of staff to whether the Senior Management makes a statement to stand against corruption. While it is commendable that several companies adhere to an anti-corruption policy, over 40 companies received a zero score for 6 of the 13 questions.

It is important to note that private sector bribery is not within the scope of the Bribery Act which is an area that requires urgent legislative reform to bring in line with present day commercial realities.

1. Presently there are no laws regarding campaign finance in Sri Lanka. However, we are aware of draft legislation which would need to be enacted to regulate amongst other things, the role of corporate money in politics.

26%
of Companies

have stated a commitment to combat corruption. However, only 4% of companies have anti-corruption trainings for their employees and directors. This illustrates a potentially significant gap between stated commitments and human resource development priorities

SMALL BRIBES, BIG PROBLEM

44/50
Companies

have not disclosed an explicit policy prohibiting facilitation payments. Additionally, 41 companies have not disclosed an explicit policy on gifts and hospitality

WEAK SYSTEMS

28/50
Companies

Although 28 companies have a confidential whistle-blower policy enabling employees to report violations, only 12 companies provide the explicit assurance that whistle-blowers will not suffer any form of reprisal for raising concerns or reporting violations

REPORTING ON ANTI-CORRUPTION PROGRAMMES

44/50

Companies

While 44 companies received a full score in stating compliance with all laws (which implicitly includes anti-corruption laws), the senior management of only 7 companies demonstrated explicit support for anti-corruption practices

86%

of Companies

do not have a publicly accessible policy that either prohibits political contributions or require such contributions to be publicly disclosed (See Fig. 3)

3 vs. 26

Companies

While only 3 companies had extended their anti-corruption practices to third parties they conduct business with such as agents, advisors and intermediaries, 26 companies had done so with their suppliers

82%

of Companies

fall into the slightly transparent or least transparent categories in reporting on anti-corruption programmes. Whilst reporting on anti-corruption programmes is not an obligation, it would bolster companies' efforts to curb corruption (See Fig. 2)

REPORTING ON ANTI-CORRUPTION PROGRAMMES – RANKED WITH SCORES

Rank	Fully to Least Transparent (Companies with equal index scores are ranked equally and ordered alphabetically)	Score
1	Teejay Lanka PLC	69%
2	John Keells Holdings PLC	65%
3	Seylan Bank PLC	62%
4	Dialog Axiata PLC	58%
4	Softlogic Life Insurance PLC	58%
6	Ceylon Tobacco Company PLC	54%
7	Hemas Holdings PLC	46%
7	National Development Bank PLC	46%
7	People's Leasing & Finance PLC	46%
10	Aitken Spence PLC	38%
10	Cargills (Ceylon) PLC	38%
10	Ceylon Cold Stores PLC	38%
10	Melstacorp PLC	38%
10	Sampath Bank PLC	38%
15	Commercial Bank of Ceylon PLC	35%
15	Hatton National Bank PLC	35%
17	Access Engineering PLC	31%
17	DFCC Bank PLC	31%
17	Dilmah Ceylon Tea Company PLC	31%
17	L B Finance PLC	31%
21	Hayleys PLC	27%
21	LOLC Finance PLC	27%
21	Sri Lanka Telecom PLC	27%
24	Asian Hotels and Properties PLC	23%
24	Chevron Lubricants Lanka PLC	23%

Rank	Fully to Least Transparent (Companies with equal index scores are ranked equally and ordered alphabetically)	Score
24	John Keells Hotels PLC	23%
24	Overseas Realty (Ceylon) PLC	23%
24	Trans Asia Hotels PLC	23%
24	Union Assurance PLC	23%
30	Brown and Company PLC	19%
30	Central Finance Company PLC	19%
30	Nations Trust Bank PLC	19%
30	Union Bank of Colombo PLC	19%
34	AIA Insurance Lanka PLC*	15%
34	Commercial Leasing & Finance PLC	15%
34	Distilleries Company of Sri Lanka PLC	15%
34	Lanka IOC PLC	15%
34	LOLC PLC	15%
39	Richard Pieris & Company PLC	12%
39	The Lanka Hospital Corporation PLC	12%
39	Vallibel One PLC	12%
42	Asiri Hospital Holdings PLC	8%
42	Ceylinco Insurance PLC	8%
42	Nestle Lanka PLC	8%
42	Softlogic Holdings PLC	8%
46	Bukit Darah PLC	0%
46	Carson Cumberbatch PLC	0%
46	Ceylon Beverages Holdings PLC	0%
46	CT Holdings PLC	0%
46	Lion Brewery (Ceylon) PLC	0%

Least Transparent	Slightly Transparent	Partially Transparent	Moderately Transparent	Significantly Transparent	Fully Transparent
0% - 19%	20% - 39%	40% - 59%	60% - 79%	80% - 99%	100%

Fig. 2

*As of October 2019, AIA Insurance Lanka was delisted and no longer trades in the Colombo Stock Exchange. The company is now registered as AIA Insurance Lanka Limited.

REPORTING ON ANTI-CORRUPTION PROGRAMMES

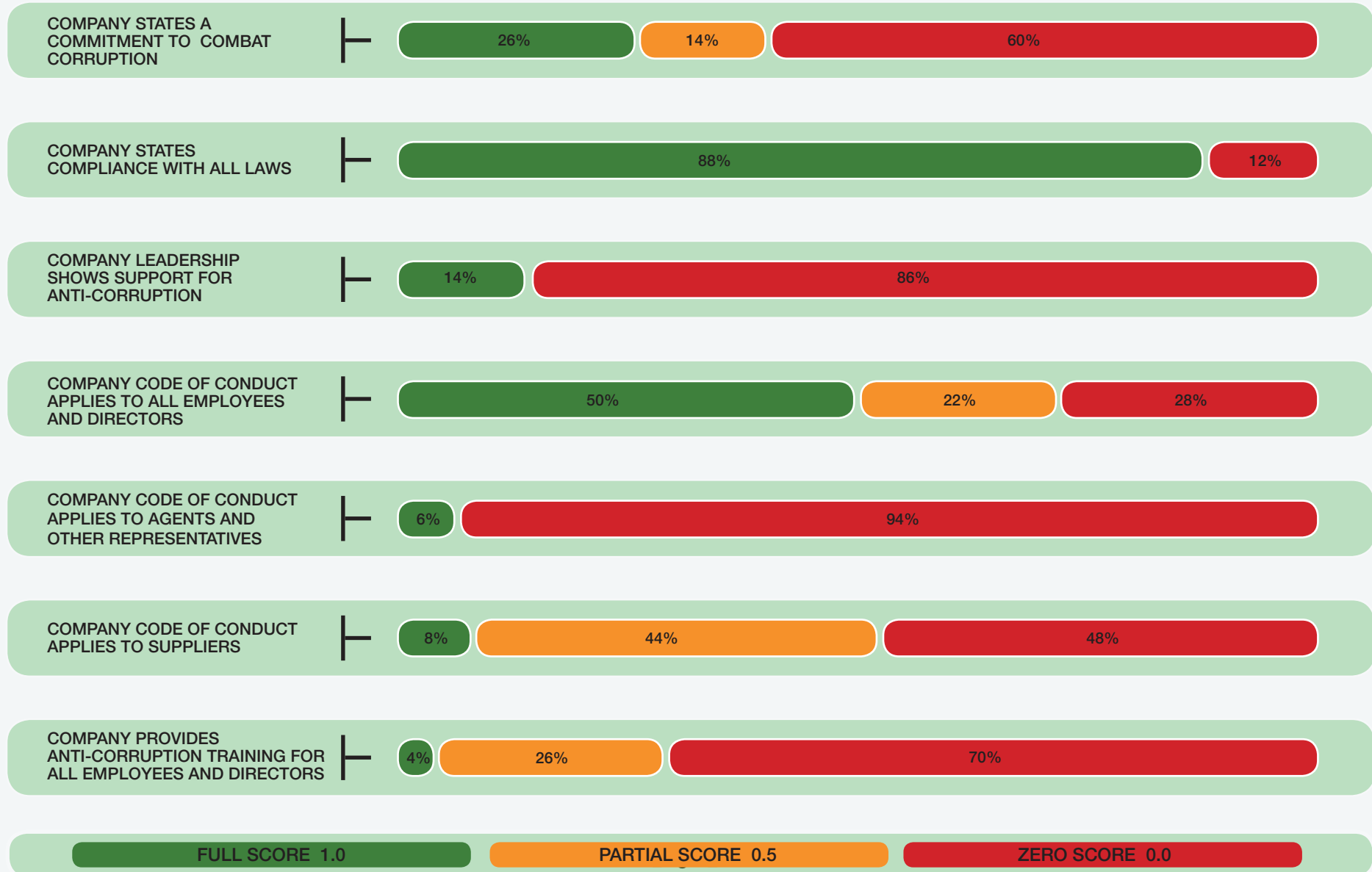


Fig. 3

REPORTING ON ANTI-CORRUPTION PROGRAMMES

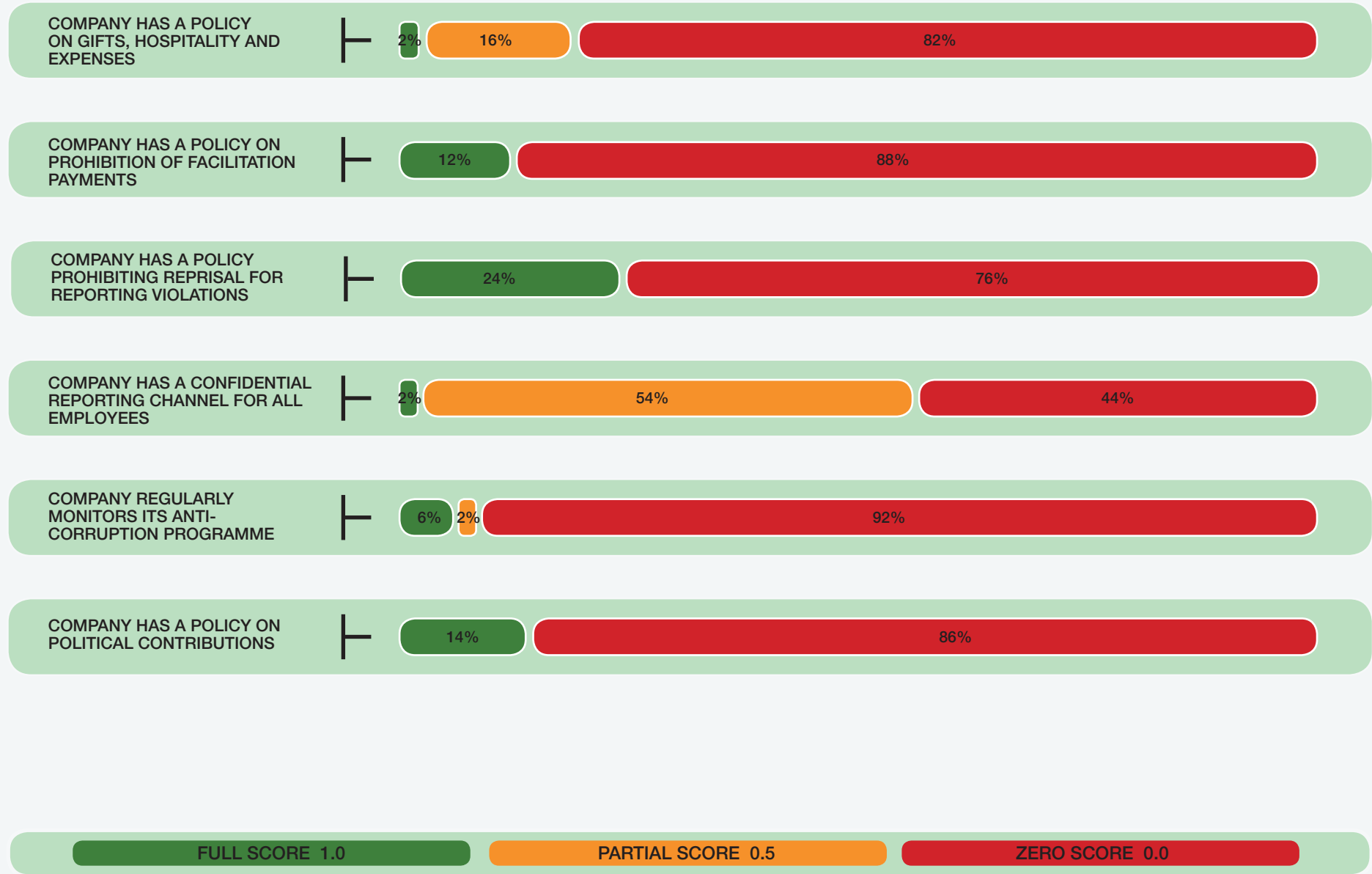
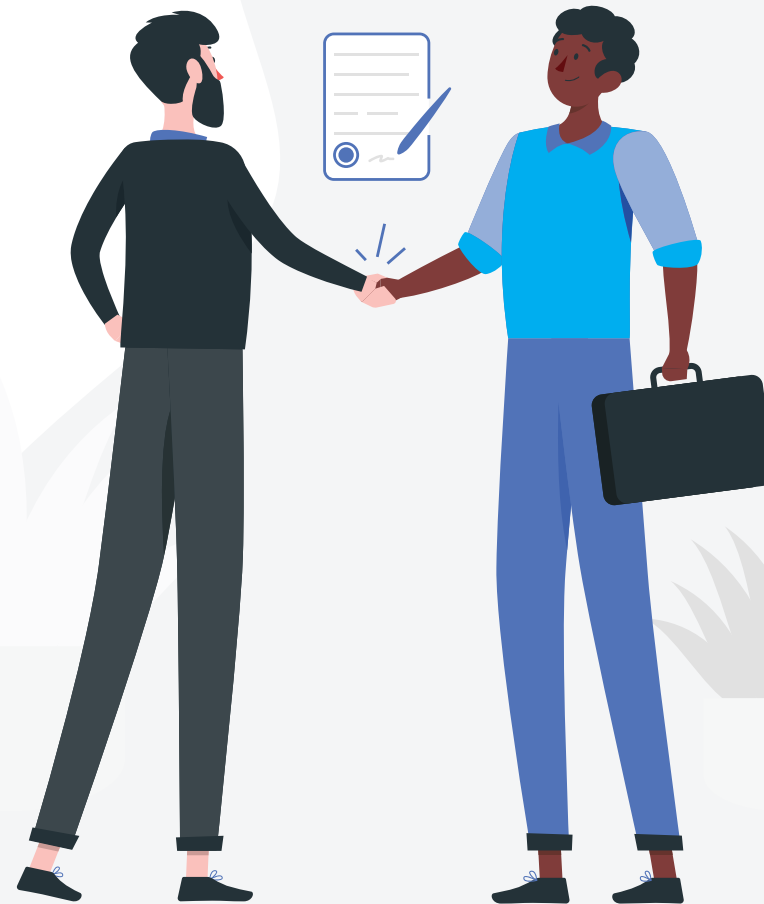


Fig.3

ORGANISATIONAL TRANSPARENCY:

**WHAT DO COMPANIES PUBLISH
ABOUT THEIR SUBSIDIARIES,
ASSOCIATES AND
JOINT-VENTURES?**



ORGANISATIONAL TRANSPARENCY

Many companies own multiple subsidiaries, associates and/or joint ventures, registered in numerous jurisdictions and operating globally. Greater organisational transparency allows citizens to follow the legal, organisational and financial connections between companies and, can potentially, help detect and prevent conflicts of interest and illicit financial flows.

Full disclosure of a company's holdings is therefore an important and necessary element of organisational transparency. Companies should disclose all their subsidiaries, associates and joint ventures, including information about the percentages owned by the parent company, the countries of their incorporation and the countries in which they conduct their business.

Some companies only disclosed information on a few subsidiaries based on materiality leading to limited disclosure of corporate structures. However, we encourage companies to disclose their full corporate structure regardless of materiality to ensure full transparency.

The organisational transparency section consists of eight questions, four focusing on fully consolidated subsidiaries and the other four on non-fully consolidated entities such as associates and joint ventures (See Fig. 5). The questions range from disclosing a full list of subsidiaries, associates and joint ventures to the percentage holdings in each. It also requires companies to explicitly state the countries of incorporation and operation irrespective of materiality.

86%
Average Score

Companies on average had significant organisational transparency (See Fig. 4)

22/50
Companies

had full organisational transparency

96%
of Companies

that have fully-consolidated subsidiaries, fully disclosed the percentages owned in each of them

ORGANISATIONAL TRANSPARENCY – RANKED WITH SCORES

Rank	Fully to Least Transparent (Companies with equal index scores are ranked equally and ordered alphabetically)	Score
1	AIA Insurance Lanka PLC*	100%
1	Aitken Spence PLC	100%
1	Bukit Darah PLC	100%
1	Carson Cumberbatch PLC	100%
1	Central Finance Company PLC	100%
1	Ceylinco Insurance PLC	100%
1	Commercial Bank of Ceylon PLC	100%
1	Dilmah Ceylon Tea Company PLC	100%
1	Hayleys PLC	100%
1	Hemas Holdings PLC	100%
1	John Keells Holdings PLC	100%
1	John Keells Hotels PLC	100%
1	L B Finance PLC	100%
1	LOLC PLC	100%
1	Melstacorp PLC	100%
1	National Development Bank PLC	100%
1	Nations Trust Bank PLC	100%
1	People's Leasing & Finance PLC	100%
1	Seylan Bank PLC	100%
1	The Lanka Hospital Corporation PLC	100%
1	Union Assurance PLC	100%
1	Union Bank of Colombo PLC	100%
23	Access Engineering PLC	88%
23	Hatton National Bank PLC	88%
23	Sampath Bank PLC	88%

Rank	Fully to Least Transparent (Companies with equal index scores are ranked equally and ordered alphabetically)	Score
23	Sri Lanka Telecom PLC	88%
27	Asiri Hospital Holdings PLC	81%
27	Softlogic Holdings PLC	81%
29	Asian Hotels and Properties PLC	75%
29	Brown and Company PLC	75%
29	Cargills (Ceylon) PLC	75%
29	Commercial Leasing & Finance PLC	75%
29	DFCC Bank PLC	75%
29	Dialog Axiata PLC	75%
29	Lanka IOC PLC	75%
29	Overseas Realty (Ceylon) PLC	75%
29	Teejay Lanka PLC	75%
38	Vallibel One PLC	69%
39	CT Holdings PLC	63%
40	Ceylon Beverages Holdings PLC	50%
40	Ceylon Cold Stores PLC	50%
40	Distilleries Company of Sri Lanka PLC	50%
40	Lion Brewery (Ceylon) PLC	50%
40	Richard Pieris & Company PLC	50%
-	Ceylon Tobacco Company PLC	N/A
-	Chevron Lubricants Lanka PLC	N/A
-	LOLC Finance PLC	N/A
-	Nestle Lanka PLC	N/A
-	Softlogic Life Insurance PLC	N/A
-	Trans Asia Hotels PLC	N/A

Least Transparent	Slightly Transparent	Partially Transparent	Moderately Transparent	Significantly Transparent	Fully Transparent
0% - 19%	20% - 39%	40% - 59%	60% - 79%	80% - 99%	100%

Fig. 4

*As of October 2019, AIA Insurance Lanka was delisted and no longer trades in the Colombo Stock Exchange. The company is now registered as AIA Insurance Lanka Limited.

ORGANISATIONAL TRANSPARENCY

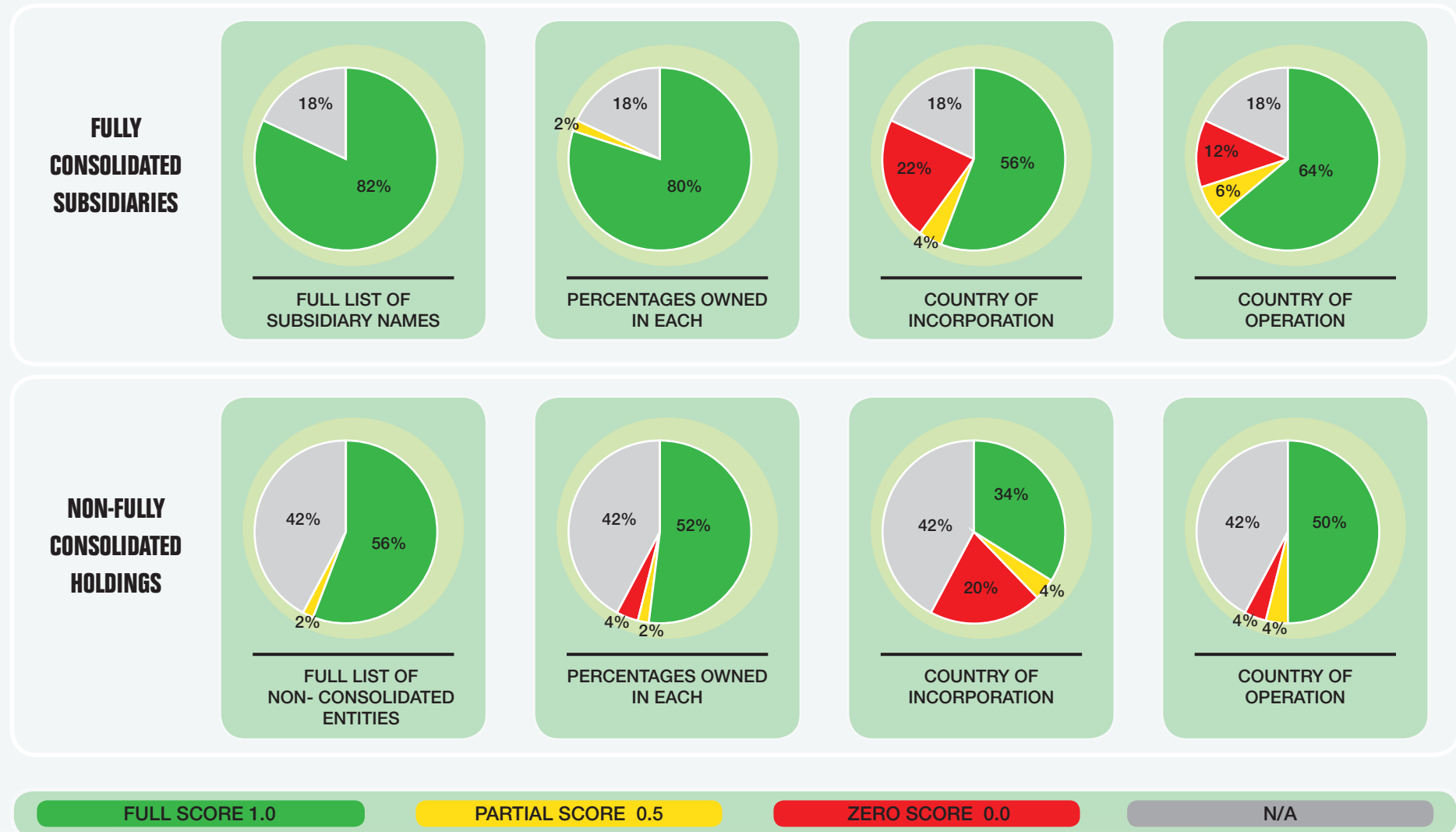


Fig. 5

**DOMESTIC FINANCIAL
REPORTING:
HOW MUCH
FINANCIAL DATA
DO COMPANIES
DISCLOSE?**



DOMESTIC FINANCIAL REPORTING

Companies contribute financially to the communities in which they operate through taxes, investment and community contributions. It is important that this financial information is publicly available as this shows citizens the contributions companies make to their communities and can empower citizens to monitor how the government manages public funds collected from these companies.

This section evaluates the transparent reporting of companies regarding their domestic financial information. They are assessed on the disclosure of five industry-neutral financial indicators: revenue, capital expenditure, income before taxation, income tax and community contributions (See Fig. 7). This information, if disclosed, can provide an overview of a company's operations in the country and of its direct contribution to the local economy.

Our findings show that the level of domestic disclosure differs significantly from the level of disclosure for foreign operations (See Fig. 8). Out of the three thematic sections, companies scored the highest in this section on Domestic Financial Reporting.

ALL 50
Companies

disclosed financial information such as their revenue, capital expenditure, pre-tax income and income tax

70%
of Companies

that provide community contributions reported on the amounts spent. However, 13 companies that provided contributions, provided no description of community work undertaken

31/50
Companies

were fully transparent in domestic financial reporting (See Fig. 6)

DOMESTIC FINANCIAL REPORTING – RANKED WITH SCORES

Rank	Fully to Least Transparent (Companies with equal index scores are ranked equally and ordered alphabetically)	Score
1	Access Engineering PLC	100%
1	Aitken Spence PLC	100%
1	Asian Hotels and Properties PLC	100%
1	Cargills (Ceylon) PLC	100%
1	Ceylinco Insurance PLC	100%
1	Ceylon Cold Stores PLC	100%
1	Ceylon Tobacco Company PLC	100%
1	Commercial Bank of Ceylon PLC	100%
1	Dialog Axiata PLC	100%
1	Dilmah Ceylon Tea Company PLC	100%
1	Hatton National Bank PLC	100%
1	Hayleys PLC	100%
1	Hemas Holdings PLC	100%
1	John Keells Holdings PLC	100%
1	John Keells Hotels PLC	100%
1	L B Finance PLC	100%
1	Lanka IOC PLC	100%
1	LOLC PLC	100%
1	National Development Bank PLC	100%
1	Nations Trust Bank PLC	100%
1	Nestle Lanka PLC	100%
1	People's Leasing & Finance PLC	100%
1	Sampath Bank PLC	100%
1	Seylan Bank PLC	100%
1	Softlogic Holdings PLC	100%

Rank	Fully to Least Transparent (Companies with equal index scores are ranked equally and ordered alphabetically)	Score
1	Softlogic Life Insurance PLC	100%
1	Sri Lanka Telecom PLC	100%
1	The Lanka Hospital Corporation PLC	100%
1	Trans Asia Hotels PLC	100%
1	Union Assurance PLC	100%
1	Vallibel One PLC	100%
32	AIA Insurance Lanka PLC*	80%
32	Asiri Hospital Holdings PLC	80%
32	Brown and Company PLC	80%
32	Bukit Darah PLC	80%
32	Carson Cumberbatch PLC	80%
32	Central Finance Company PLC	80%
32	Ceylon Beverages Holdings PLC	80%
32	Chevron Lubricants Lanka PLC	80%
32	Commercial Leasing & Finance PLC	80%
32	CT Holdings PLC	80%
32	DFCC Bank PLC	80%
32	Distilleries Company of Sri Lanka PLC	80%
32	Lion Brewery (Ceylon) PLC	80%
32	LOLC Finance PLC	80%
32	Melstacorp PLC	80%
32	Overseas Realty (Ceylon) PLC	80%
32	Richard Pieris & Company PLC	80%
32	Teejay Lanka PLC	80%
32	Union Bank of Colombo PLC	80%

Least Transparent	Slightly Transparent	Partially Transparent	Moderately Transparent	Significantly Transparent	Fully Transparent
0% - 19%	20% - 39%	40% - 59%	60% - 79%	80% - 99%	100%

Fig. 6

*As of October 2019, AIA Insurance Lanka was delisted and no longer trades in the Colombo Stock Exchange. The company is now registered as AIA Insurance Lanka Limited.

DOMESTIC FINANCIAL REPORTING

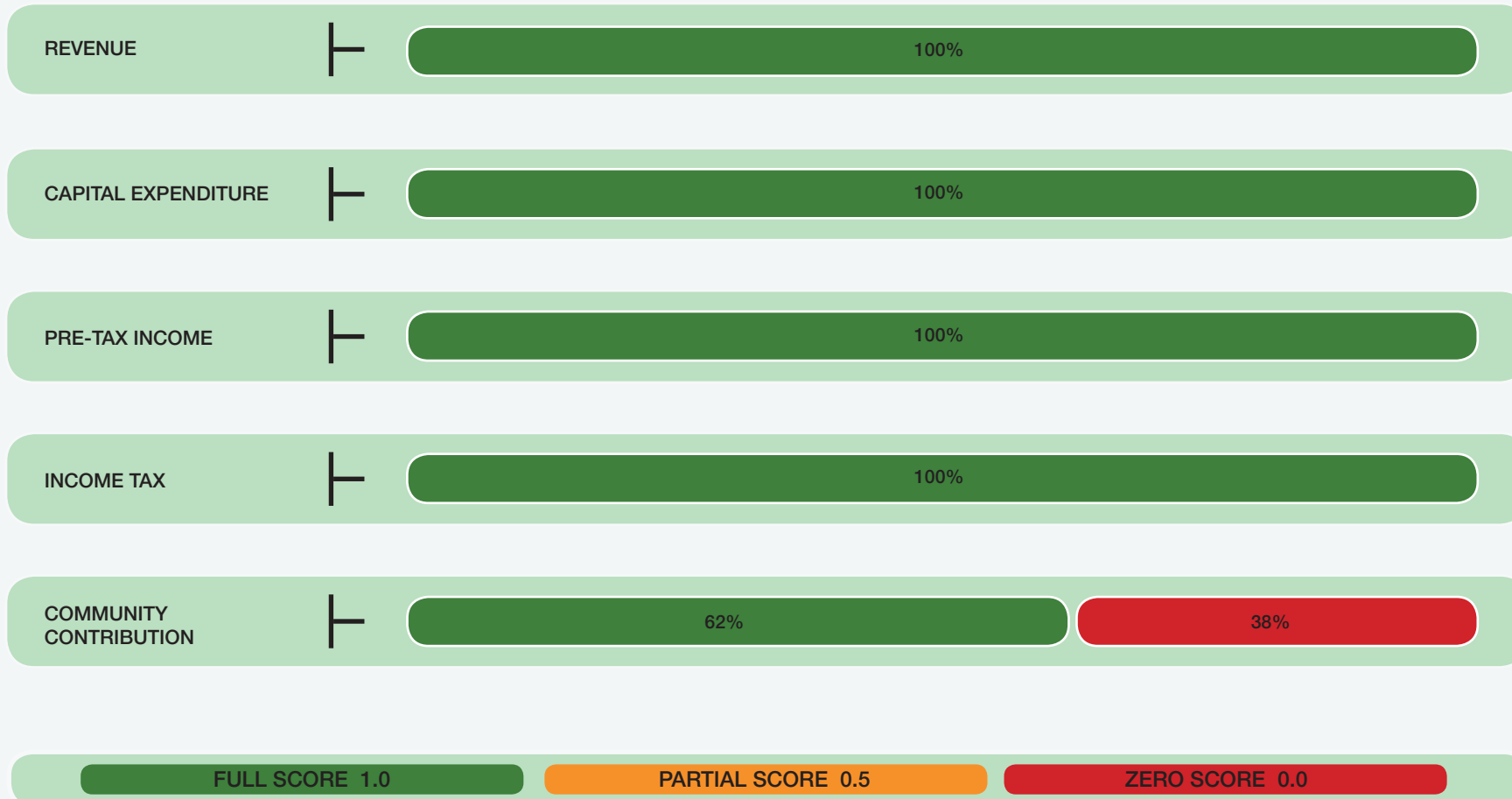


Fig. 7

COUNTRY-BY-COUNTRY REPORTING:

**HOW MUCH
FINANCIAL DATA
DO COMPANIES
DISCLOSE IN THEIR
FOREIGN OPERATIONS?**



COUNTRY-BY-COUNTRY REPORTING

In the globalised context of business, corruption in overseas operations is a great risk and vulnerability that companies face. When companies have operations overseas, most information is not easily accessible to the local population. This information is important, regardless of the materiality of the overseas operations, as it ensures transparency in conducting business.

Many large companies today are global entities with operations spanning several countries. In addition to evaluating the companies by how they reveal financial information domestically, 17 of the 50 companies disclose conducting foreign operations.

This section focuses on the same questions as the domestic financial reporting section. However, the 17 companies are assessed solely on their foreign operations. This includes disclosure of five industry-neutral financial indicators: revenue, capital expenditure, income before taxation, income tax and community contributions (See Fig. 8). This information, if disclosed, can provide an overview of a company's operations in a given country and of its direct contribution to the local economy. As companies are on average significantly transparent in their domestic financial reporting (See Fig. 7), this should be aspired to for their operations in all countries.

Whilst this section was not included in computing the overall TRAC score, it has been included in this report as it highlights an area for future development as more Sri Lankan listed companies establish an international presence.

Rank	Fully to Least Transparent (Companies with equal index scores are ranked equally and ordered alphabetically)	Score
1	John Keells Hotels PLC	90%
2	People's Leasing & Finance PLC	80%
3	Bukit Darah PLC	64%
3	Carson Cumberbatch PLC	64%
5	Commercial Bank of Ceylon PLC	60%
6	Melstacorp PLC	23%
7	Aitken Spence PLC	22%
8	Brown and Company PLC	20%
8	Hayleys PLC	20%
8	Hemas Holdings PLC	20%
8	John Keells Holdings PLC	20%
8	L B Finance PLC	20%
8	National Development Bank PLC	20%
14	LOLC PLC	16%
15	Ceylinco Insurance PLC	10%
15	Softlogic Holdings PLC	10%
15	Teejay Lanka PLC	10%

Least Transparent	Slightly Transparent	Partially Transparent	Moderately Transparent	Significantly Transparent	Fully Transparent
0% - 19%	20% - 39%	40% - 59%	60% - 79%	80% - 99%	100%

Fig. 8

33%
Average Score

On average, the 17 companies disclosing operations in foreign countries are slightly transparent

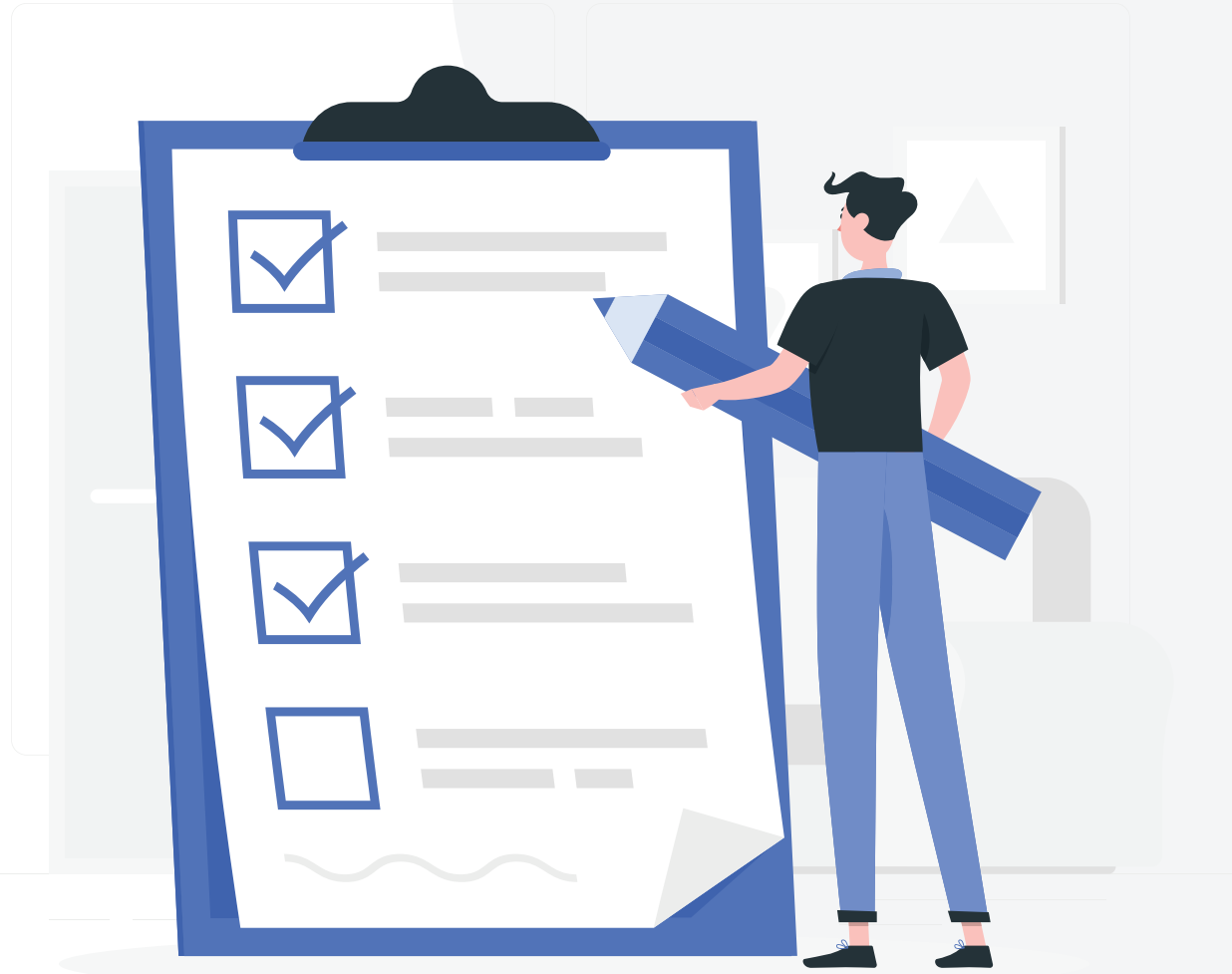
7
Companies

have 5 or more foreign country operations namely, Aitken Spence, Bukit Darah, Carson Cumberbatch, Hemas Holdings, Hayleys, Melstacorp and LOLC

5/17
Companies

were classified as moderately transparent or higher in their country-by-country reporting

RECOMMENDATIONS



RECOMMENDATIONS

Anti-Corruption Programmes

- Develop a comprehensive Anti-Corruption Programme and make the policy that forms the basis for it publicly available
- Provide anti-corruption training for all employees, including senior management and directors
- Establish a whistle-blower policy, which incorporates anonymity and ensures a channel for two-way communication with the whistle-blower
- Explicitly prohibit facilitation payments, or any other payments that may be construed as a bribe
- Extend the anti-corruption policy/code of conduct to persons who are not employees but are authorized to act on behalf of the company or represent it (e.g. agents, advisors, representatives, or intermediaries)
- Publicly disclose any commitment to anti-corruption and compliance with laws in Sri Lanka and other countries of operation
- Extend the anti-corruption policy/code of conduct to non-controlled persons or entities that provide goods or services under contract (e.g. contractors, subcontractors, suppliers)
- Publicly state company policy on political contributions

Organisational Transparency

- Clearly categorise and list out any fully consolidated subsidiaries and non-fully consolidated holdings, irrespective and materiality
- Explicitly state countries of incorporation and operation of fully consolidated subsidiaries and non-fully consolidated holdings

Domestic Financial Reporting

- Publicly disclose the amount spent and description of any community or charitable contributions

Country by Country Reporting

- Publish data on revenue, capital expenditure, pre-tax income, income tax and community contributions for all foreign operations

ANNEX 01: **FREQUENTLY ASKED** **QUESTIONS (FAQs)**



FREQUENTLY ASKED QUESTIONS

1. What is the purpose of this report? Why rank companies from 1-50 in terms of their transparency?

The purpose of this report is to objectively assess the publicly available information on the Top 50 listed companies in Sri Lanka, in three different thematic areas related to corporate reporting: anti-corruption programmes, organisational transparency and domestic financial reporting.

We have scored and ranked the companies from 1-50 to determine how transparent each company is in their corporate reporting and how they compare relative to the other companies. This seeks to encourage greater transparency in corporate reporting in future Annual Reports and other publicly available data sources published by the companies.

2. What is the expected outcome of this report? Why should companies be transparent in their corporate reporting?

This report aims to encourage companies to be more transparent in their corporate reporting by proactively disclosing information on their anti-corruption programmes, organisational structures and domestic financial data and to make publicly available such data even if they are not legally or regulatorily required to do so. We also hope that companies would take the data and insights gathered and shared through this report into consideration when compiling future Annual Reports.

Transparent public reporting is a key step that companies can take to address and mitigate corruption risks, which is the basis for robust and accountable governance.

3. What was the basis for selecting the 50 companies for this report?

We selected Sri Lanka's top 50 publicly listed companies based on market capitalisation on the Colombo Stock Exchange as at 28th February 2019.

4. The average Top 50 listed company is moderately transparent. Should we be happy?

The average score is 6.73 out of 10, hence moderately transparent. Whilst this is an encouraging start, the aim should be for all companies to strive to become fully transparent in every segment of this report. As can be noted, although the average top 50 listed company is moderately transparent, on average companies have been scored as slightly transparent (27%) in terms of their reporting on anti-corruption programmes.

5. Based on the findings of this report, is there a specific area where companies should focus their attention?

82% of the Top 50 listed companies are classified as slightly or least transparent in reporting on anti-corruption programmes. This section is where companies are least transparent, with over 40 companies receiving a zero score for 6 of the 13 questions. Therefore, companies should focus their attention on reporting on their anti-corruption programmes. Common examples of areas in which companies have received zero scores are – not having policies to prohibit facilitation payments or the receipt or giving of gifts, not having policies to prevent reprisal for whistle-blowers, and for not extending the existing company code of conduct to agents, advisors, intermediaries and/or representatives.

FREQUENTLY ASKED QUESTIONS

6. Why does this report matter to an ordinary citizen?

This report would for the first time enable ordinary citizens to easily cross compare companies in their transparency in corporate reporting. This could furthermore be used by employees, retail investors and others who are looking to acquire a better understanding of a listed corporate entity. The full data sheets can be accessed at www.tisrilanka.org/TRAC.

7. What are the sources used to compile this report?

We collected data from April through November 2019 using the most recently available Annual Reports such as the 2018 or 2018/2019 reports. Additionally, once the initial scores were shared with the companies, they were encouraged to provide feedback. If they responded with publicly accessible website links that provided relevant information, this was considered and where necessary, scores were revised.

8. How have you ranked the companies from 1- 50?

Companies received a score for each of the three thematic sections: Reporting on Anti- Corruption Programmes, Organisational Transparency and Domestic Financial Reporting. The final TRAC score for each company was given by taking the average of the three scores and rebasing the scores on a scale from 0 – 10 where 0 is the least transparent and 10 is fully transparent. The companies were then ranked from 1 – 50, based on their overall score. Companies with equal index scores were ranked equally and ordered alphabetically.

9. If companies receive a low score, does it mean they are involved in wrongdoing?

If a company receives a low overall score, it does not mean that they are involved in any form of wrongdoing, it simply means that they have not made the relevant information publicly available. This report aims to illustrate opportunities for improvements in disclosure practices in the future.

10. Have you obtained permission to create this report?

Permission was not required, as this report has been compiled solely on publicly available information such as a company's Annual report.

11. Have the companies been informed that they are being assessed in such a manner?

Prior to gathering data for this report, companies were informed of the assessment through a letter addressed to the head of the company. Three steps followed in this process. The first step was to perform an initial assessment through desk research, gathering data from annual reports. This data was shared with the companies and each company was given the opportunity to provide feedback or propose corrections to the collected data. The second step was to incorporate the overall feedback received through a second review, ensuring all scores were accurate, updated and the exact sources documented. This was then shared with the companies once again for them to provide feedback or propose further corrections. The third step was to incorporate any final feedback received and to communicate the final score to the respective companies.

FREQUENTLY ASKED QUESTIONS

12. What will TISL gain from this report?

This report has been previously done by other Transparency International chapters over the world. TI Sri Lanka (TISL) is looking to establish a dialogue with the corporate sector in Sri Lanka, with the aim of encouraging them to engage in the global fight against corruption. The TRAC report also compliments the other research work conducted by Transparency International such as the Corruption Perceptions Index (CPI) and the Global Corruption Barometer (GCB), adding to the body of research conducted by TI.

13. Why have you not included Country-by-Country reporting in the overall score?

As only 17 of the 50 companies disclose carrying out operations overseas, the country-by-country reporting section was not included in the final score. However, it has been included in the report as it highlights an area for future improvement as more Sri Lankan listed companies develop an international presence.

14. I want to find out more, what should I do?

We encourage you to refer the detailed overall scoring and company by company scoring on www.tisrilanka.org/TRAC. If you have any further questions, please contact TISL on tisl@tisrilanka.org or by calling +94-11-4369781.

ANNEX 02:
METHODOLOGY



METHODOLOGY

Transparency International Sri Lanka's 2020 report, Transparency in Corporate Reporting (TRAC): Assessing the Top 50 Listed Companies in Sri Lanka aims to encourage greater levels of transparency in three different thematic areas related to corporate reporting: anti-corruption programmes, organisational transparency and domestic financial reporting. The report assesses the transparency of corporate reporting by the Country's top 50 public listed companies.

While the report adds to Transparency International's (TI) existing work in combating corruption in the private sector, Transparency International Sri Lanka (TISL) will assess corruption in the private sector for the first time. This report was compiled with reference to information in two other TRAC reports published by TI: Assessing the World's Largest Companies (2014)² and Assessing Emerging Market Multinationals (2016)³. The analysis provided in the above two reports has also been instrumental in framing the analysis of this report.

The same methodology was also used for several country reports prepared by Transparency International Chapters in countries such as Argentina, Belgium, Denmark, Greece, Hungary, Indonesia, Italy, Kuwait, Norway, Sweden and Vietnam.

Company selection

In order to conduct this review, Transparency International Sri Lanka (TISL) selected Sri Lanka's top 50 public listed companies based on market capitalisation on the Colombo Stock Exchange as at 28th February 2019. TISL initially wrote to all 50 companies and informed them of the planned research and report.

Among the selected 50 companies, only 17 of them disclosed conducting operations overseas in addition to their domestic operations. These companies were scored on their foreign operations

separately and the scores were not included in the company's overall score.

Data collection and verification

Data was initially collected through desk research from April – November 2019. The primary data source used was each company's most recent Annual Report, either the 2018 or 2018/2019 reports. Data for each question was recorded and the exact source documented (e.g. page numbers in the Annual Report).

Transparency International Sri Lanka has not undertaken to verify whether information disclosed in the annual reports is complete or correct. In other words, if a company publishes what it refers to as 'a full list of its fully consolidated subsidiaries' this has been accepted at face value and scored accordingly.

It is important to note that it is beyond the scope of this research to judge levels of integrity within companies. Rather, the report focuses on public reporting by companies on anti-corruption policies and procedures and other disclosures with respect to company holdings and key financial data, which Transparency International Sri Lanka believes are crucial elements in ensuring good corporate governance and mitigating the risk of corruption.

Data sharing and reviewing

Preliminary data sets were shared with the companies in December 2019 and each company was given the opportunity to provide feedback or propose corrections. Feedback was accepted until January 2020. 18 companies contacted us requesting further information on the report and scoring methods. Out of these 18, 7 companies responded with feedback.

2. https://www.transparency.org/whatwedo/publication/transparency_in_corporate_reporting_assessing_worlds_largest_companies_2014

3. https://www.transparency.org/whatwedo/publication/transparency_in_corporate_reporting_assessing_emerging_market_multinat

METHODOLOGY (contd....)

Each data set consisted of:

1. Scores and data sources for questions 1 – 13 on Anti-Corruption Programmes
2. Scores and data sources for questions 14 – 21 on Organisational Transparency
3. Scores and data sources for questions 22 – 26 on Domestic Financial Reporting

All requests for corrections were carefully analysed and discussed by the research team. Whenever necessary, further information, substantiation and/or documentation was requested and obtained from the companies. However, this information needed to be publicly accessible, to be considered. If a company provided publicly accessible website links or other publicly accessible documents, these were accepted. This process resulted in several score adjustments and in the updating of some data sources.

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

- Changes or updates to certain policies or corporate documents
- The publication of documents or policies, which were previously only available for a limited audience (e.g. for employees or investors)
- Identification of documents or sources that were unintentionally omitted by the initial desk research

To ensure complete accuracy, the research team decided to conduct a second review to ensure all scores were accurate, updated and the exact sources were documented. This was done in February 2020 and shared with the companies once again to review and provide feedback or propose further corrections. The second round of feedback was accepted until March 2020. For the second round of feedback, 9 companies contacted us requesting further information on the report. Out of these 9 companies, 6 responded with feedback. 4 companies who provided feedback in the first round, gave further feedback in the second round.

In total, 22 out of 50 companies engaged with us requesting further information and a total of 9 companies provided feedback on the report and scoring.

Transparency International Sri Lanka greatly appreciates company engagement in this process as it improves the quality of the data and contributes to greater disclosure of corporate information. As a result of this dialogue, a better overview and understanding of diverse reporting practices and standards was gained. Similarly, several companies have gained better understanding of transparency requirements and they could adjust their reporting practices accordingly.

Questionnaire structure and scoring

The questionnaire covers a broad spectrum of issues influencing corporate transparency. It focuses on three sections:

1. Reporting on Anti-Corruption Programmes
2. Organisational Transparency
3. Domestic Financial Reporting

The first section, Reporting on Anti-Corruption Programmes, is derived from the Transparency International – UN Global Compact Reporting Guidance on the 10th Principle against Corruption which is based on the Business Principles for Countering Bribery developed by the Transparency International Secretariat with the co-operation of a multi-stakeholder group involving business. It includes 13 questions. Each one is allocated a score of 0, 0.5 or 1. The maximum score for this section is 13 points. The final score for this section for each company is expressed as a percentage of the maximum possible score (between 0 and 100 per cent).

METHODOLOGY (contd....)

The second section, Organisational Transparency, includes 8 questions. It evaluates the level of disclosure of each company's fully and non-fully consolidated entities. Reporting on names, percentages owned by the parent company, countries of incorporation and countries of operations were 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 non-fully consolidated entities were evaluated on their disclosure of fully consolidated entities only (max. 4 points). The final score for this section for each company is expressed as percentage of the maximum possible score (between 0 and 100 per cent).

The third section, Domestic Financial Reporting includes 5 questions that evaluate the extent to which the following data is reported on in each company's domestic operations: revenue, capital expenditure, income before tax, income tax and community / charitable contributions. In the same way as the other two sections, each question is awarded a score of 0, 0.5 or 1. The maximum score achievable for Domestic Financial Reporting is 5 points. The final score for this section for each company is expressed as percentage of the maximum possible score (between 0 and 100 per cent).

The overall TRAC score is derived from taking an average of the results achieved from each thematic section, rescaled from 0 to 10, where 0 is the worst score and 10 is the best. Scores achieved by companies in each section are presented in the index as rounded values.

Finally, the companies were ranked from 1-50, based on their overall TRAC score. Companies with equal scores were ranked equally and ordered alphabetically. Scores were assigned colours for each range to distinguish how transparent each company is in their corporate reporting.

Least Transparent	Slightly Transparent	Partially Transparent	Moderately Transparent	Significantly Transparent	Fully Transparent
0.00 - 1.99	2.00 - 3.99	4.00 - 5.99	6.00 - 7.99	8.00 - 9.99	10.00

Country-by-Country Reporting

In addition to evaluating companies by how they disclose their financial information domestically, it is important that they disclose the financial information of their foreign operations as well. However, only 17 of the 50 companies disclose conducting operations overseas. Since the majority of companies (33) cannot be evaluated in this section, points awarded for the 13 companies' foreign operations are not included in the overall TRAC score for each company. These scores are added up separately and the 'country-by-country' score is calculated.

Scores for this section are calculated differently than for the other sections. First, all five questions are scored (0, 0.5 or 1 point) for each country where a company operates. For each question, the sum of points for all foreign countries of operations are added and then divided by the number of countries, providing an average score. This average score is divided by 5 (the maximum possible score) and expressed as a percentage.

ANNEX 03:
CODEBOOK FOR SCORING



CODEBOOK FOR SCORING

REPORTING ON ANTI-CORRUPTION PROGRAMMES				COMPANY NAME	
				SRI LANKA	
No.	Questions	Max. points	Score	Source	
1	Does the company have a publicly stated commitment to anti-corruption?	1.0			
	1.0 point	If there is an explicit statement of “zero tolerance to corruption” or equivalent (i.e. the commitment to fight any corrupt activities)			
	0.5 point	If there is no general anti-corruption statement, but only reference to public sector/ governmental corruption If there is a weaker, less direct statement If a company is a signatory of the UNGC and it explicitly underscores its commitment to the 10th principle			
	0 point	If there is no explicit statement/ commitment, even if relevant policies are there If a company is a signatory of the UNGC, but there is no explicit reference to its commitment to the 10th principle			
2	Does the company publicly commit to be in compliance with all relevant laws, including anti-corruption laws?	1.0			
	1.0 point	If there is an explicit statement of such commitment for all jurisdictions in which a company operates A reference to “all laws” shall be deemed to include anti-corruption laws, even if they are not specifically mentioned			
	0 point	If there is no explicit reference to compliance with laws or the reference to compliance with laws excludes or omits anti-corruption laws			
3	Does the company leadership (senior member of management or board) demonstrate support for anti-corruption?	1.0			
	1.0 point	If the company leadership (senior member of management or board) issues a personal statement that specifically highlights the company’s commitment to anti-corruption If the company leadership (senior member of management or board) issues a personal letter of support for company’s code of conduct or equivalent and the code of conduct includes anti-corruption policies			
	0 point	If the statement fails to specifically refer to corruption or is not inserted in a code of conduct If the statement is not issued by the appropriate individual If there is no such statement			
4	Does the company’s code of conduct / anti-corruption policy explicitly apply to all employees and directors?	1.0			
	1.0 point	If the policy explicitly mentions that it applies to all employees and directors, regardless of their position in corporate hierarchy. There can be no exceptions for any country of operations			
	0.5 point	If the policy applies to all employees, but does not explicitly mention directors			
	0 point	If there is no explicit statement that relevant policies apply to all employees and directors If policies apply to a selected group of employees only, i.e., to managers			
5	Does the company’s anti-corruption policy explicitly apply to persons who are not employees but are authorised to act on behalf of the company or represent it (for example: agents, advisors, representatives or intermediaries)?	1.0			
	1.0 point	If such persons must comply with the policy			
	0 point	If such persons are only encouraged to comply with the policy If such persons are not covered by the anti-corruption policy or they are specifically excluded from the policy			

CODEBOOK FOR SCORING

REPORTING ON ANTI-CORRUPTION PROGRAMMES			COMPANY NAME	
			SRI LANKA	
No.	Questions	Max. points	Score	Source
6	Does the company's anti-corruption programme apply to non-controlled persons or entities that provide goods or services under contract (for example: contractors, subcontractors, suppliers)?	1.0		
	1.0 point	If all of the following three elements are fulfilled: 1) Such persons/entities are required to comply with the company's anti-corruption programme, its equivalent or with a supplier code issued by the company; and 2) The company performs anti-corruption due diligence on such persons/entities; and 3) The company monitors such persons/entities.		
	0.5 point	If such persons/entities are only 'encouraged' to comply with the policy or if only one or two of the three elements above are present		
	0 point	If there is no reference to such persons/entities; or they are not specifically required to comply with the company's policy or equivalent		
7	Does the company have in place an anti-corruption training programme for its employees and directors?	1.0		
	1.0 point	If the company states in public documents that such a programme is in place for employees and directors (the reference to the training programme may focus explicitly on training on the anti-corruption policies, but it can also refer to training on the code of conduct, if it includes anti-corruption provisions)		
	0.5 point	If the company states in public documents that such a training programme is in place for employees, but not for directors (or vice versa) If there is public information about a training programme for employees and directors on all ethical/integrity issues, and from other sources, we can infer, that it includes anti-corruption policies		
	0 point	If there is no public reference to such a training programme		
8	Does the company have a policy on gifts, hospitality and expenses?	1.0		
	1.0 point	If the company has a policy regulating the offer, giving and receipt of gifts, hospitality or expenses. The policy must cover the following elements: 1. Either offer or giving of such items, 2. Receipt of such items, 3. A definition of thresholds (descriptive or quoted as amounts) for acceptable gifts, hospitality or expenses, as well as procedures and reporting requirements. Attention: The exact guidance for employees does not have to be publicly available. There must be publicly available information that such guidance exists and that it includes all required elements.		
	0.5 point	If some but not all of the elements enumerated above are present		
	0 point	If the company does not disclose that it has such policy		
9	Is there a policy that explicitly prohibits facilitation payments?	1.0		
	1.0 point	If there is an explicit prohibition and not only simple discouragement of such payments (recognising that exceptions may be made for life or health threatening situations)		
	0 point	If such payments are discouraged or regulated internally (i.e. allowed after being approved by the manager) If such payments are "allowed if permitted by local law" If there is no reference to facilitation payments or they are specifically permitted		

CODEBOOK FOR SCORING

REPORTING ON ANTI-CORRUPTION PROGRAMMES			COMPANY NAME	
			SRI LANKA	
No.	Questions	Max. points	Score	Source
10	Does the programme enable employees and others to raise concerns and report violations (of the programme) without risk of reprisal?	1.0		
	1.0 point If the publicly-available policy specifies that no employee will suffer demotion, penalty or other reprisals for raising concerns or reporting violations (whistle-blowing)			
	0 point If there is no explicit policy prohibiting such retaliation			
11	Does the company provide a channel through which employees can report suspected breaches of anti-corruption policies, and does the channel allow for confidential and/or anonymous reporting (whistle-blowing)?	1.0		
	1.0 point If there is public provision of such a channel in a form that assures full confidentiality and/or anonymity, and two-way communication with the whistle-blower for any needed follow-up on the disclosure			
	0.5 point If there is such a channel, but two-way communication with the whistle-blower is not assured			
	0 point If there is no such channel or the channel allows for neither confidential, nor anonymous reporting			
12	Does the company carry out regular monitoring of its anti-corruption programme to review the programme's suitability, adequacy and effectiveness, and implement improvements as appropriate?	1.0		
	1.0 point If there is public information on regular or continuous monitoring of the anti-corruption programme			
	0.5 point If there is information on regular or continuous monitoring of all sustainability issues (without specific reference to anti-corruption policies and procedures) and additionally some implicit information that company's anti-corruption programme should be included			
	0 point If there is information on some monitoring, but it is not a regular or continuous process If there is only compliance-related monitoring in place without specific reference to the review of programme's suitability, adequacy and effectiveness If there is only oversight or audit of the report (which mentions the programme) If no monitoring is publicly mentioned			
13	Does the company have a policy on political contributions that either prohibits such contributions or if it does not, requires such contributions to be publicly disclosed?	1.0		
	1.0 point If a company either publicly discloses or prohibits its political contributions (in all its countries of operations)			
	0 point If political contributions are regulated but not disclosed or prohibited (e.g. there is a special internal approval procedure and internal reporting system for such contributions, but the actual payments are not made public) If political contributions are disclosed only for certain countries, e.g. for company's home country If a company's policy refers only to contributions by employees, but not to contributions by a company If political contributions are not regulated and/or disclosed			
TOTAL SCORE			13.0	
			100%	

CODEBOOK FOR SCORING

ORGANISATIONAL TRANSPARENCY				COMPANY NAME	
				SRI LANKA	
No.	Questions	Max. points	Score	Source	
14	Which of the following information does the company disclose for all of its fully consolidated subsidiaries	the full list with names	1.0		
15		percentages owned in each of them	1.0		
16		countries of incorporation (for each entity)	1.0		
17		countries of operations (for each entity)	1.0		
	1.0 point	If there is a full list of such subsidiaries			
	0.5 point	If there is a list of material/ principal/ significant/ main subsidiaries			
	0 point	If there is no list of subsidiaries If there is only a list of domestic or other incomplete list of subsidiaries			
18	Which of the following information does the company disclose for all of its non-fully consolidated holdings , such as associates, joint-ventures	the full list with names	1.0		
19		percentages owned in each of them	1.0		
20		countries of incorporation (for each entity)	1.0		
21		countries of operations (for each entity)	1.0		
	1.0 point	If there is a full list of such companies			
	0.5 point	If there is a list of material/ principal/ significant/ main companies			
	0 point	If there is no list of such companies If there is only a list of domestic entities or other incomplete information			
	N/A	If a company does not have any non-fully consolidated entities (the question will not be used to calculate the scores)			
TOTAL SCORE			8.0		
			100%		

CODEBOOK FOR SCORING

DOMESTIC FINANCIAL REPORTING			COMPANY NAME	
			SRI LANKA	
No.	Questions	Max. points	Score	Source
22	Does the company disclose its revenue/sales in Sri Lanka?	1.0		
	1.0 point If the company discloses its gross/net sales/revenues for Sri Lanka If country-split is by origin - revenues include goods/services produced in Sri Lanka, both sold locally and exported			
	0.5 point If there is split by subsidiary and subsidiaries' domiciles are also disclosed If there is country-by-country split only for a certain (but considerable, i.e. generating over 50% of revenues) part of business (i.e. for oil and gas upstream production in extractive business) If country-split is by destination - revenues include all sales to customers located in Sri Lanka, both produced locally and imported			
	0 point If revenues/ sales are disclosed by region, business segment, as total only, or not reported at all			
23	Does the company disclose its capital expenditure in Sri Lanka?	1.0		
	1.0 point If a company discloses its capital expenditure for Sri Lanka			
	0.5 point If there is a split by subsidiary and subsidiaries' domiciles are also disclosed If there is country-by-country split only for a certain (but considerable, i.e. generating over 50% of revenues) part of business (i.e. for oil and gas upstream production in extractive business)			
	0 point If capital expenditures are disclosed by region, business segment, as total only, or not reported at all			
24	Does the company disclose its pre-tax income in Sri Lanka?	1.0		
	1.0 point If a company discloses its pre-tax income for Sri Lanka If a company discloses its net income and income tax for Sri Lanka (pre-tax income can be calculated as a simple sum of the two)			
	0.5 point If there is split by subsidiary and subsidiaries' domiciles are also disclosed If there is country-by-country split only for a certain (but considerable, i.e. generating over 50% of revenues) part of business (i.e. for oil and gas upstream production in extractive business)			
	0 point If pre-tax income is disclosed by region, business segment. as total only or not reported at all			
25	Does the company disclose its income tax in Sri Lanka?	1.0		
	1.0 point If a company discloses its income tax for Sri Lanka			
	0.5 point If there is split by subsidiary and subsidiaries' domiciles are also disclosed If there is country-by-country split only for a certain (but considerable, i.e. generating over 50% of revenues) part of business (i.e. for oil and gas upstream production in extractive business)			
	0 point If income tax is disclosed by region, business segment, as total only, or not reported at all			

CODEBOOK FOR SCORING

DOMESTIC FINANCIAL REPORTING			COMPANY NAME	
			SRI LANKA	
No.	Questions	Max. points	Score	Source
26	Does the Company disclose its community contribution in Sri Lanka?	1.0		
	1.0 point	If there is both the amount of community contributions in Sri Lanka and there is a description of how this money was spent (e.g. a list of beneficiaries or description of financed community projects)		
	0.5 point	If there is only the amount of community contributions in Sri Lanka		
	0 point	If community contributions are disclosed by region, by business segment or as total spending of the company, or not disclosed at all If there is only a description of how money was spent in Sri Lanka, but no amount is disclosed		
	N/A	If a company declares that it makes no community contributions in Sri Lanka, the question shall be excluded for purposes of calculating the company's score.		
TOTAL SCORE			5.0	
			100%	

CODEBOOK FOR SCORING

COUNTRY-BY-COUNTRY REPORTING (If Applicable)			COMPANY NAME	
			COUNTRY X	
No.	Questions	Max. points	Score	Source
22	Does the company disclose its revenue/sales in Country X?	1.0		
	1.0 point If the company discloses its gross/net sales/revenues for country X If country-split is by origin - revenues include goods/services produced in country X, both sold locally and exported			
	0.5 point If there is split by subsidiary and subsidiaries' domiciles are also disclosed If there is country-by-country split only for a certain (but considerable, i.e. generating over 50% of revenues) part of business (i.e. for oil and gas upstream production in extractive business) If country-split is by destination - revenues include all sales to customers located in country X, both produced locally and imported			
	0 point If revenues/ sales are disclosed by region, business segment, as total only, or not reported at all			
23	Does the company disclose its capital expenditure in Country X?	1.0		
	1.0 point If a company discloses its capital expenditure for country X			
	0.5 point If there is a split by subsidiary and subsidiaries' domiciles are also disclosed If there is country-by-country split only for a certain (but considerable, i.e. generating over 50% of revenues) part of business (i.e. for oil and gas upstream production in extractive business)			
	0 point If capital expenditures are disclosed by region, business segment, as total only, or not reported at all			
24	Does the company disclose its pre-tax income in Country X?	1.0		
	1.0 point If a company discloses its pre-tax income for country X If a company discloses its net income and income tax for country X (pre-tax income can be calculated as a simple sum of the two)			
	0.5 point If there is split by subsidiary and subsidiaries' domiciles are also disclosed If there is country-by-country split only for a certain (but considerable, i.e. generating over 50% of revenues) part of business (i.e. for oil and gas upstream production in extractive business)			
	0 point If pre-tax income is disclosed by region, business segment. as total only or not reported at all			
25	Does the company disclose its income tax in Country X?	1.0		
	1.0 point If a company discloses its income tax for country X			
	0.5 point If there is split by subsidiary and subsidiaries' domiciles are also disclosed If there is country-by-country split only for a certain (but considerable, i.e. generating over 50% of revenues) part of business (i.e. for oil and gas upstream production in extractive business)			
	0 point If income tax is disclosed by region, business segment, as total only, or not reported at all			

CODEBOOK FOR SCORING

COUNTRY-BY-COUNTRY REPORTING (If Applicable)			COMPANY NAME	
			COUNTRY X	
No.	Questions	Max. points	Score	Source
26	Does the Company disclose its community contribution in Country X?	1.0		
	1.0 point	If there is both the amount of community contributions in country X and there is a description of how this money was spent (e.g. a list of beneficiaries or description of financed community projects)		
	0.5 point	If there is only the amount of community contributions in country X		
	0 point	If community contributions are disclosed by region, by business segment or as total spending of the company, or not disclosed at all If there is only a description of how money was spent in country X, but no amount is disclosed		
	N/A	If a company declares that it makes no community contributions in a given country, such country (or countries) shall be excluded for purposes of calculating the company's score.		
TOTAL SCORE			5.0	
			100%	

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