

# NATIONAL INTEGRITY INDEX 2020

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PRIVATE SECTOR: ASSESSING DISCLOSURE  
PRACTICES OF 30 IRISH COMPANIES

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PRACTICES OF 30 IRISH COMPANIES

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# INTRODUCTION

**Transparency International (TI) Ireland has conducted this research as part of its National Integrity Index (NII) study series to examine how well-prepared the Irish business sector is to counter corruption-related risks. This study provides a general overview of the corporate disclosure practices of Irish and Irish-based companies by assessing levels of corporate transparency, procedures against bribery and corruption, responsible political engagement, and whistleblowing frameworks.**

The National Integrity Index – Private Sector report evaluates corporate disclosure practices of 30 leading companies registered or having significant business operations in Ireland. This is the second in a series of NII reports dedicated to measuring the degree to which organisations across the public and private sector are prepared to address corruption-related risks based on the information they disclose to the public. Transparency International Ireland (TI Ireland) published the first of its NII reports on local authorities in 2018 and 2019.

This is the first private sector study to be undertaken by TI Ireland and is largely based on the methodology applied in numerous Transparency in Corporate Reporting reports published by TI and its chapters since 2008 in more than 30 countries. Further NII reports are due to be published on semi-state bodies and public bodies in 2021 and 2022.

The study assesses the disclosure practices of Irish and foreign companies based in Ireland with the aim of highlighting good practice, and encouraging the adoption of publicly available anti-corruption controls and greater corporate transparency. It seeks to provide an objective assessment of the current situation of corporate reporting transparency, and to inform businesses, stakeholders, employees, regulatory bodies, and the public. It also makes recommendations regarding the areas on which companies should focus their efforts to improve their corporate transparency.

The 30 companies registered in or having significant operations in Ireland were selected on the basis of the Irish Times Top 1000 Companies list ([www.top1000.ie](http://www.top1000.ie)) for 2019. The 30 selected include companies from eight industries namely: financial

services, construction, food, pharma, transport, energy, technology, and media. Eighteen are Irish companies (of which three have international parent companies) and 12 are multinational companies that are headquartered in and/or have significant business operations in Ireland. Corporate disclosure practices of the companies were assessed based on four dimensions:

- > Anti-corruption and anti-bribery policies
- > Disclosure of company structures and key financial information on a country-by-country basis (organisational and financial transparency)
- > Responsible political engagement policies, and
- > Whistleblowing frameworks

These dimensions are fundamental to corporate transparency and contribute to countering corruption. The disclosure of a company's unambiguous and public commitment to a robust anti-corruption programme has a positive impact on its existing and prospective employees.<sup>1</sup> Anti-corruption and anti-bribery programmes should also be informed by risk assessments taking into account the specific risk profile of the company based on the size, industry and jurisdiction in which it operates. The OECD's Good Practice Guidance recommends that conducting a risk assessment is an essential first step in developing an anti-corruption compliance programme.<sup>2</sup>

Once identified, bribery and corruption risks can be partly addressed through a comprehensive anti-corruption programme that is applied to the whole organisation, fully implemented, and reviewed on a continual basis by relevant compliance bodies within the company.





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Those risks can also be mitigated by investing in transparent organisational structures that enable stakeholders to understand the relationships between parent companies and subsidiaries, as well as their respective ownership shares and countries of operation. Similarly, detailed information on a country-by-country basis exposes companies to more meaningful public scrutiny over key financial performance data (including revenues, capital expenditures and corporate taxes) and enables civil society organisations, analysts and the public to trace a company's contribution to a country's economy.

In addition, responsible political engagement is necessary to prevent companies from gaining an unfair advantage over their competitors using opaque financial contributions or unethical personal connections with political organisations and decisionmakers. Finally, comprehensive whistleblowing frameworks are critical to encouraging employees to speak up about wrongdoing within companies and fostering a corporate culture that embeds compliance and accountability within the organisation.



**Detailed information on a country-by-country basis exposes companies to more meaningful public scrutiny over key financial performance data (including revenues, capital expenditures and corporate taxes) and enables civil society organisations, analysts and the public to trace a company's contribution to a country's economy.**

# CORPORATE TRANSPARENCY AND CORRUPTION IN IRELAND

Corruption and bribery remain a serious problem around the world. According to the Secretary General of the United Nations, the global annual cost of corruption in the form of bribes and stolen money is US\$3.6 trillion or more than 5% of global gross domestic product (GDP).<sup>3</sup> World Bank studies have found that corruption not only makes a country less attractive for foreign investment but also distorts competition within domestic markets. In addition, corrupt practices - often involving business representatives and public officials - can weaken the rule of law and lead to state capture.<sup>4</sup>

Numerous international anti-corruption instruments have been designed to combat corruption, including the United Nations Convention against Corruption (2003), OECD Anti-Bribery Convention (1997), and the Council of Europe Criminal Law Convention on Corruption (1999). Ireland has ratified all three international corruption conventions.<sup>5</sup>

Ireland is perceived to be an average performer in relation to other high-income countries on the Corruption Perceptions Index with a score of 72 out of 100 in 2020.<sup>6</sup> Based on surveys of business leaders and experts, Ireland is also widely recognised as an open and low-risk economy and is considered to be in the top tier in the doing business and global competitiveness surveys.<sup>7</sup>

Improvements to Ireland's laws and institutional safeguards against corruption have often been made in response to external pressure from international bodies such as the OECD or the Council of Europe's Group of States against Corruption (GRECO).<sup>8</sup> Another key factor in shaping Ireland's integrity system has been pressure resulting from political crises. For example, the financial crisis of 2008 coupled with the alarming findings of corruption by the Moriarty and Mahon Tribunals also contributed to reforms to Ireland's legal framework.<sup>9</sup>

These reforms included the Criminal Justice (Corruption Offences) Act 2018 (CJA 2018) which created new offences triggering corporate liability in cases when an officer, employee, agent or subsidiary commits an offence with the intention of benefiting the company.<sup>10</sup>

The Protected Disclosures Act 2014 created extensive employment protections and legal immunities for those reporting wrongdoing. These protections were also made available to categories of workers other than employees and former employees across the public and private sectors.<sup>11</sup> In addition, the Regulation of Lobbying Act 2015 sets out mandatory registration and disclosure requirements for any business with more than ten employees.<sup>12</sup> These legal changes should also go some way to encourage companies to adopt internal controls or measures aimed at stopping corruption or the exertion of unethical political influence. For example, companies can now defend themselves when faced with prosecution for corruption-related offences by showing that they had adequate procedures in place designed to prevent corruption.<sup>13</sup>

Despite Ireland's relatively strong legal and institutional frameworks, previous research by international and national organisations in 2019 found that Irish companies still face corruption risks arising from, *inter alia*, failures to disclose conflicts of interest, trading in influence, leaking confidential information on company activities or insider dealing.<sup>14</sup> They also found that a worryingly high proportion of Irish-based business executives were prepared to engage in either illegal or highly unethical conduct – such as gift-giving – to win or retain business.<sup>15</sup> These findings suggest that Irish companies should not only implement internal controls but also collect data on and monitor employee attitudes to related misconduct, which can shape the design of those controls.



# RATIONALE AND AIMS

**Although awareness of the importance of compliance programmes is increasing internationally, many companies face challenges in establishing a risk-based anti-corruption system that is not merely a tick-box exercise.<sup>16</sup>**

An OECD study published in 2020 found that companies adopt comprehensive risk-based compliance programmes for the following reasons:

- > Enforcement action against the company or other competitors;
- > Intrinsic motivations arising out of the company's culture or the values of key leaders;
- > Customer or investor influence;
- > Incentives created by legal changes in the company's home country; and
- > Changes in company business activities.

International experience shows that companies with effective corruption risk management frameworks are more likely to detect and effectively address corruption-related incidents and mitigate associated reputational, financial and legal risks too.<sup>17</sup> A well-developed and transparent compliance programme also serves to bridge the gap between a company's public commitments and practice.

This study assessed the transparency of corporate reporting by 30 companies domiciled or having significant operations in Ireland. It aims to better understand the extent to which companies had in place measures to prevent and detect bribery and other forms of corruption in their business activities. Accordingly, the principal outputs of this report are:

- > An overall index of companies, where the results for the four dimensions are aggregated;
- > Four separate company rankings, one for each dimension; and
- > A set of recommendations for improving disclosure practices under each dimension.

This report's ultimate aim is to provide the private sector in Ireland with an overview of what some of its leading companies are doing to counter the risk of bribery, corruption and related misconduct. While the corporate disclosure practices assessed in this report might not reflect companies' actual performance in addressing corruption and are in no way a measure of the level of corporate corruption, they help us understand their preparedness in addressing wrongdoing if or when it occurs.



**International experience shows that companies with effective corruption risk management frameworks are more likely to detect and effectively address corruption-related incidents and mitigate associated reputational, financial and legal risks too.**

# METHODOLOGY

**The methodology of this NII - Private Sector study builds on TI's ongoing work in combating corruption in the private sector and publications based on TI's Transparency in Corporate Reporting (TRAC) standard methodology and adapts it to the Irish context.**

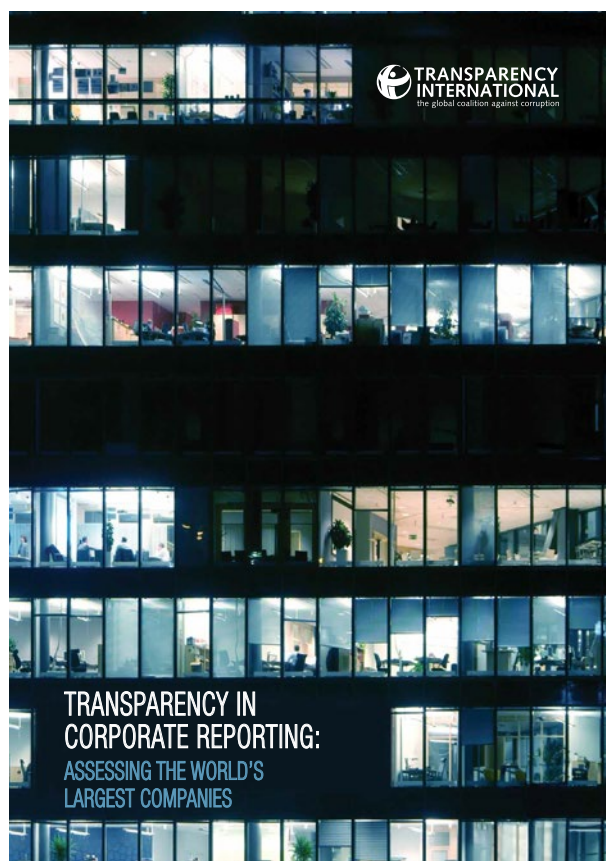
The Private Sector study evaluates proactive corporate reporting across four main dimensions:

- > Transparency of anti-corruption and anti-bribery programmes,
- > Organisational transparency (subsidiaries, ownership and country-by-country reporting),
- > Responsible political engagement (lobbying, disclosure of political contributions), and
- > Whistleblowing frameworks (speak up policies and procedures).

Thirty companies were chosen from the 2019 Irish Times' list of the top 1000 companies in Ireland ([www.top1000.ie](http://www.top1000.ie)). The sample includes companies that are domiciled or have significant operations in Ireland from eight industries. The list includes some of the largest and most successful Irish companies as well as multi-national corporations, which are included in the study based on the number of employees in Ireland in 2019.

The study was based on information made publicly accessible by the companies, for example on their websites and/or in their annual financial statements. TI Ireland chose companies' websites as the primary source for the data collection because this is the most visible and accessible way to communicate their commitment to counter corruption and bribery. Research was conducted by TI Ireland researchers from May to September 2020. Online data collection took place from 1 June to 31 July 2020. Under each indicator, companies could receive a maximum of one point. The maximum available points for the 30 indicators designed for this study was 30. None of the companies achieved 100% of the available points.

Preliminary scores were provided to companies for feedback on 5 August 2020. All companies were initially given two weeks (from 5 August 2020 to 23 August 2020) to request clarification, provide feedback or submit evidence of the existence of policies and procedures that were not publicly disclosed on the company website by 31 July 2020. In response to requests by various companies, the deadline for the companies' feedback was extended to 11 September 2020.



Transparency International's *Transparency in Corporate Reporting* report

Due to Covid-19 restrictions on large gatherings, TI Ireland invited all companies to a Zoom Workshop to discuss preliminary findings and various matters related to the study on 2 September 2020. The Zoom workshop was attended by 12 participants from eight companies. It was noted that most companies have additional policies and procedures that are not publicly accessible.

Based on companies' submissions and an audit of all scores, a revised scorecard was sent to each company on 21 April 2021, with any further observations or relevant submissions accepted up to 12 May 2021. Any additional information relevant to this study that may have been made public by companies on their website after the original research period has been excluded from this research but will be considered in any subsequent update.<sup>18</sup>

It should be emphasised that the primary objective was to shed light on what the companies were disclosing online and not how the companies were implementing the provisions of their relevant policies and procedures. To this end, the TI Ireland research team did not investigate the truthfulness or completeness of the publicly available information and did not make any judgement about the integrity of the information or practices disclosed. Such an assessment would require a much more detailed analysis based on, *inter alia*, interviews with directors, senior management, employees, suppliers, and business partners. Such an analysis was not within the scope of this study. For more details on the methodology designed by TI and how it was adapted by TI Ireland for this study, see the Methodological Note in Annex I and other TI international reports.<sup>19</sup> A copy of the questionnaire upon which the gathering of information was based together with identified good practices for each indicator can be found in Annex II.



**It should be emphasised that the primary objective was to shed light on what the companies were disclosing online and not how the companies were implementing the provisions of their relevant policies and procedures.**

# REPORT OVERVIEW

## OVERALL RESULTS

**0/30**

companies achieved 30 points, the maximum number available for all four dimensions.

**9/30**

companies scored between 60 and 70% of the points available.

**9/30**

companies scored under 50% of the points available.

## ANTI-CORRUPTION

**10/30**

companies achieved the maximum ten points available on the anti-corruption dimension.

**2/30**

companies did not disclose any information on this dimension and received zero points.

**26/30**

companies had published details of their anti-corruption and anti-bribery programmes online.

## ORGANISATIONAL TRANSPARENCY

**0/30**

companies achieved the maximum eight points available for organisational transparency.

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**1/30**

companies did not disclose any information on this dimension and received zero points.

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**5/30**

companies disclosed country-by-country breakdowns of aspects of financial reporting including revenue, capital expenditure and corporate taxes.

## RESPONSIBLE POLITICAL ENGAGEMENT

**0/30**

companies achieved the maximum seven points available on this dimension.

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**3/30**

companies did not disclose any information on this dimension.

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**26/30**

companies did not disclose rules or policies on managing the 'revolving door' movement of directors and senior members of staff to and from public sector positions.

## WHISTLEBLOWING PROCEDURES

**0/30**

companies achieved the maximum five points available on this dimension.

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**3/30**

companies did not disclose any information on this dimension and received zero points.

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**5/30**

companies publicly disclosed data on the number of whistleblowing reports received and actions undertaken in response to them.



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# SUMMARY OF RESULTS

**AIB Group tops the NII - Private Sector index for 2020, on 20.5 points out of 30 available overall, followed by DCC on 19 out of 30. Five companies share the third-highest overall score: Bank of Ireland Group, Irish Life, Kerry Group, Trane Technologies and Tullow Oil, each having scored 18.5 of the 30 points available.**

Ten companies scored full marks in the Anti-Corruption category, but no company received full points in any of the remaining three categories. The second strongest category was Whistleblowing, where the top-performing companies – AIB Group and DCC – scored 90% of the available points and almost half of the companies assessed scored more than 60%.

The Organisational Transparency and Political Engagement categories, with mean scores of 35% and 26% respectively, showed the greatest room for improvement. However, certain companies achieved high scores for Organisational Transparency, with Applegreen on 88%, The Irish Times DAC on 75%, and Permanent TSB on 69% topping this category. The highest score achieved in the Political Engagement category was 57% (Pfizer and Facebook).

The results show that although generally strong in disclosure of anti-corruption and whistleblowing policies, companies had disclosed relatively little detail on their corporate structures and political engagement, and had room for improvement in public disclosure of financial reporting.



**Companies had disclosed relatively little detail on their corporate structures and political engagement and had room for improvement in their financial reporting.**

TABLE 1. OVERALL RESULTS

RANK	COMPANY	SCORE/30	%
1	AIB Group plc	20.5	68%
2	DCC plc	19.0	63%
3	Bank of Ireland Group plc	18.5	62%
3	Irish Life Group Ltd.	18.5	62%
3	Kerry Group plc	18.5	62%
3	Trane Technologies plc	18.5	62%
3	Tullow Oil plc	18.5	62%
8	CRH plc	18.0	60%
8	MSD Ireland Ltd.	18.0	60%
10	Aer Lingus Ltd.	17.5	58%
10	Intel Corporation	17.5	58%
10	Pfizer Inc.	17.5	58%
10	Ryanair Holdings plc	17.5	58%
14	Applegreen Ltd.	17.0	57%
14	Grafton Group plc	17.0	57%
14	Microsoft Ltd.	17.0	57%
17	Greencore Group plc	16.5	55%
18	LinkedIn Ireland ulc	16.0	53%
18	Permanent TSB Group Holdings plc	16.0	53%
18	Perrigo Company plc	16.0	53%
21	Kingspan Group plc	15.5	52%
22	Facebook Ireland Ltd.	14.5	48%
23	Allergan plc	14.0	47%
23	Apple Inc.	14.0	47%
25	Google Ireland Ltd.	13.0	43%
26	Mediahuis (previously Independent News & Media Group Limited)	12.5	42%
27	Circle K Ireland Ltd.	12.0	40%
28	The Irish Times DAC*	6.5	27%
29	Dawn Meats ulc	2.5	8%
30	CityJet DAC	0.0	0%

\*The Irish Times DAC confirmed that it is not engaged in any corporate political activities that would require it to meet the criteria of six of the seven indicators in the Responsible Political Engagement category and has therefore been scored out of 24 rather than 30 overall.

TABLE 2. AVERAGE SCORE IN EACH DIMENSION

DIMENSION/VARIABLE	AVERAGE SCORE	AVERAGE PERCENTAGE
<b>Anti-Corruption (10 indicators)</b>	8	80
<b>Organisational Transparency (8 indicators)</b>	2.8	35
<b>Responsible Political Engagement (7 indicators)</b>	1.8	26
<b>Whistleblowing (5 indicators)</b>	2.7	54

## ANTI-CORRUPTION AND ANTI-BRIBERY POLICIES AND PROCEDURES

Full and transparent disclosure of a company's anti-corruption programme demonstrates a commitment to countering bribery and corruption within or by companies. A clear signal from senior management and the Board of Directors also has a positive impact on employees' attitudes and promotes a culture of zero tolerance of any form of wrongdoing.<sup>21</sup> In addition, corporate transparency regarding anti-corruption programmes is key to building and maintaining public trust and consumer loyalty.<sup>22</sup>

The first dimension included ten questions about corporate anti-bribery and anti-corruption policies and procedures. The ten questions were derived from the UN Global Compact Reporting Guidance on the 10th Principle Against Corruption,<sup>23</sup> Transparency

International Reporting Guidance on the 10th Principle against Corruption,<sup>24</sup> and TI UK's Open Business: Principles and Guidance for Anti-Corruption Corporate Transparency.<sup>25</sup> Questions focused on the disclosure of companies' anti-bribery and anti-corruption (ABAC) policies and procedures such as: whether companies require compliance by all directors, employees and contractors; whether the policies and procedures are continuously monitored and reviewed by responsible corporate bodies; and whether companies offer training to all directors and employees to counter corruption and bribery. Gifts, entertainment and hospitality and conflict of interest policies and procedures were also assessed. Each question has the same weight of one available point. The maximum score that any company could receive in this dimension was ten points.

TABLE 3. ANTI-CORRUPTION RANKING

RANK	COMPANY	SCORE/10	%
1	AIB Group plc	10	100%
1	CRH plc	10	100%
1	DCC plc	10	100%
1	Grafton Group plc	10	100%
1	Kingspan Group plc	10	100%
1	LinkedIn Ireland ulc	10	100%
1	Microsoft Ltd.	10	100%
1	Ryanair Holdings plc	10	100%
1	Trane Technologies plc	10	100%
1	Tullow Oil plc	10	100%
11	Allergan plc	9.5	95%
11	Irish Life Group Ltd.	9.5	95%
13	Aer Lingus Ltd.	9	90%
13	Greencore Group plc	9	90%
13	Intel Corporation	9	90%
16	Bank of Ireland Group plc	8.5	85%
16	Kerry Group plc	8.5	85%
16	MSD Ireland Ltd.	8.5	85%
16	Perrigo Company plc	8.5	85%
16	Pfizer Inc.	8.5	85%
21	Apple Inc.	8	80%
22	Permanent TSB Group Holdings plc	7.5	75%
23	Applegreen Ltd.	7	70%
23	Circle K Ireland Ltd.	7	70%
23	Facebook Ireland Ltd.	7	70%
23	Google Ireland Ltd.	7	70%
27	Mediahuis (previously Independent News & Media Group Limited)	5	50%
28	Dawn Meats ulc	2	20%
30	CityJet DAC	0	0%
30	The Irish Times DAC	0	0%

Assessed companies generally performed well on this dimension, which evaluates the disclosure practices of their ABAC policies. Ten companies were fully compliant with the ten indicators under this dimension. These top performers include a number of Irish companies (albeit in some cases with extensive foreign operations) such as AIB, CRH, DCC, Grafton Group, Kingspan, and Ryanair. Tullow Oil, Trane Technologies, and Microsoft and its subsidiary LinkedIn also scored 100% on this dimension. Half of the companies (15) scored 90% or more on this dimension. Six additional companies also performed relatively well on this dimension scoring 80% or more. As noted in table 3, 20 companies can be considered high performers, having achieved scores between 85% and 100% for this dimension.

Despite these positive results, fewer than half of the companies assessed (14) had published separate risk-based anti-bribery and anti-corruption policies on their websites. Several companies did not publish such policies online even though they had extensive provisions to counter corruption in their codes of conduct, which justified receiving points under this heading. In addition, a number of companies did not disclose how their boards and board committees review implementation of their ABAC programmes.

Companies also needed to do more to disclose policies and procedures on gifts, hospitality and expenses, and conflicts of interest. While many companies were awarded points for including provisions on these items in their respective codes of conduct or anti-bribery policies, only AIB had published a distinct policy dealing with conflicts of interest at the time this research was conducted.

Overall, the average performance for this dimension was 80% which reflects well on Irish-based companies compared to companies assessed by TI chapters in other jurisdictions. By way of comparison, Netherlands-based companies achieved an average score of 86% under this dimension,<sup>26</sup> whereas companies based in Sweden (70%),<sup>27</sup> Hungary (45%),<sup>28</sup> Belgium (27%),<sup>29</sup> Ukraine (20%)<sup>30</sup> and Vietnam (10%)<sup>31</sup> performed poorly compared to their Irish-based counterparts. That said, and although this research identified good practices in the disclosure of anti-corruption policies, performance among companies was uneven.



**Disclosing information on this range of activities can help stakeholders understand the degree to which the parent company is committed to transparency throughout its operations and prepared to address corruption-related risks.**



## ORGANISATIONAL TRANSPARENCY AND COUNTRY-BY-COUNTRY REPORTING

Irish and multinational companies assessed in this study have subsidiaries and affiliates in countries where they exercise varying degrees of control based on their level of ownership. Comparative research conducted by TI and others has shown that often parent companies may use subsidiaries registered in offshore jurisdictions to benefit from the secrecy these jurisdictions offer. The more opaque and complex the organisational structure, the easier it is for companies to avoid accountability in their operations. Organisational transparency also helps stakeholders – including investors and regulatory authorities – to gain important insights into the company's holdings, interests and activities so that they can judge for themselves whether the company is living up to the standards expected of it.

Each subsidiary may have extensive operations realising capital expenditures, paying corporate taxes, and making charitable donations or community contributions in the jurisdictions where they operate. Disclosing information on this range of activities can help stakeholders understand the degree to which the parent company is committed to transparency throughout its operations and prepared to address corruption-related risks. In addition, country-by-country reporting provides investors with more comprehensive financial information about companies and helps them assess possible investment risks more effectively.

The Organisational Transparency dimension of this study draws from TI's Transparency in Corporate Reporting (TRAC) studies' methodology which assesses, *inter alia*, the disclosure of companies' fully consolidated and non-fully consolidated subsidiaries as well as key information on financial performance and community contributions in all the countries where they operate. Organisational transparency requires companies to disclose a full list with the names, ownership percentages, country of incorporation, and countries of operation of each entity. In addition, it requires country-by-country reporting of annual revenues, capital expenditures, corporate taxes, and community contributions. This information can promote accountability in all the countries in which the company operates and help stakeholders to evaluate the performance of each subsidiary.

Ideally, anyone should be able to access complete information on the company name, ownership percentages, places of incorporation and operation and the list of subsidiaries and the type of business a company is engaged in on the company's official website. Similarly, publicly available information on the revenues companies generate and the taxes they pay in each jurisdiction helps the public understand companies' economic contribution to the societies in which they operate.

**TABLE 4. ORGANISATIONAL STRUCTURES TRANSPARENCY RANKING**

<b>RANK</b>	<b>COMPANY</b>	<b>SCORE/8</b>	<b>%</b>
<b>1</b>	Applegreen Ltd.	7	<b>88%</b>
<b>2</b>	The Irish Times DAC	6	<b>75%</b>
<b>3</b>	Permanent TSB Group Holdings plc	5.5	<b>69%</b>
<b>4</b>	Aer Lingus Ltd.	4.5	<b>56%</b>
<b>5</b>	Greencore Group plc	4	<b>50%</b>
<b>5</b>	Irish Life Group Ltd.	4	<b>50%</b>
<b>5</b>	Trane Technologies plc	4	<b>50%</b>
<b>8</b>	Bank of Ireland Group plc	3.5	<b>44%</b>
<b>8</b>	CRH plc	3.5	<b>44%</b>
<b>8</b>	DCC plc	3.5	<b>44%</b>
<b>8</b>	Grafton Group plc	3.5	<b>44%</b>
<b>8</b>	Kerry Group plc	3.5	<b>44%</b>
<b>8</b>	Perrigo Company plc	3.5	<b>44%</b>
<b>14</b>	AIB Group plc	3	<b>38%</b>
<b>15</b>	Intel Corporation	2.5	<b>31%</b>
<b>15</b>	Kingspan Group plc	2.5	<b>31%</b>
<b>15</b>	Mediahuis (previously Independent News & Media Group Limited)	2.5	<b>31%</b>
<b>15</b>	Ryanair Holdings plc	2.5	<b>31%</b>
<b>15</b>	Tullow Oil plc	2.5	<b>31%</b>
<b>20</b>	Microsoft Ltd.	2	<b>25%</b>
<b>20</b>	MSD Ireland Ltd.	2	<b>25%</b>
<b>20</b>	Pfizer Inc.	2	<b>25%</b>
<b>23</b>	Allergan plc	1	<b>13%</b>
<b>23</b>	Apple Inc.	1	<b>13%</b>
<b>23</b>	Facebook Ireland Ltd.	1	<b>13%</b>
<b>23</b>	Google Ireland Ltd.	1	<b>13%</b>
<b>27</b>	Circle K Ireland Ltd.	0.5	<b>6%</b>
<b>27</b>	Dawn Meats ulc	0.5	<b>6%</b>
<b>27</b>	LinkedIn Ireland ulc	0.5	<b>6%</b>
<b>30</b>	CityJet DAC	0	<b>0%</b>

Of the 30 companies assessed, none disclosed full information on their organisational structures and country-by-country financial reporting. In total, 26 companies disclosed some information on their subsidiaries but of these only five disclosed some aspect(s) of financial reporting on a full country-by-country basis. 26 companies scored 50% or fewer of the points available for this category, of which eight scored one point or less (including one that scored zero, having disclosed no information relevant to the criteria).

## RESPONSIBLE POLITICAL ENGAGEMENT POLICIES AND PROCEDURES

While corporate political engagement is a legitimate activity, it also carries clear risks of undue influence over public policy and corruption. Companies can demonstrate their commitment to responsible political engagement by adopting policies and procedures that guide and set clear expectations of their staff and agents when engaging with policy makers and helping the public understand whether they are meeting relevant norms and standards.

This dimension assessed various aspects of a company's policies and procedures for responsible political engagement. Responsible political engagement includes seven indicators with a weight of one point each. The total number of points available to any company is seven. These indicators examine whether the company disclosed a policy on responsible political engagement; published its lobbying positions; disclosed any political contributions; required adherence to responsible political engagement standards by its staff; offered or provided for training on its policy; and had any policy governing the movement of directors and senior staff to and from the public sector.

TI Ireland has provided guidance to help companies address these risks and to engage ethically with public officials. Two TI Ireland publications, namely *Responsible Lobbying in Europe*<sup>33</sup> and the *Responsible Lobbying Guide*<sup>34</sup> are also aimed at promoting responsible corporate lobbying and ethical advocacy. In addition, TI UK's Political Engagement Index of 2018 rates private sector political transparency across a range of themes including control environment, political contributions, revolving doors and transparency.<sup>35</sup>

TABLE 5. RESPONSIBLE POLITICAL ENGAGEMENT RANKING

RANK	COMPANY	SCORE/7	%
1	Facebook Ireland Ltd.	4	57%
1	Pfizer Inc.	4	57%
3	MSD Ireland Ltd.	3.5	50%
3	The Irish Times DAC*	0.5	50%
5	AIB Group plc	3	43%
5	Apple Inc.	3	43%
5	Google Ireland Ltd.	3	43%
5	Tullow Oil plc	3	43%
9	Bank of Ireland Group plc	2.5	36%
9	Intel Corporation	2.5	36%
9	Kerry Group plc	2.5	36%
9	LinkedIn Ireland ulc	2.5	36%
9	Mediahuis (previously Independent News & Media Group Limited)	2.5	36%
9	Microsoft Ltd.	2.5	36%
15	Circle K Ireland Ltd.	2	29%
15	Irish Life Group Ltd.	2	29%
15	Ryanair Holdings plc	2	29%
18	Aer Lingus Ltd.	1.5	21%
19	Allergan plc	1	14%
19	DCC plc	1	14%
19	Grafton Group plc	1	14%
19	Greencore Group plc	1	14%
19	Kingspan Group plc	1	14%
19	Perrigo Company plc	1	14%
19	Trane Technologies plc	1	14%
26	Applegreen Ltd.	0.5	7%
26	CRH plc	0.5	7%
30	CityJet DAC	0	0%
30	Dawn Meats ulc	0	0%
30	Permanent TSB Group Holdings plc	0	0%

\*The Irish Times DAC confirmed that it is not engaged in any corporate political activities that would require it to meet the criteria of six of the seven indicators in the Responsible Political Engagement category and has therefore been scored out of 1 rather than 7 in this category.

It is important to note that the majority of companies did not disclose a policy on responsible political engagement on their website. The highest score achieved on this dimension was 57%, by Pfizer and Facebook and 28 of the 30 companies scored fewer than 50% of the points available. Three companies did not disclose any information relevant to this dimension and received zero points. The average score for this dimension was 1.8 out of seven points or 26% of the available points, which is also the lowest score relative to other three dimensions assessed.

Disclosure of lobbying positions on topics in which companies have a commercial interest was also poor. In total, 17 companies did not disclose information on the policy areas or public interest matters on which they engage with government or public officials.

The lowest scored indicator in the study overall related to the disclosure of policies and procedures managing 'revolving door' movements and any 'cooling-off' periods for directors and staff moving to and from positions in the public sector. Most companies (28 out of 30) did not publish rules or policies dealing with 'revolving doors'.

## WHISTLEBLOWING POLICIES AND PROCEDURES

The study also assessed whether companies publicly disclosed a policy and procedures to promote whistleblowing without fear of reprisal. TI defines whistleblowing as 'the disclosure of information related to corrupt, illegal, fraudulent or hazardous activities being committed in or by public or private sector organisations – which are of concern to or threaten the public interest – to individuals or entities believed to be able to effect action'.<sup>37</sup> Whistleblowers are invaluable in exposing corruption, fraud and mismanagement, but blowing the whistle often carries personal and professional risks for the whistleblower.

Corporate policies on whistleblowing should empower staff to speak up about a range of concerns, including legal or ethical misconduct. Good international practices suggest that encouraging an anti-corruption culture requires companies to offer robust protection from any reprisal for speaking up.<sup>38</sup> To this end, companies should adopt clear procedures for whistleblowing and create accessible and reliable channels to report wrongdoing and to encourage whistleblowers to report wrongdoing internally. In addition, companies must not only offer mechanisms for disclosures but also demonstrate their willingness to act upon whistleblowing reports and undertake remedial action to prevent future wrongdoing.

An effective whistleblowing policy should, *inter alia*, include assurances that whistleblowers will not suffer penalisation of any kind as a result of raising concerns in the workplace and that action will be taken in response to those concerns where possible, as well as information on whistleblowers' rights and responsibilities consistent with Irish law. The indicators in this category assessed the effectiveness of companies' policies and procedures in place to receive whistleblowing reports from employees; how proactive companies were in encouraging their staff to report concerns; and the level of protection available to workers when doing so. The total number of indicators in this category is five.



TABLE 6. WHISTLEBLOWING RANKING

RANK	COMPANY	SCORE/5	%
1	AIB Group plc	4.5	90%
1	DCC plc	4.5	90%
3	Bank of Ireland Group plc	4	80%
3	CRH plc	4	80%
3	Kerry Group plc	4	80%
3	MSD Ireland Ltd.	4	80%
7	Intel Corporation	3.5	70%
7	Trane Technologies plc	3.5	70%
9	Irish Life Group Ltd.	3	60%
9	LinkedIn Ireland ulc	3	60%
9	Permanent TSB Group Holdings plc	3	60%
9	Perrigo Company plc	3	60%
9	Pfizer Inc.	3	60%
9	Ryanair Holdings plc	3	60%
9	Tullow Oil plc	3	60%
16	Aer Lingus Ltd.	2.5	50%
16	Allergan plc	2.5	50%
16	Applegreen Ltd.	2.5	50%
16	Circle K Ireland Ltd.	2.5	50%
16	Facebook Ireland Ltd.	2.5	50%
16	Grafton Group plc	2.5	50%
16	Greencore Group plc	2.5	50%
16	Mediahuis (previously Independent News & Media Group Limited)	2.5	50%
16	Microsoft Ltd.	2.5	50%
25	Apple Inc.	2	40%
25	Google Ireland Ltd.	2	40%
25	Kingspan Group plc	2	40%
30	CityJet DAC	0	0%
30	Dawn Meats ulc	0	0%
30	The Irish Times DAC	0	0%

No company achieved the maximum five points available on this dimension but AIB Group and DCC each scored 4.5. Three companies did not share information regarding any of the indicators included in this category and received no points. The average number of points under this dimension was 2.7 or 54% of the available points. Although most companies had provisions in their Codes of Conduct or similar on speaking up or whistleblowing policies, only three companies published a distinct whistleblowing policy that was considered by TI Ireland to be fully compliant with Irish legislation on their website (AIB, Kerry Group, and Perrigo). In total, six companies published or shared enough information on whistleblowing in a code of conduct or code of ethics to receive a full point for this indicator.

While most companies offered information on their internal and external reporting channels, it is important to note that several companies referred to 'good faith reporting' in their policies. The use of the term 'good faith' can be conflated with the motivation of

a whistleblower and there is no reference to the term in the Protected Disclosures Act 2014.<sup>39</sup> Indeed, section 5.7 of the Act states that the motivation of the whistleblower 'is irrelevant' as to whether or not the whistleblower enjoys legal protections under the Act.<sup>40</sup> Accordingly, companies should consider removing the term 'good faith' from their whistleblowing policies and clarify that workers are entitled to legal protection regardless of their motivation for speaking up.

There was also more to be done to share anonymised whistleblowing data, as well as information about the outcome of whistleblowing reports. Overall, nine companies did not disclose any information on how they record and share anonymised data on the number of whistleblowing reports received or the action undertaken in response to such reports. Similarly, almost a third of the companies surveyed disclosed incomplete or no information on the whistleblowing training programmes available to staff handling disclosures.

# RECOMMENDATIONS

Overall, the results of the National Integrity Index - Private Sector Study for 2020 are positive but there remains much to be done to promote transparency and address corruption-related risks among Irish-based companies. In general, companies should:

- + Enhance online disclosure practices;
- + Increase levels of transparency surrounding organisational structures and financial information on a country-by-country basis;
- + Disclose details of the charitable donations and community contributions made in each country in which companies operate;
- + Adopt and disclose policies and procedures on responsible political engagement, the category with the lowest average score;
- + Review whistleblowing policies for compliance with the Protected Disclosures Act 2014 and Protected Disclosures (Amendment) Bill 2021; and
- + Share more information on the type and number of whistleblowing reports received and actions taken in response to them, while paying due regard to data protection and privacy issues.

These recommendations, aimed at improving company performance across the four categories, are expanded upon below. We hope that they will go some way to helping companies reduce the risk of corruption and other wrongdoing, and that companies will find this study useful in improving their transparency reporting. If funding allows, TI Ireland intends to conduct further assessments of corporate disclosure practices on a biannual basis so that surveyed companies and their stakeholders can monitor their progress.

## ANTI-CORRUPTION AND ANTI-BRIBERY

### 1. Enhance online disclosure practices on all elements of the compliance programme

Although most companies had comprehensive information on their commitments to stop corruption and promote whistleblowing, many of the sampled firms only made those policies available on the company's intranet. While sufficient information was gathered to conclude that many companies appeared to have much more comprehensive internal compliance programmes, it is not clear why these policies and procedures cannot be made publicly available.

TI Ireland believes that in addition to building stakeholder trust, the adoption and public disclosure of a range of measures aimed at promoting transparency, accountability and integrity will also reduce the likelihood of criminal prosecution and legal liability for any misconduct. TI Ireland encourages companies to publicly share the following policies through their websites:

- > Code of Conduct
- > Anti-Corruption and Anti-Bribery Policy
- > Gifts, Expenses and Entertainment Policy
- > Conflict of Interest Policy
- > Third Party/Supplier Due Diligence Policy
- > Charitable Donations and Community Contributions Policy
- > Responsible Political Engagement/Lobbying Policy
- > Statement of Political Neutrality
- > Whistleblowing/Protected Disclosures Policy

Through written communication with TI Ireland, several companies claimed that they are hesitant to share all policies and procedures publicly due to concerns that other companies will copy and adopt them as their own. Even if other companies borrow all or some aspects of the policies and procedures applied by other companies, this is a measure of the quality and strength of a company's compliance programme. Peer-to-peer learning for the purpose of improving compliance programmes should override any fears companies have about any competitive disadvantage. Instead, a company should view having a robust programme to protect it and the public against corruption as a commercial but publicly available asset, and one that sends a clear message to its stakeholders about its commitment to transparency and integrity.

### 2. Share more information on ongoing monitoring and review of anti-corruption policies

TI Ireland also found that where companies disclosed their anti-corruption policies and procedures online, many of the reviewed policies were more than five years old and there was little evidence that companies were conducting ongoing risk assessments or reviewing their compliance programmes. Risk assessments should be performed, at a minimum, on an annual basis and policies and procedures updated periodically to respond to emerging risks and trends. The OECD's Good Practice Guidance, for example, recommends that companies engage in 'periodic reviews of the ethics and compliance programmes or measures, designed to evaluate and improve their effectiveness in preventing and detecting foreign bribery, taking into account relevant developments in the field, and evolving international and industry standards'.<sup>41</sup>

### 3. Adopt and disclose third party/supplier due diligence procedures

Many Irish businesses operate in high-risk jurisdictions where companies may be exposed to criminal liability arising from the conduct of third parties such as suppliers, sub-contractors and agents. Section 18 (1) and (2) of Criminal Justice (Corruption Offences) Act 2018 makes it clear that companies are still liable for prosecution if they have not taken reasonable steps and exercised all due diligence to avoid the commission of the offence by third parties on their behalf. Although most of the companies assessed here applied their anti-corruption commitments to third parties engaged in business activities, few had extensive policies and procedures on how third parties are vetted and regularly assessed for compliance purposes. Companies such as Bank of Ireland, Kerry Group and CRH have adopted third party codes of conduct that deal with such risks. In addition to adopting and publishing third-party codes and accompanying third-party due diligence procedures, companies should also publish information on the actions taken by their respective boards of directors to monitor the implementation of these procedures and review them when deemed necessary.

## ORGANISATIONAL TRANSPARENCY

### 4. Disclose information on subsidiaries and financial information on a country-by-country basis

Many companies assessed here disclosed only partial information on their fully and non-fully consolidated subsidiaries, and many did not disclose important information on shareholdings, revenues, taxes and expenditures in Ireland or other countries in which they operate. Several companies like CRH, Kerry Group and Kingspan, which have published extensive financial data on operations and interests overseas, have only reported on a regional (i.e. North America, Europe, Latin America) rather than on a country-by-country basis.

The significant presence of multi-national companies in Ireland, and large number of Irish companies with extensive foreign operations, underlines the need for them to publish information on a country-by-country basis. Such information will enable stakeholders to monitor adequately a company's activities in all countries where it operates. Companies are advised to publish lists of subsidiaries, affiliates, joint ventures, and other forms of company holdings without compromising their commercial confidentiality.

### 5. Disclose policies and full information on charitable donations and community contributions on a country-by-country basis

While investing in the communities in which companies operate is an important aspect of corporate responsibility, there is a risk that some companies may use donations and other contributions (such as community investment projects) as a way of disguising illegal payments and gaining an undue advantage against competitors. This practice is especially problematic for companies operating in high-risk countries where oversight mechanisms are weak but also in high-income countries with an unregulated charity sector. According to TI's Guideline 5.4 of the Business Principles for Countering Bribery, all companies should ensure that charitable contributions and sponsorships are not used to conceal bribery.

In this study, 29 companies did not fully disclose their charitable donations and community contributions made in Ireland and other countries in which they operate. This study has also found that while this information can sometimes be extracted from a company's financial statements and/or annual reports, a data table containing charitable donations and/or community contributions made on a country-by-country basis should also be clearly available for inspection on the website of the company.

While the risks of encountering corruption are perceived to be relatively low in Ireland, the fact that it is a small country with close links between business leaders, public officials and community leaders increases the likelihood of undue influence being brought to bear through these connections. Charitable donations can and have been used in some cases to unduly influence the outcome of decisions made by public officials.<sup>42</sup> Therefore, Irish companies are advised to publicly disclose all charitable contributions and sponsorships to allow for thorough scrutiny of such transactions.

## POLITICAL ENGAGEMENT

### 6. Adopt policies on responsible political engagement and revolving door movements

While corporate political engagement is a legitimate activity, it also sometimes comes with legal and reputational risks for companies. Almost all companies assessed in this report did not have a publicly available, standalone policy and procedures on responsible political engagement. Eleven companies assessed did not have provisions on corporate political engagement such as lobbying or political contributions in their codes of conduct.

Just as important is the potential damage done to public confidence in politics and government when company executives or lobbyists fail to take account of public expectations around standards in public office. This is particularly so when retiring public officials and representatives are offered roles in the private sector. Such cases highlight the need for Irish companies to avoid the appearance of impropriety arising from their engagement with public officials – even where no laws are broken.

TI Ireland found that 28 companies did not publicly disclose policies and procedures on ‘revolving doors’ or ‘cooling-off periods’ for directors and senior staff moving between the private and public sector. TI Ireland advises companies to adopt clear policies and procedures prohibiting any staff movements between public and private sectors that might undermine public confidence in government, politics and business.

## WHISTLEBLOWING POLICIES

### 7. Publish whistleblowing policies and data online

While many companies included provisions on whistleblowing in their codes of conduct, companies should adopt and disclose separate policies to encourage whistleblowing and to provide clarity and some comfort to workers who speak up about wrongdoing. The policy should, *inter alia*, include assurances that workers will not suffer penalisation of any kind as a result of raising concerns in the workplace; that action will be taken in response to those concerns where possible; information on sources of advice and support; as well as information on their legal rights and responsibilities.

Likewise, the majority of the companies assessed (25 out of 30) did not publicly share data on the number of protected disclosures made and the action taken in response to them. Public bodies have been required by law to publish such data since 2014, and the EU ‘Whistleblowing’ Directive will extend that obligation to all companies with more than 50 staff and all companies in the financial services sector from

2023. It therefore makes sense for companies to now begin integrating systems to record the number of whistleblowing reports received, and the action taken in response to them.

### 8. Review whistleblowing policies for compliance with the Protected Disclosures Act of 2014

The term ‘good faith reporting’ is sometimes used as a synonym for whistleblowing. While it is understandable that employers will expect their staff to report in ‘good faith’, this term has a strict legal meaning and is not compatible with the Protected Disclosures Act 2014. The use of the term might have been carried over from policies that predate the Protected Disclosures Act, or, in the case of multinational companies, the whistleblowing policy might be adapted from a policy agreed with their global headquarters. That notwithstanding, companies should ensure that their policies are legally compliant and remove any language that might be inconsistent with Irish law.

### 9. Implement training for relevant staff on how to handle whistleblowing reports

Only eight companies publicly indicated that they implement specific training of relevant staff on procedures for handling whistleblower reports. Companies should have training programmes in place or make them available to staff and management to familiarise them with whistleblowing law, company policy and procedures surrounding receipt, assessment and investigation of disclosures. Such training should be delivered periodically and tailored to accommodate management and staff in different functions and working environments.<sup>43</sup>

# ANNEX I

## National Integrity Index-Private Sector Report 2020 Methodological Note

### INTRODUCTION

Building on international best practices on conducting National Integrity System (NIS) assessments, TI Ireland began its 'National Integrity Index' series in 2017 to assess the level of transparency among Irish local authorities, private companies, semi-state and public bodies.

The National Integrity Index (NII) – Private Sector assessed the disclosure practices of 30 companies registered in or having significant operations in Ireland. These were selected from The Irish Times Top 1000 Companies ([www.top1000.ie](http://www.top1000.ie)), guided by the principle of diversity in order to include companies of different types of industry, manner of incorporation and size. The list includes companies from eight industries namely financial services, construction, food, pharma, transport, energy, technologies, and media. It includes 18 Irish companies (of which three have international parent companies) and 12 multinational companies that are headquartered in and/or have significant business operations in Ireland.

Research for this report was conducted by TI Ireland researchers from May to September 2020. Online data collection took place during from 1 June to 31 July 2020. The research assessed companies on the basis of a set of 30 indicators evaluating corporate reporting transparency across four dimensions: anti-corruption policies, organisational structures, political engagement, and whistleblowing. The Indicator Reference Sheet (Annex II) explains the significance of and justification for including each indicator, as well as the marking scheme.

Under each indicator, companies could receive a maximum of one point. The maximum available points for the 30 indicators designed for this study was 30 although none of the companies achieved 100% of the available points. The sum of points received was then converted to a percentage (points out of 30), rounded to the nearest whole number, and then used as the company's preliminary score.

Each company received one (1) point if the information was disclosed online by the date of the online research phase (31 July 2020) in compliance with the criteria outlined in the justification and background section of the company scorecard. The company was assigned half a point (0.5) when the information posted online by the date of the assessment was only partially compliant with the justification for the respective indicator, or when the company provided documentary evidence to TI Ireland indicating that the company did have the information required under the justification for the respective indicator but it was not shared publicly. A company was assigned zero (0) points if it did not post online the information required by the justification of the respective indicator by the dates of the assessment and failed to provide documentary evidence that it shared this information internally.

Preliminary scores were provided to companies for feedback on 5 August 2020. All companies were given five weeks (5 August through 11 September 2020) to request clarification, provide feedback or submit evidence on the existence of policies and procedures that were not publicly disclosed on the website by 31 July 2020. Based on companies' submissions and an audit of all scores, a revised scorecard was sent to each company on 21 April 2021, with any further observations or relevant submissions accepted up to 12 May 2021. Any additional information relevant to this study that may have been made public by companies on their website after the original research period has been excluded from this research.

For the 2020 report, the greatest opportunity for improvement lies in the disclosure of policies and procedures on responsible political engagement and organisational transparency. Reporting and openness do not necessarily translate into compliant corporate culture, but public commitments, openness and responsiveness can help companies become more accountable to their stakeholders. TI Ireland hopes to



publish the Private Sector Index periodically to highlight good practices of corporate reporting transparency, identify areas requiring a greater level of corporate commitment to reduce corruption-related risks and recommend measures to improve corporate frameworks against corruption and bribery.

## DEVELOPMENT OF THE METHODOLOGY

TI Ireland developed the project based on similar research carried out by TI National Chapters in other countries (examples include Belgium, Netherlands, Norway, Sweden, United Kingdom, Ukraine, and Vietnam). In adapting the indicators to the local context and ensuring they covered the issues relevant to private companies operating in Ireland, TI Ireland consulted TI International experts and examined the applicable legislation on anti-corruption,<sup>44</sup> lobbying<sup>45</sup> and protected disclosures.<sup>46</sup>

Following the completion of the online research, companies were provided with a written questionnaire on 5 August requesting that they provide answers and references to company documents, and given until 11 September 2020 to submit their responses.

Due to Covid-19 restrictions on large gatherings, TI Ireland invited all companies to a Zoom Workshop to discuss preliminary findings on 2 September 2020. The Zoom workshop was attended by 12 participants from eight companies. Several company representatives reported that although the assessment of publicly available information taken into consideration may be correct, most companies had additional policies and procedures that were not publicly accessible.

TI Ireland chose the companies' websites as the primary source for data collection because this is the most accessible means for communicating with their stakeholders on their commitment to counter corruption. Any information uploaded on the company website after the deadline was excluded from this assessment.

## STRUCTURE OF THE METHODOLOGY

Given the varying profiles, incorporation structures, size, sector and area of operation across the 30 companies, TI Ireland understands the complexity in assessing corporate transparency reporting. This methodology is based on a system of best-practice indicators, all of which Irish companies should strive to meet regardless of their annual turnover, size, industry and area of operation. The list of indicators was also informed by comparative research conducted by TI chapters internationally. The questionnaire covers a broad spectrum of issues influencing corporate transparency. It focuses on four dimensions: anti-corruption policies, operational structures, political engagement policies, and whistleblowing.

The first dimension, which assessed how companies reported 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 TI with the co-operation of a multi-stakeholder group involving business. It includes ten questions for which a score of 0, 0.5 or 1 was awarded. The maximum possible score for this dimension is ten points.

The second dimension, which focuses on organisational transparency, includes eight questions (for which a score of 0, 0.5 or 1 was awarded) that evaluated the extent to which the following data was disaggregated to the country-level: revenues, capital expenditure, tax and community/charitable contributions. The disclosure of company names, percentages owned by the parent company, countries of incorporation and countries of operations was reviewed for all such entities. The maximum possible score for this dimension is eight points.

The third dimension covering responsible political engagement includes seven questions. It evaluated the level of openness and transparency of companies' political activities, their lobbying practices and expenditures as well as adherence to political neutrality principles. Each company was awarded a score of 0, 0.5 or 1 per question and the maximum number of points available under this dimension is seven.

The fourth and final dimension scores collected information on companies' whistleblowing policies and procedures. It includes five questions on the strength of procedures in place at the firm to receive whistleblowing reports from employees, including how proactive firms were in encouraging whistleblowers to report concerns, and how protected they were when doing so. All questions were scored 0, 0.5 or 1 point, with five points being the maximum awarded under this dimension.

## DATA COLLECTION

Data for the first edition of the Private Sector Report for 2020 was collected between May and July 2020. TI Ireland took every reasonable step to obtain the data for each respective indicator. However, if there were obstacles to obtaining data or a company was not forthcoming with information, no points were awarded to those companies. Likewise, a company might maintain that certain information is published on its website or other company publications. In these situations, the research team operated under the principle that if TI Ireland's cannot find this information after an exhaustive search, then a typical citizen is unlikely to find this information, and hence no points could be awarded.

Similarly, when calling and emailing selected companies, TI Ireland called and/or emailed each of them initially and, if not reaching them on the first attempt, provided at least two follow-up calls and/or emails. Voicemails or messages were left with the officials' colleagues when calling, and follow-up emails were sent when no response was received. If there was no response from the company staff after the third attempt, questions were not pursued further, and no points were given. A member of the public should not wait an unreasonable length of time to consult or obtain information that is expected to be published and does not compromise the company's operations.

In conducting this research, TI Ireland sent a four-page questionnaire by email to each company. The questions contained in the email were intended to obtain information on the 30 indicators. When TI researchers could not locate relevant information online, requests for information and clarifications were sent to each company.

## COMPANIES' FEEDBACK

Once the preliminary scores were generated, TI Ireland sent an email on 5 August 2020 to each company based on the email addresses found on their websites to invite their feedback on the initial findings. The methodology and data were shared with each of the companies assessed. Companies had a chance to improve their score by sharing with TI Ireland by 11 September 2020 any relevant policies or reports not disclosed on their website or by pointing out any omissions in the research. All feedback was verified and incorporated into revised scorecards. Following an audit, these revised scorecards were circulated to companies on 21 April 2021 for any final observations by 12 May 2021. Any further relevant documentation or clarifications were taken into account in arriving at companies' final scores.

## DATA VALIDATION AND ANALYSIS

Data collected through online research was validated and cross-checked against the feedback received from companies. Data for each question was recorded and the exact sources documented (e.g. corporate documents with page numbers of company documents or website links with dates of when the data were accessed). This included identification of documents or sources that were unintentionally omitted by the initial research. In most cases this was due to changes or updates to certain policies or corporate documents or publication of documents or policies that were previously unavailable to the public over the course of our research. Data was validated for each company individually and records of the last accessed documents retrieved were kept. The research was based on the latest available documentation on the website as of 31 July 2020 or based on the documentation from that period subsequently provided to TI Ireland. Documents uploaded online or policies in effect brought into effect after 31 July 2020 were excluded from this assessment.

Data was analysed for each company and four rankings were created to show company performance on each dimension. TI Ireland has not verified whether information disclosed on websites or in reports is complete or correct. In other words, if a company published or provided the TI Ireland team with a document to which it referred as 'a full list of its fully consolidated subsidiaries' this was accepted at face value and scored accordingly without any further investigation on the accuracy or completeness of this data.

# ANNEX II

## National Integrity Index-Private Sector Report 2020 Scorecard Template

COMPANY NAME - SCORE -/30

### ANTI-CORRUPTION POLICY INDICATORS

Score: -/10

The indicators in this category measure the scope and robustness of the policies and procedures in place at the company to counter corruption and bribery.

AC1

#### Does the company have a publicly stated commitment against corruption and bribery?

##### Background:

This indicator requires companies to make a public commitment against any form of bribery or corruption. Committing to zero tolerance of bribery and corruption practice is considered an important component of companies' communication to their stakeholders, citizens and researchers. Various TI anti-bribery and anti-corruption guides require companies to make public commitments against corruption and bribes. For example, Guideline No. 5 of the Business Principles for Countering Bribery: A Multi-Stakeholder Initiative led by Transparency International and TI-UK Open Business Report requires a high-level commitment for a zero-tolerance policy against bribery and corruption.

##### To receive a point:

This commitment must be posted on the website of the company on the date of assessment. Examples of where this information could be located include corporate governance documents like the Code of Conduct, mission statements and/or within publications such as annual reports and investor relations material.

##### To receive 0.5 points:

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers at the date of assessment that this information exists in the company's off-line publicly disclosed documents.

##### Good practice example:

Bank of Ireland's Code of Conduct, which was available at <https://www.bankofireland.com/app/uploads/assets/BOI-Code-of-Conduct-April-2019.pdf>, states on page 14 that 'Bribery and corruption are unacceptable, and everyone involved in or dealing with the Group is expected to act honestly at all times. We will not consider any business activities where bribery or corruption is necessary to make a contract binding'.

**AC2****Does the company state publicly that it will comply with all legislation including those related to anti-corruption?****Background:**

This indicator assesses the company's undertaking to comply with all law in all countries where it operates with particular focus on laws against bribery and corruption. While a public undertaking cannot be equated with companies' actual performance, it demonstrates their commitment to full legal compliance and improves their credibility and reputation in front of the public, investors, stakeholders and researchers/analysts.

**To receive a point:**

This statement must be posted on the website of the company on the date of assessment. Examples of where this information could be located include corporate governance documents like its Code of Conduct, mission statements and/or within publications such as annual reports and investor relations material.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers at the date of assessment that the statement about complying with all laws including those related to anti-corruption exists in the company's off-line publicly disclosed documents.

**Good practice example:**

CRH's Code of Business Conduct was available at [https://www.crh.com/media/1448/2014-cobc\\_irish\\_singles\\_hires.pdf](https://www.crh.com/media/1448/2014-cobc_irish_singles_hires.pdf). On page 2, it lists 'Respect for the Law' as a core value of the company: 'We comply with the letter and the spirit of all applicable laws, regulations and policies.' The Code emphasises that 'There are strict laws against bribery in many of the locations where we do business including international legislation, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. We will always abide by these laws, regardless of local customs or business practice'.

**AC3****Does the senior management and board demonstrate support against corruption and bribery?****Background:**

This indicator assesses if the company leadership sets the 'tone from the top' against any form of bribery and/or corruption. Leadership support may include: a zero-tolerance statement authorised by leadership; evidence that the board or a board committee oversees and reviews the anti-corruption policies; evidence that a senior executive has responsibility for the anti-bribery and corruption programme; and a public commitment to supporting and protecting employees who refuse to act unethically, even when it might result in the loss of business.

**To receive a point:**

The company must have posted on the website of the company on the date of assessment a statement/s from the Board or senior management committing against corruption and bribery and/or evidence that a senior executive has responsibility for the anti-corruption and anti-bribery programme.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence of a statement/s from the Board or senior management committing to anti-bribery and corruption and/or evidence that a senior executive has responsibility for the anti-corruption and anti-bribery programme at the time of the assessment.

**Good practice example:**

Tullow Oil's Code of Ethical Conduct (which was available at <https://www.tulloil.com/application/files/2015/8385/2737/2018-tullow-oil-code-of-ethical-conduct.pdf>) includes an introductory 'Personal Message from Our CEO' on page 2, which states that the company has 'zero tolerance of bribery and corruption'. On page 5 it is noted that 'The Code of Ethical Conduct... is owned, driven and supported by the Board of Directors of Tullow Oil plc'.

**AC4****Does the company have a risk-based anti-corruption and anti-bribery programme that is regularly monitored?****Background:**

This indicator assesses whether the company has adopted a programme that articulates clearly and in detail the values, policies and procedures to be used to prevent bribery from occurring in all activities under its effective control. According to the Business Principles for Countering Bribery: A Multi-Stakeholder Initiative led by Transparency International, a good Anti-Bribery and Anti-Corruption plan should be designed and improved on the basis of continuing risk assessment. The programme should detail proactive measures to reduce risks pertaining to corruption and bribery. The programme can form part of an overall risk management plan at the company, but must satisfy TI Ireland that it contains sufficient checks, balances, and provisions addressing the risk of corruption and bribery.

**To receive a point:**

This programme must be posted on the website of the company on the date of assessment indicating that the Board and management monitor the anti-corruption and anti-bribery programme.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that there was in place at the time of assessment an anti-corruption and anti-bribery programme that is regularly monitored by the Board and senior management.

**Good practice example:**

IAG's Annual Report 2019, which was available at <https://www.iairgroup.com/~media/Files/I/IAG/documents/IAG%20Annual%20report%20and%20accounts%202019.pdf>, outlines its risk-based anti-bribery and corruption policy and programme on page 61 and states that 'Each Group operating company has a Compliance Department responsible for managing the anti-bribery programme in their business. The compliance teams meet regularly through Working Groups and Steering Groups and annually they conduct a review of bribery risks'. Furthermore, the 'Audit and Compliance Committee receives an annual update on the anti-bribery compliance programme'.

**AC5****Does the company require specific adherence to its programmes against corruption and bribery by all its directors and employees?****Background:**

This indicator assesses if the companies require all employees regardless of the seniority level to adhere to its programmes against corruption and bribery. According to the 10th Principle Against Corruption adopted on 24 June 2004 by the first Global Compact Leaders' Summit: 'Businesses should work against corruption in all its forms, including extortion and bribery'. By requiring all employees to adhere to their anti-corruption and anti-bribery commitments, companies send a strong signal that they expect compliance and take responsibility against unethical behaviour. This also shows that a company shares responsibility for eliminating corruption and stands ready to play its part against corruption by requesting adherence from all directors and employees.

**To receive a point:**

The company must have a specific requirement for adherence to its anti-corruption and anti-bribery programmes by all employees and directors posted on the website of the company on the date of assessment.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland that at the time of assessment, employment contracts agreed upon with employees and directors contained specific requirements for adherence to anti-corruption and anti-bribery policies.

**Good practice example:**

Ryanair's Anti-Bribery and Anti-Corruption Policy (which was available at <https://investor.ryanair.com/wp-content/uploads/2020/02/Ryanair-Holdings-plc-ABAC-Policy.pdf>) states on page 3 that it 'applies and is addressed to all persons working for us or on our behalf in any capacity, including directors'.

## AC6

**Does the company require adherence to its policies and/or programmes against corruption and bribery by third party persons or entities providing goods or services under contract such as contractors, subcontractors and suppliers, agents and other intermediaries?**
**Background:**

This indicator assesses how a company manages the risk of corruption of third parties acting for or on behalf of the company. According to Guideline 5 of the “Business Principles for Countering Bribery: A Multi-Stakeholder Initiative led by Transparency International” companies should prohibit all forms of bribery whether they take place directly or through third parties.

This means that a company should use anti-bribery and corruption clauses in its contracts with third parties, and should publicly state that it does so. Ideally a company should also disclose details of how it conducts risk-based anti-bribery and anti-corruption due diligence when entering into business relationships with third parties.

**To receive a point:**

The company must have posted on the website on the date of assessment that it adopts an integrated and consistent approach for managing risks related to corruption and bribery by third parties across the company’s operations.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide to TI Ireland some evidence of the due diligence conducted either by staff employed by the company or external agencies to address risks related to corruption and bribery by potential and eventual clients, business partners, contractors, and all other relevant parties.

**Good practice example:**

Ryanair’s Anti-Bribery and Anti-Corruption Policy (which was available at <https://investor.ryanair.com/wp-content/uploads/2020/02/Ryanair-Holdings-plc-ABAC-Policy.pdf>) states on page 3 that it ‘applies and is addressed to all persons working for us or on our behalf in any capacity... whether full-time, part-time, fixed-term and/or agency employees, contractors, external consultants, third-party representatives and business partners’.

## AC7

**Does the company have in place a risk-based anti-corruption and anti-bribery training programme for its employees and directors?**
**Background:**

This indicator assesses if the company has and publicly discloses a programme of training for its employees and directors on ABAC policies which takes into consideration the level of risk that employees are exposed. According to TI-UK’s Open Business: Summary of principles and guidance for anti-corruption corporate transparency (March 2020), ‘A company should publicly state that it conducts training on its anti-bribery and corruption programme. It should also publicly disclose details of how it reviews and measures the effectiveness of this training’.

In order to create a culture against corruption that is responsive to risks and changing circumstances, such a training programme should be delivered periodically (annually or biannually), either internally or externally, and ideally be tailored to accommodate different risk profiles and lines of business within the company. TI Ireland understands that companies face time and resource constraints, and that not all staff may be afforded such training. Therefore, when decisions are being made regarding which members of staff and management should receive such training, TI Ireland recommends incorporating a risk profile assessment to the process of providing training to employees.

**To receive a point:**

The company must have a risk-based anti-corruption and anti-bribery training programme for its employees and directors or a specific reference to its implementation posted on the website of the company on the date of assessment.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that, at the time of assessment, the company had a system for the delivery of training to management and relevant staff on matters relating to countering corruption and bribery.

**Good practice example:**

Kingspan’s Anti-Bribery and Corruption Policy, which was available at <https://ks-kentico-prod-cdn-endpoint.azureedge.net/kingspan-live/kingspanglobal/media/corporate-gov/anti-bribery.pdf>, includes a section headed ‘Training and Awareness’. This contains a commitment to ensuring that directors, employees, representatives and business partners receive regular anti-bribery and corruption training. Training is to cover the Anti-Bribery and Corruption Policy, regulatory best practice and statutory obligations and be tailored to meet requirements identified in risk assessment(s).

## AC8

**Does the company have a policy and procedures for gifts, hospitality and expenses?****Background:**

This indicator assesses if the company has a policy and procedures on prohibiting the use of gifts, hospitality and expenses to gain undue competitive advantages or obtain favours by influencing decisions of the public officials. This is considered an important aspect of ABAC policies because many companies use gifts, hospitality and expenses as a way to circumvent prohibitions against bribes and corruption.

According to Guideline 5.6 of the Business Principles for Countering Bribery: A Multi-Stakeholder Initiative led by Transparency International, companies are expected to develop a policy and procedures to ensure that all gifts, hospitality and expenses are *bona fide*. Companies should therefore not only prohibit the offer, giving or receipt of gifts, hospitality or expenses whenever they could influence or reasonably be perceived to influence improperly the outcome of business transactions, but also have procedures in place to deal with such situations if and when they arise. Additionally, as suggested by the TI-UK Open Business report of March 2020, companies should include a clearly defined approval process for gifts and describe consequences for non-compliance with them.

**To receive a point:**

The company must have a policy and procedures to prevent corruption through the use of gifts, hospitality and expenses. It should make it clear that gifts, hospitality and expenses must not be used to influence the decisions of public officials or to confer an undue advantage on the company or its agents, and procedures for the review of those procedures posted on the website of the company on the date of assessment.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland that it has in place at the time of the assessment a policy and procedures to prevent corruption through the use of gifts, hospitality and expenses that influence the decisions of public officials or confer an undue advantage to the company or its agents.

**Good practice example:**

Tullow Oil's Code of Ethical Conduct (which was available at <https://www.tulloil.com/application/files/2015/8385/2737/2018-tullow-oil-code-of-ethical-conduct.pdf>), includes a section on gifts and hospitality on page 21. This provides a list of 'Dos and Donts' as well as guidelines on 'reasonable and proportionate' items, and notes that 'particular care must be taken when offering... gifts or hospitality to a Public Official' and cites a separate Expenditure Related to a Public Official Standard (which was not available publicly). The guidelines also include procedures for seeking advice on and recording gifts and hospitality.

## AC9

**Does the company have a publicly available procedure for the management of conflicts of interest including interest declarations?****Background:**

This indicator assesses how companies deal with conflicts of interest and if they have a formal procedure in place to manage such situations. All business may potentially run into situations involving conflicting interests and having policies that define, identify, declare and manage conflicts of interest helps protect their reputation, comply with legislation and also gain the trust of businesses and employees.

According to Guideline 5.1 of the Business Principles for Countering Bribery: A Multi-Stakeholder Initiative led by Transparency International, these policies and procedures should apply to directors, officers, employees and contracted parties such as agents, lobbyists and other intermediaries. TI Ireland understands that companies may have reasons not to publish conflict of interest statements online but they should be available upon request to the Audit Committee and/or other officers dealing with compliance and legal matters.

**To receive a point:**

The company must have policies and procedures to manage conflicts of interests on the website of the company on the date of assessment that provide that declarations of interest are available if requested to the Audit Committee and/or Chief Compliance Officer.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that there was in place, at the time of assessment, a procedure for the mandatory up-to-date filing of declarations from staff and directors pertaining to conflicts of interest and providing that such declarations of interest are available for review, if requested, by the Audit Committee and/or Chief Compliance Officer.

**Good practice example:**

AIB had a separate Conflict of Interest policy owned by the Head of Governance and Regulation, which was available at [https://aib.ie/content/dam/aib/personal/docs/sustainability/Conflicts\\_of\\_Interest\\_Policy.pdf](https://aib.ie/content/dam/aib/personal/docs/sustainability/Conflicts_of_Interest_Policy.pdf). This outlines in detail situations that may constitute a conflict of interest and includes guidelines on their prevention and the steps to take to manage conflicts 'where they cannot be avoided'. According to the policy, 'where a conflict actually exists/is perceived to exist/ could potentially exist and cannot be avoided' it must be disclosed and recorded on a conflict of interest register.



**Does the Board receive regular reports from management on the status of its anti-corruption and anti-bribery programme and does it monitor that policies are updated according to the recommendations made following the review of such programmes?**

**Background:**

This indicator assesses how the company monitors, reviews and updates its ABAC policies. Continuous monitoring demonstrates that the company does not merely adopt the ABAC policies to comply with legal requirements and treat them as 'paper commitments' but seeks to improve them based on risk assessment. Periodic reviews by the Board and Audit Committee send a strong signal to all employees, businesses and consumers that a company takes ABAC measures seriously. According to TI-UK Open Business Report of March 2020, companies should explain how they monitor and review their anti-bribery and corruption programmes. This should include details of the extent to which this programme is subject to regular internal or external audit, and assurance that policies are updated according to recommendations. Ideally, monitoring and reviewing procedures should be reflected in specific sections of the annual reports.

**To receive a point:**

Company documents posted on the website on the date of assessment must indicate that the Board receives regular reports from management on the status of its anti-corruption and anti-bribery programme and monitors that policies are updated according to the recommendations made following the review of such programmes.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers to show that at the date of assessment the Board receives regular reports from management on the status of its anti-corruption and bribery programme and monitors that policies are updated according to the recommendations made following the review of such programmes.

**Good practice example:**

Tullow Oil's Annual Report 2019 (which was available at [https://www.tulloil.com/application/files/5815/8636/0065/2019\\_Annual\\_Report\\_and\\_Accounts.pdf](https://www.tulloil.com/application/files/5815/8636/0065/2019_Annual_Report_and_Accounts.pdf)) lists oversight of 'the system of Ethics and Compliance including... procedures to prevent bribery and corruption' on page 49 as one of the responsibilities of the Audit Committee, which also makes relevant recommendations to the Board (page 53). The report outlines on pages 52 and 53 the relationship between the Board, the Audit Committee and Internal Audit and their responsibilities regarding assessing risks and controls, including details of the regularity and types of meetings held. It is noted on page 53 that in 2019 'Internal Audit ran a systematic programme of audits of suppliers' compliance with commercial and business ethics clauses, including bribery and corruption with regard to significant and high-risk contracts'.

## ORGANISATIONAL TRANSPARENCY INDICATORS

Score: -/8

The indicators in this category assess the degree to which the company is transparent about its organisational structures, including ownership, location of incorporation, and geographical areas in which the company operates.

O1	Does the company disclose a full list including names of its fully and non-fully consolidated subsidiaries?
	<div> <div> <p><b>Background:</b></p> <p>This indicator assesses a company's disclosure of its organisational structures, namely the list of names of its fully consolidated and non-consolidated subsidiaries and holdings. When companies deliberately do not fully disclose their subsidiaries, it can be very difficult to identify them and understand how they relate to each other. Full organisational transparency is important not only for shareholders but also for other stakeholders who may have an interest in knowing which companies are owned or controlled significantly shared by a certain company operating in their country. This is particularly important for big multi-national companies with large and complex networks of interconnected entities involving subsidiaries, affiliates or joint ventures controlled to varying degrees by the parent companies and operating in various jurisdictions.</p> <p>Organisational transparency enables stakeholders to gain insight into the companies' controlling interests, to which international networks companies belong and how these companies relate to one another. Moreover, it reveals potential financial flows between the network of companies, intra-group transfers, and government payments such as taxes. Disclosing information about the interconnectedness of companies can further facilitate the process of finding out which parent company is responsible for the businesses in terms of ethical and corruption-free behaviour. Local stakeholders benefit from knowing which companies are operating in their territories, bidding for government licenses or contracts, or applying for or obtaining favourable tax treatment.</p> <p>It also informs local stakeholders about which international networks these companies may belong to and allows them to hold companies accountable for the impacts they have on the communities in which they operate.</p> </div> <div> <p><b>To receive a point:</b></p> <p>The company must have this information posted on its website at the time of assessment.</p> </div> <div> <p><b>To receive 0.5 points:</b></p> <p>The company is either partially compliant with the indicator during the online research phase and/or must have disclosed to TI Ireland researchers upon request a full list, to include names of its fully and non-fully consolidated subsidiaries.</p> </div> </div> <div> <p><b>Good practice example:</b></p> <p>Trane Technologies' Annual Report 2019 (which was available at <a href="https://s2.q4cdn.com/950394465/files/doc_downloads/irish_statutory_accounts/2020/IR-PLC-2019-Consolidated-Statutory-Financials-r162-FINAL1.pdf">https://s2.q4cdn.com/950394465/files/doc_downloads/irish_statutory_accounts/2020/IR-PLC-2019-Consolidated-Statutory-Financials-r162-FINAL1.pdf</a>) disclosed a list of principal subsidiaries, joint ventures and associates on pages 87 to 98.</p> </div>

## Does the company disclose a full list of names and details of percentages owned of each of its fully and non-fully consolidated subsidiaries?

### Background:

This indicator assesses a company's disclosure of the property interests/shared of all the fully consolidated and non-fully consolidated subsidiaries. As explained above, organisational transparency is important for many reasons: it enables local stakeholders to know which companies are operating in their countries, which type of resources are used, or which favourable investment or tax treatments are granted.

Organisational transparency enables stakeholders to gain insight into the companies' controlling interests, to which international networks companies belong and how these companies relate to one another. Moreover, it reveals potential financial flows between the network of companies, intra-group transfers, and government payments such as taxes. Disclosing information about the interconnectedness of companies can further facilitate the process of finding out which parent company is responsible for the businesses in terms of ethical and corruption-free behaviour. Local stakeholders benefit from knowing which companies are operating in their territories, bidding for government licenses or contracts, or having applied for or obtained favourable tax treatment.

It also informs local stakeholders about which international networks these companies may belong to and allows them to hold companies accountable for the impacts they have on the communities in which they operate.

### To receive a point:

The company must have this information posted on its website at the time of assessment.

### To receive 0.5 points:

The company is either partially compliant with the indicator during the online research phase and/or must have disclosed to TI Ireland researchers upon request, a full list, including names and details of percentages owned of each of its fully and non-fully consolidated subsidiaries.

### Good practice example:

Trane Technologies' Annual Report 2019 (which was available at [https://s2.q4cdn.com/950394465/files/doc\\_downloads/irish\\_statutory\\_accounts/2020/IR-PLC-2019-Consolidated-Statutory-Financials-r162-FINAL1.pdf](https://s2.q4cdn.com/950394465/files/doc_downloads/irish_statutory_accounts/2020/IR-PLC-2019-Consolidated-Statutory-Financials-r162-FINAL1.pdf)) disclosed a list of principal subsidiaries, joint ventures and associates on pages 87 to 98, listing the percentage owned in each case.

## Does the company disclose the countries of incorporation of its fully and non-fully consolidated subsidiaries?

### Background:

This indicator assesses whether a company discloses the countries in which all the companies it may own completely or significantly are incorporated. This is considered very important to avoid tax forum shopping by companies. These can be registered and operate in several provinces within one country or in different countries, including secrecy jurisdictions or tax havens. According to TI-UK's principles of corporate disclosure published in the Open Business Report of March 2020 all companies should publicly state that they will not work with businesses that operate with deliberately opaque structures.

Indicators that a business may be deliberately opaque include: if it has operations in a secrecy jurisdiction, for example, the Cayman Islands; the use of 'nominee' directors; the use of a 'mailbox' address, where the company is registered at an address but there are no employees or operations there; and the use of corporate directors, partners, members, or shareholders from a secrecy jurisdiction.

### To receive a point:

The company must have this information posted on its website at the time of assessment.

### To receive 0.5 points:

The company is either partially compliant with the indicator during the online research phase or must have disclosed to TI Ireland researchers upon request, a full list of countries of incorporation of both fully and non-fully consolidated subsidiaries.

### Good practice example:

Perrigo's Annual Report 2019, which was available at <https://app.quotemedia.com/data/downloadFiling?webmasterId=101533&ref=114830724&type=PDF&symbol=PRGO&companyName=Perrigo+Company+plc&formType=10-K&dateFiled=2020-02-27&CK=1585364>, includes a list of subsidiaries from pages 318 to 321. The country/jurisdiction of incorporation was listed in each case.

O4

**Does the company disclose the countries of operation of its fully and non-fully consolidated subsidiaries?****Background:**

This indicator is intended to assess another aspect of organisational transparency - namely the countries of operations for Irish based companies, their fully consolidated and non-fully consolidated subsidiaries. Multinational companies often have numerous subsidiaries in different countries and also other ownership interests such as associated companies, joint-ventures or other holdings. These entities are frequently registered offshore, including in what are considered secrecy jurisdictions or tax havens. For the reasons mentioned above, it is important that observers are able to draw from publicly available documents on the companies' websites such as annual reports and identify company subsidiaries, affiliates, joint ventures and their countries of operation.

**To receive a point:**

The company must have this information posted on its website at the time of assessment.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must have disclosed to TI Ireland researchers upon request, a full list of both fully and non-fully consolidated subsidiaries and their countries of operation.

**Good practice example:**

Applegreen's Annual Report 2019 was available at [https://investors.applegreenstores.com/~/\\_media/Files/A/Applegreen-IR/documents/annual-report-2019-v1.pdf](https://investors.applegreenstores.com/~/_media/Files/A/Applegreen-IR/documents/annual-report-2019-v1.pdf) and includes a list of subsidiaries on pages 195 to 196, grouped according to country of operation (and listing the principal activity in each case). The report also includes on page 172 a list of 'Investments in Associate', including details of the country of operation.

O5

**Does the company disclose its revenues/sales in Ireland and other countries where it operates?****Background:**

This indicator assesses one of the most important aspects of companies' reporting - namely revenues/sales in Ireland and other countries in which it operates. It is important because it allows stakeholders, public authorities, consumers and civil society actors to scrutinise the company's commitment to transparency. The level of revenue generated should be in the public domain because it can help the public assess the impact of the company's operations on the communities in which it is present and understand the scale of operations and other aspects of business activity. While this information may be located in various company's financial statements and/or annual reports, TI Ireland believes that, given the importance of these variables for public policy, this information should be made publicly and clearly available online. Ideally, a data table containing basic company performance indicators on a country-by-country basis should be clearly available for inspection on the website of the company.

**To receive a point:**

The company must have publicly disclosed, on their website at the time of assessment information on all revenue/sales generated by country, to include at least, data on those revenues generated in Ireland.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers on its revenue/sales generated in Ireland and other countries where it operates by the time of the assessment.

**Good practice example:**

Grafton Group's Annual Report 2019 (which was available at <https://www.graftonplc.com/media/xzbf11c5/grafton-annual-report-2019.pdf>) discloses on page 7 revenue in respect of all countries where it operates on a country-by-country basis.

O6

## Does the company disclose its capital expenditure in Ireland and other countries where it operates?

### Background:

This indicator assesses the level of disclosure by the company of its expenditures in Ireland and other countries where it operates. According to TI-UK Open Business Report all companies should publicly disclose country-by-country breakdowns of its payments to governments and expenses in a certain jurisdiction. Full transparency requires a breakdown of all expenditures, which allows stakeholders to scrutinise how much companies are spending in each jurisdiction and identify companies that relocate their revenues to certain jurisdictions but otherwise make no expenditures there.

### To receive a point:

The company must have publicly disclosed, on its website at the time of assessment, information on its expenditures in Ireland and other where countries it operates.

### To receive 0.5 points:

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers on its expenditures in Ireland and other countries where it operates by the time of assessment.

### Good practice example:

Greencore has data on capital expenditure broken down country-by-country on page 130 of its Annual Report 2019, which was available at <https://www.greencore.com/wp-content/uploads/2019/05/Greencore-Group-plc-Annual-Report-Financial-Statements-2019-web-ready.pdf>.

O7

## Does the company disclose its corporate taxes paid in Ireland and other countries where it operates?

### Background:

This indicator is particularly important because many countries, including Ireland, have attracted significant attention due the low tax rates offered to large companies. Transparency over corporate tax payments should be viewed as an integral part of corporate responsibility. Higher levels of disclosure on tax payments also help stakeholders determine whether certain companies are being given preferential tax rates over other companies in the same jurisdiction. Although this information can be extracted from some companies' financial statements and/or annual reports, given the importance of these variables for public policy, a data table containing corporate taxes on a country-by-country basis should be clearly available for inspection on the website of the company.

### To receive a point:

The company must have disclosed publicly at the time of assessment, on their website, or made available to TI Ireland researchers upon request, the corporate taxes paid in Ireland and other countries where it operates.

### To receive 0.5 points:

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers on its corporate taxes in Ireland and other countries where it operates by the time of assessment.

### Good practice example:

Of the companies assessed, none of those with operations in more than one country disclosed full details of corporate taxes paid on a full country-by-country basis. An example of good practice is Vodafone's Taxation and Our Total Economic Contribution to Public Finances 2018 ([https://www.vodafone.com/content/dam/vodcom/sustainability/pdfs/vodafone\\_2018\\_tax.pdf](https://www.vodafone.com/content/dam/vodcom/sustainability/pdfs/vodafone_2018_tax.pdf)), which sets out the company's total tax contribution in each of the 25 countries in which it operates. The data presented includes details of revenue, profit before tax, direct revenue contribution: tax, indirect revenue contribution: non-tax, as well as details of indirect revenue contribution, capital investment, employment, and legal entities in the relevant country.

## Does the company disclose its charitable donations and community contributions made in Ireland and other countries where it operates?

### Background:

This indicator assesses how the company discloses its charitable donations and community contributions. While investing in the communities in which companies operate is an important aspect of corporate responsibility, many companies may use donations and other contributions (e.g., community investment projects) as a way to bypass prohibitions on bribery and gain an undue advantage against competitors. This practice is particularly problematic for companies operating in high-risk countries where oversight mechanisms are weak, but also in highly developed countries with an unregulated charity sector. According to Guideline 5.4 of the Business Principles for Countering Bribery all companies should ensure that charitable contributions and sponsorships are not used as a subterfuge for bribery and should publicly disclose all their charitable contributions and sponsorships. Although this information can be extracted from some companies' financial statements and/or annual reports, TI Ireland believes that given the importance of this information for corporate transparency and business integrity, a data table containing charitable donations and/or community contributions made on a country-by-country basis should be clearly available for inspection on the website of the company.

### To receive a point:

The company must have disclosed, on its website at the time of assessment, data on any charitable donations and/or community contributions made in Ireland and other countries where it operates.

### To receive 0.5 points:

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers on the charitable donations and/or community contributions made in Ireland and other countries where it operates by the time of assessment.

### Good practice example:

Irish Life's Solvency and Financial Condition Report 2019, which was available at [https://www.irishlife.ie/sites/retail/files/Irish\\_Life\\_Assurance\\_2019\\_SFCR\\_published.pdf](https://www.irishlife.ie/sites/retail/files/Irish_Life_Assurance_2019_SFCR_published.pdf), notes on page 4 that Irish Life matches funds raised by employees for two charities each January and gives details of the charities and the total amount. These details are also provided in Irish Life's Corporate Social Responsibility Report 2019, which was available at [https://www.irishlifecorporatebusiness.ie/download?c=04\\_Other\\_Documents&d=20\\_Miscellaneous\\_Documents&f=94\\_Community\\_and\\_Sustainability\\_Report.pdf](https://www.irishlifecorporatebusiness.ie/download?c=04_Other_Documents&d=20_Miscellaneous_Documents&f=94_Community_and_Sustainability_Report.pdf).

## RESPONSIBLE POLITICAL ENGAGEMENT INDICATORS

Score: -/7

The indicators in this category measure how transparent the company is regarding its political engagement and lobbying activities, and how prepared its systems are to restrict unethical political engagement.

P1	<p><b>Does the company have a publicly available policy and procedures on responsible corporate political activities (including lobbying, the funding of political think tanks, revolving doors, and the prohibition of political contributions whether made directly or indirectly)?</b></p> <hr/> <p><b>Background:</b></p> <p>This indicator assesses various aspects of a company's policies and procedures for responsible political engagement. While corporate political engagement is a legitimate activity, it also carries clear risks of bribery and corruption, conflicts of interest and reputational damage. Risks are present to all companies engaging with the political process as they are not immune from mistakes or abuse by employees and third parties acting on their behalf such as agents, advisers and consultant lobbyists. Companies engaging in the political process are expected to act consistently with universal principles such as those contained in the Universal Declaration of Human Rights, United Nations Global Compact or conventions such as the UN Convention against Corruption.</p> <p>Various TI documents and indexes on political engagement require companies to regulate lobbying activities, interactions with public officials and revolving door matters. For example, TI UK's Political Engagement Index of 2018 Rates Private Sector Political Transparency across a range of themes including, control environment, political contributions, revolving door and transparency. TI Ireland's Responsible Lobbying in Europe and the Responsible Lobbying Guide were aimed at promoting responsible corporate lobbying and ethical advocacy. Demonstrating a public commitment and regulating the political engagement through a policy and procedures increases transparency and makes companies engaging with political processes more accountable to their stakeholders.</p> <hr/> <p><b>Good practice example:</b></p> <p>Apple had a webpage (which was available at <a href="https://www.apple.com/public-policy-advocacy/">https://www.apple.com/public-policy-advocacy/</a>) outlining Public Policy Advocacy activities, including lobbying, and the rationale and guidelines underpinning them. Regarding political contributions, the page states that 'Apple does not make political contributions to individual candidates or parties, and we do not have a political action committee (PAC). We occasionally make contributions for ballot measures and initiatives. For example... initiatives in support of public schools'. Apple's Business Conduct Policy (which was available at <a href="https://s2.q4cdn.com/470004039/files/doc_downloads/gov_docs/business_conduct_policy.pdf">https://s2.q4cdn.com/470004039/files/doc_downloads/gov_docs/business_conduct_policy.pdf</a>) contains further policy detail on political contributions, gifts to public officials, 'governments as customers' and hiring government employees. A further standalone Corporate Political Compliance Policy and standalone Anti-Corruption Recruiting Policy are referenced in the Business Conduct Policy. (An updated Business Conduct Policy published since this research was carried out is available at <a href="https://s2.q4cdn.com/470004039/files/doc_downloads/Business-Conduct-Policy.pdf">https://s2.q4cdn.com/470004039/files/doc_downloads/Business-Conduct-Policy.pdf</a>)</p>
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### To receive a point:

This policy and procedures must be posted on the website of the company at the time of assessment.

### To receive 0.5 points:

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that it has in place, at the time of assessment, such policy and procedures.



**P2**
**Does the company disclose full details of its expenditures on lobbying (including payments to third parties to lobby on their behalf) made in Ireland and other countries where it operates?**
**Background:**

This indicator assesses if the company discloses details of its lobbying expenditures on a country-by-country basis. A solid Responsible Political Engagement Policy should set out the guiding principles and objectives, but corporate transparency requires that companies make their lobbying interests, advocacy activities and expenditures known to the public. Shareholders, stakeholders and civil society have an interest in knowing how a company is managing its political activities responsibly and effectively. Companies are expected to report regularly and comprehensively on their expenditures for lobbying and the issues for which it advocates. Ideally, this information should be provided accessibly such as in a dedicated web page or a section of the Annual Report.

**To receive a point:**

The company must have its global lobbying expenditures (including payments to third parties to lobby on its behalf) in Ireland and other countries where it operates posted on its website on a country-by-country basis at the time of assessment.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence that it discloses its global lobbying expenditures (including payments to third parties to lobby on its behalf) in Ireland and other countries where it operates on a country-by-country basis at the time of assessment.

**Good practice example:**

MSD states on page 266 Corporate Social Responsibility Report 2018-2019, which was available at [https://s3.amazonaws.com/msd19-assets/wp-content/uploads/2019/12/20141625/MRK\\_CRS19\\_Report-Bldr\\_v11.pdf](https://s3.amazonaws.com/msd19-assets/wp-content/uploads/2019/12/20141625/MRK_CRS19_Report-Bldr_v11.pdf), that 'To improve access to information about our advocacy activities, we disclose our costs associated with lobbying in the European Union and the United States'. Links to MSD's reporting to the EU Transparency Register and the US Congress (in line with the Lobbying Disclosure Act), which include expenditure details, are provided via <https://www.msdrsresponsibility.com/our-purpose/our-business/public-policy/>

**P3**
**Are those employed or contracted to lobby on behalf of the company periodically informed and/or trained on the company's responsible political engagement policies and procedures, and required to adhere to these?**
**Background:**

This indicator assesses the corporate culture of responsible political engagement both in terms of adhering to the policies and procedures and also training the staff and those contracted to lobby on the company's behalf. According to TI UK's Principle 4 of Political Engagement, companies should set the tone from the top and have communications and tailored training for all those who lobby on behalf of the company, formally or informally. Also, Recommendation 3 of TI Ireland's Responsible Lobbying in Europe recommends that companies provide training to those involved in lobbying public officials.

**To receive a point:**

The company must have posted on its website at the time of assessment evidence that its employees and contractors in all countries in which the company operates are informed or or trained in and required to adhere to the company's responsible political engagement policy and procedures.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland that its employees and contractors in all countries in which the company operates are informed of or trained in and required to adhere to the company's responsible political engagement policy and procedures on the date of the assessment.

**Good practice example:**

Facebook's Political Engagement webpage, which was available at <https://about.fb.com/facebook-political-engagement/>, states that 'All Facebook Personnel, including external consultants, who engage with government officials to discuss policy issues on our behalf receive training on the ethical standards required in all such interactions'.

P4

**Does the company publish full information on its lobbying positions and the topics/policy positions on which it engages?**

**Background:**

This indicator assesses corporate transparency on the lobbying interests and policy positions a company advocates. This is important because companies may seek to shape public policy in their favour without declaring the topics on which they engage and policy positions they advocate. TI Ireland's Responsible Lobbying Guide also recommends that 'without compromising commercial or client confidentiality, organisations should proactively publish their lobbying submissions, policy papers and evidence to support their positions'. Ideally, this type of reporting should be integral to transparency plans and be published regularly and comprehensively on the website of the company.

**To receive a point:**

The company must have posted on its website at the time of assessment all the lobbying positions and submissions made in the previous calendar year.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that it publishes all the lobbying positions and submissions made in the previous calendar year on the date of the assessment.

**Good practice example:**

Trane Technologies published its policy positions and topics in which it had an interest at: <https://www.tranetechnologies.com/en/index/sustainability/sustainability-reports/2019-esg-report/governance/public-policy-advocacy-and-compliance.html>.

P5

**Does the company publicly disclose how it monitors its corporate political activities and the steps it takes to correct non-compliant behaviour by its staff, contractors or agents?**

**Background:**

This indicator assesses whether companies monitor and review their political engagement and how they deal with non-compliant behaviour. While having a policy and procedures demonstrates commitment, it is important that these commitments are adhered to and continuously monitored so that they are not reduced to paper commitments. TI UK's Principle 9 on Political Engagement encourages companies to monitor and review periodically how the strategy, policies and procedures for managing political engagement are working and aim for continuous improvement after detecting and rectifying poor practices or shortcomings. This information should be part of the reporting of Audit Committee and the Board and shared publicly on the website to allow closer scrutiny by shareholders and other interested stakeholders.

**To receive a point:**

The company must have posted on its website at the time of assessment a commitment to monitor its political activities and the steps it takes to correct non-compliant behaviour by its staff, contractors or agents and hold individuals accountable.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that on the date of the assessment it monitors its political activities and the steps it takes to correct non-compliant behaviour by its staff, contractors or agents.

**Good practice example:**

Google had a webpage on its engagement on US Public Policy at <https://www.google.com/publicpolicy/transparency/>, which outlined the make-up of Google's Public Policy and Government Affairs Team and its reporting structure. This confirmed that Google's 'Nominating and Corporate Governance Committee of our Board of Directors... regularly oversee[s] the company's corporate political activity [and] review[s] Google's corporate political policies and activities, including expenditures made with corporate funds'. It further stated that 'Google's Ethics & Compliance team ensures compliance with all relevant political laws... and has implemented approval processes [and] Ethics & Compliance reviews', and noted the applicability of Google's Code of Conduct (which outlines 'disciplinary action, including termination of employment' as consequences for breaching policy) to political engagement.

**P6****Does the company have a publicly available policy or standards on party political neutrality?****Background:**

This indicator examines if the company has a clear policy or applicable standards on political neutrality. These standards must specifically state that the company does not make any contributions to political parties/candidates, as well as not promoting any political positions of any political party. This is also a key principle in many TI guides. For example, TI UK's Principle 2 states that 'Corporate political contributions should not be made on behalf of the company other than in exceptional circumstances where they provide general support for a genuine democratic process, with full transparency and full explanation'. This indicator requires that companies are politically neutral, do not make political party contributions and have a publicly available policy on political neutrality.

**To receive a point:**

The company must have published company-wide standards on political neutrality online at the time of the assessment.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that it has in place at the time of assessment, company-wide standards on political neutrality.

**Good practice example:**

On page 3 of its Anti-Bribery and Corruption Policy (which was available at <https://ks-kentico-prod-cdn-endpoint.azureedge.net/kingspan-live/kingspanglobal/media/corporate-gov/anti-bribery.pdf>), Kingspan states 'Our Business Principles state that as a corporate entity, we will act with absolute political neutrality. We will abstain from any direct or indirect participation that could be interpreted as taking a position in favour of or against legitimate political parties. In particular, we will not make contributions or donations of any type, whether in cash or in kind, in support of political parties, organisations, factions, movements or public or private entities whose activities are clearly linked with political activity'.

**P7****Does the company have a publicly available policy and procedures that manages 'revolving door' movements of directors and senior members of staff to and from public sector positions?****Background:**

This indicator helps determine if the company discloses its policy and procedures regulating the movement of staff between private and public sector positions. The offer of paid positions to public officials is one of the ways in which companies can seek to improperly influence or shape public policy. TI UK's Principle 5.4 of Political Engagement states that all companies should take steps to manage risks associated with the revolving door, by adopting a policy and procedures including provisions for 'cooling-off periods' for former public officials and details of secondments between the private and public sector. Such a policy should detail specific procedures that the company has in place to reduce actual or perceived conflicts of interest that might arise with employees formerly employed by the public sector negotiating with their former employer on behalf of the company.

**To receive a point:**

This policy must be published on the website of the company at the time of assessment.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that there was in place at the time of assessment a company-wide policy addressing issues relating to movements of directors and senior members of staff to and from public sector positions.

**Good practice example:**

Facebook had a Political Engagement Policy at <https://about.fb.com/facebook-political-engagement/> stating that 'Facebook also respects all guidelines and requirements regarding the hiring of former government officials, including limits on their ability to conduct certain activities during required cooling-off periods'.

## WHISTLEBLOWING INDICATORS

Score: -/5

The indicators in this category measure the strength of procedures in place at the company to receive whistleblowing reports from employees, including how proactive the company is in encouraging whistleblowers to report concerns, and the level of protection available to them when doing so.

W1	<b>Does the company have a policy and procedures in accordance with Irish law to promote whistleblowing, specifically including assurances to employees, contractors, subcontractors and suppliers, agents and other intermediaries that no penalisation or reprisal will result from whistleblowing?</b>
	<div> <div> <b>Background:</b> <p>This indicator assesses if the company publicly discloses a policy and procedures to promote whistleblowing without the fear of reprisal. TI defines whistleblowing as ‘the disclosure or reporting of wrongdoing, which includes corruption, criminal offences, breaches of legal obligation, miscarriages of justice, specific dangers to public health, safety or the environment, abuse of authority, unauthorised use of public funds or property, gross waste or mismanagement, conflict of interest, and acts to cover up any of the aforementioned’. Whistleblowers are invaluable in exposing corruption, fraud and mismanagement but blowing the whistle can carry personal and professional risks. The policy should, <i>inter alia</i>, include assurances that whistleblowers will not suffer penalisation of any kind as a result of raising concerns in the workplace; that action will be taken in response to those concerns where possible and information on their rights and responsibilities consistent with Irish law.</p> </div> <div> <b>To receive a point:</b> <p>This information, including such assurances to whistleblowers, must be available publicly on the website of the company at the time of assessment.</p> </div> <div> <b>To receive 0.5 points:</b> <p>The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that there was a company-wide policy in place for whistleblowers at the time of assessment.</p> </div> </div> <div> <b>Good practice example:</b> <p>Kerry Group’s Code of Conduct, which was available at <a href="https://www.kerrygroup.com/our-company/policies-statements/code-of-conduct-policy.pdf">https://www.kerrygroup.com/our-company/policies-statements/code-of-conduct-policy.pdf</a>, states on page 3 that the Employee Concerns Disclosure Policy ‘provides guidelines... to encourage employees to freely voice concerns without feeling intimidated’. It also states that retaliation will not be tolerated. The Employee Concerns Disclosure Policy was available at <a href="https://secure.ethicspoint.com/domain/media/en/gui/21180/concerns.pdf">https://secure.ethicspoint.com/domain/media/en/gui/21180/concerns.pdf</a>. It states that it applies ‘to all Kerry Group employees worldwide, anyone doing business for or with Kerry Group and others acting on Kerry Group’s behalf. This applies to all locations where Kerry Group conducts business and to all company-sponsored events’.</p> </div>

**W2****Does the company proactively communicate the availability of internal and external advice and whistleblowing reporting channels for staff, contractors and third parties?****Background:**

This indicator assesses how the company enables its staff and third parties to blow the whistle through communicating reporting channels.

While adopting an effective whistleblowing framework is essential to stimulate the reporting of corruption, misconduct and fraud, proactive communication of the available channels to raise concerns is essential to making the whistleblowing policy effective in practice. Ideally, companies should have a variety of internal and external channels for reporting unlawful and/or unethical behaviour and create a 'speak up safely' culture for staff, contractors and third parties. Such examples may include induction and periodic training on whistleblowing, regular reminders to staff via email, internal signposting on company premises, or other similar measures.

**To receive a point:**

The information on the availability of internal and external advice and whistleblowing reporting channels for staff, contractors and third parties should be made public on the website of the company at the time of assessment.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers on the availability of internal and external advice on whistleblowing reporting channels for both staff, contractors and third parties at the time of assessment.

**Good practice example:**

Allergan's Code of Conduct, which was available at <https://allergan-web-cdn-prod.azureedge.net/actavis/actavis/media/allergan-pdf-documents/investors/code%20of%20conduct/allergan-code-of-conduct-dec-2016.pdf>, has a section headed 'Our Resources for Raising Concerns' on pages 9 and 10, which encourages employees to 'seek help' via various internal channels or by contacting a hotline that is 'operated independently by a third party and is available 24/7, from any location around the world'. The Code extends to 'business partners, vendors and contingent workers'.

**W3****Does the company record and share data on the whistleblowing reports received, and action undertaken in response to these reports to its Board/Board Committees and/or relevant management or staff?****Background:**

This indicator assesses how the company records the whistleblowing reports and how it reports to its stakeholders on the actions taken. While whistleblowing and Speak Up channels are important, companies are also expected to keep track of and act upon disclosures so that employees and third parties can be assured that the Board takes such disclosures seriously. The company must have systems to record the number of whistleblowing reports received and the corresponding actions taken in response to these concerns, with such data subsequently shared with the board, staff, and shareholders. Ideally, companies must adopt some form of Case Management System for the recording, investigating and monitoring of reports. This system enables companies to collect and review key statistics of reports on a regular basis and share them with the Board and shareholders. This prevents a company from overlooking reports and makes it easy to give feedback to reporters about the status of their case.

**To receive a point:**

The company must have information on the number of reports and actions undertaken posted online on the company's website at the time of assessment.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that at the time of assessment it recorded the reports received and the corresponding actions undertaken.

**Good practice example:**

CRH on pages 56 to 57 of its Sustainability Report 2019 at <https://www.crh.com/media/3109/crh-sustainability-report-2019.pdf> reported that a total of 427 concerns were raised globally divided as follows: Human Resources, 70 %; Environmental, Health and Safety, 16%; Financial, 8%; Legal and Regulatory, 6%. In 2019, 30 proven incidents resulted in disciplinary action. Employees are made aware that CRH will invoke its disciplinary procedures in the event of a proven breach of its policies or any rule of law.

**W4****Does senior management commit to protect whistleblowers from any reprisal, to discipline anyone retaliating or allowing retaliation against a whistleblower, and to take action in response to whistleblower reports?****Background:**

This indicator assesses how the senior leadership commits to protect whistleblowers from any form of retaliation and how it acts upon those reports. It is also essential that staff, contractors and third parties see that whistleblowing disclosures and reports are acted upon where appropriate. The company should ideally have in place a review system that documents each whistleblowing case, including the decision(s) taken in response to the concern(s) raised and the rationale behind such decision(s). Commitments to prevent reprisal and to take action in response to disclosures should be publicly available on the company's website. In addition, the annual report and/or dedicated reports should document the work done by the company to implement its whistleblowing policies and to support its speak up culture.

**To receive a point:**

The company must have information on its website at the time of assessment confirming that senior management commits to protect whistleblowers from any reprisal, to discipline anyone retaliating or allowing retaliation against a whistleblower, and to take action in response to whistleblower reports.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers that there was in place, at the time of assessment, a written and publicly available statement confirming that senior management commits to protect whistleblowers from any reprisal and to discipline anyone retaliating or allowing retaliation against a whistleblower.

**Good practice example:**

DCC's Code of Conduct (which was available at <https://www.dcc.ie/~media/Files/D/DCC-v2/documents/pdfs/dcc-code-of-conduct.pdf>), Anti-Bribery and Corruption Policy (which was available at <https://www.dcc.ie/~media/Files/D/DCC-v2/documents/pdfs/dcc-anti-bribery-and-corruption-policy.pdf>) and Annual Report 2020 (which was available at <https://www.dcc.ie/~media/Files/D/DCC-v2/documents/agm-pdfs/pdfs/2020/dcc-annual-report-2020.pdf>) contain guarantees to protect whistleblowers from retaliation, to investigate reports, and to discipline anyone retaliating, and are all endorsed by the CEO and/or relevant Board or Committee Members.

**W5****Does the company train relevant staff on how to handle whistleblowing reports?****Background:**

This indicator assesses the training programmes in place for company staff who are responsible for handling whistleblowing reports. As part of their broader integrity training programs, companies should have training programmes in place on the normative frameworks on whistleblowing as well as the procedural aspects of receiving, investigating and handling whistleblowing reports.

Such a training programme should be delivered regularly, either internally or externally, and ideally be tailored to accommodate different lines of business within the company through online and offline means. TI Ireland understands that employers face time and resource constraints, and that not all staff may be afforded such training. Therefore, when decisions are being made regarding which members of staff and management should receive the training, TI Ireland recommends incorporating a risk-based approach to this process.

**To receive a point:**

The company publicly discloses on the website at the time of assessment, a commitment to training relevant management and employees on how to process, assess and, where relevant, investigate whistleblowing reports as well as any legal responsibilities arising from them.

**To receive 0.5 points:**

The company is either partially compliant with the indicator during the online research phase or must provide documentary evidence to TI Ireland researchers regarding its commitment to train relevant staff on how to handle, process, assess and, where relevant, investigate whistleblowing reports as well as any legal responsibilities arising from them, at the time of assessment.

**Good practice example:**

Irish Life's Corporate Social Responsibility Report 2019, which was available at [https://www.irishlifecorporatebusiness.ie/download?c=04\\_Other\\_Documents&d=20\\_Miscellaneous\\_Documents&f=94\\_Community\\_and\\_Sustainability\\_Report.pdf](https://www.irishlifecorporatebusiness.ie/download?c=04_Other_Documents&d=20_Miscellaneous_Documents&f=94_Community_and_Sustainability_Report.pdf), provides details of the company's Speaking Up Programme on page 48 and states 'We understand that it might not always be easy to raise an issue or concern so we train our managers to support our employees in speaking up and ensure that they do not suffer any repercussions if bringing their concern to light'. Irish Life has engaged an external firm to train those who handle whistleblowing reports.

# END NOTES

1. Transparency International UK (2020), "Open Business: Summary of principles and guidance for anti-corruption corporate transparency" page 1, available at: <https://www.transparency.org.uk/publications/open-business-anticorruption-governance-disclosure-guidance>
2. OECD (2010), "Good Practice Guidance on Internal Controls, Ethics, and Compliance" adopted on 18 February 2010 and available at: <https://www.oecd.org/corruption/keyoecdanti-corruptiondocuments.htm>
3. World Economic Forum (2008), "Corruption is costing the global economy \$3.6 trillion dollars every year", available at: <https://www.weforum.org/agenda/2018/12/the-global-economy-loses-3-6-trillion-to-corruption-each-year-says-u-n>
4. World Bank (2020), "Combatting Corruption" available at <https://www.worldbank.org/en/topic/governance/brief/anti-corruption>
5. It should be noted that Ireland has yet to ratify the Council of Europe Civil Law Convention on Corruption (1999).
6. CPI is published annually and ranks 180 countries according to perceived levels of corruption and is based on surveys of business leaders and country analysts from around the world. Reports for 2018 and 2019 can be found at: [https://transparency.ie/news\\_events/corruptionperceptions-index-2020](https://transparency.ie/news_events/corruptionperceptions-index-2020)
7. The Eurobarometer 2018 poll of more than 7,700 companies across 28 EU member states, including 180 from the Republic of Ireland, showed that 11 per cent of companies cited corruption as a problem when doing business compared to the EU average of 37 per cent. See Fact Sheet for Ireland at: <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/FLASH/surveyKy/2177>
8. See Ireland - OECD Anti-Bribery Convention reports at <https://www.oecd.org/ireland/ireland-oecdanti-briberyconvention.htm>. See also GRECO evaluation reports on Ireland at <https://www.coe.int/en/web/greco/evaluations/ireland>.
9. Final Report of Mahon Tribunal at [https://planningtribunal.ie/wp-content/uploads/2016/11/sitecontent\\_1257.pdf](https://planningtribunal.ie/wp-content/uploads/2016/11/sitecontent_1257.pdf) Transparency International Ireland published the first Country Study of Ireland's National Integrity System (NIS) in 2009 identifying areas requiring priority action to counter all forms of public and private sector corruption. The study is available online at <https://transparency.ie/resources/NIS/NIS-2009>
10. CJOA consolidated the legal provisions on corruption and bribery in various laws and partially repealed Prevention of Corruption Act of 2001 (as amended) and Criminal Justice Act of 2001 (as amended) , It also repealed the following statutes and statutory provisions: Public Bodies Corrupt Practices Act 1889, Prevention of Corruption Act 1906, Prevention of Corruption Act 1916, section 38 of the Ethics in Public Office Act 1995 and section 23 of the Proceeds of Crime (Amendment) Act 2005.
11. Protected Disclosures Act of 2014 is available online at <http://www.irishstatutebook.ie/eli/2014/act/14/enacted/en/html>
12. Regulation of Lobbying Act of 2015 is available online at <http://www.irishstatutebook.ie/eli/2015/act/5/enacted/en/html>
13. Section 18(2), CJOA 2018 <http://www.irishstatutebook.ie/eli/2018/act/9/section/18/enacted/en/html#sec18>
14. Ernst and Young 5th Global Fraud Survey: [https://www.ey.com/Publication/vwLUAssets/EY\\_Global\\_Fraud\\_Survey\\_2018\\_report/\\$FILE/EY%20GLOBAL%20FIDS%20FRAUD%20SURVEY%202018.pdf](https://www.ey.com/Publication/vwLUAssets/EY_Global_Fraud_Survey_2018_report/$FILE/EY%20GLOBAL%20FIDS%20FRAUD%20SURVEY%202018.pdf). See also Deloitte Bribery and Corruption Survey 2019: <https://www2.deloitte.com/ie/en/pages/finance/articles/bribery-corruption-survey.html>
15. See 'EY publishes 14th Global Fraud Survey', 21 April 2016 <https://eyfinancialservicesthoughtgallery.ie/test/>
16. OECD (2020), "Corporate Anti-Corruption Compliance Drivers, Mechanisms, and Ideas for Change", pp.8-9, available at <http://www.oecd.org/corruption/anti-bribery/corporate-anti-corruption-compliance.htm>
17. Hess, D. (2009). "Catalysing Corporate Commitment to Combating Corruption", Journal of Business Ethics, 88(4), 781-790.
18. TI Ireland will aim to update the findings of the report in late 2021/early 2022.
19. See for example <https://www.transparency.org/en/publications/transparency-in-corporate-reporting-assessing-emerging-market-multinat>
20. Irish Times confirmed in writing to TI Ireland that it is not engaged in any corporate political engagement that would require it to meet six criteria under the responsible political engagement category so the score of 31.3 is calculated as a percentage of 7.5 point out of the 24 points applicable to Irish Times.
21. Transparency International UK (2020), "Open Business: Summary of principles and guidance for anti-corruption corporate transparency" page 3, available at: <https://www.transparency.org.uk/publications/open-business-anticorruption-governance-disclosure-guidance>
22. According to a 2019 Sprout Social report, 86 per cent of surveyed consumers believe that transparency in business is more important than ever before. This demonstrates



the importance of corporate transparency in securing and maintaining public trust. Additionally, 'when brands are transparent and earn a reputation for transparency, nearly nine out of ten people are more likely to give them second chances after bad experiences and 85% are more likely to stick with them during crises. Sprout Social, From Risk to Responsibility: Social Media and the Evolution of Transparency (Chicago, IL: Sprout Social, 2019), p. 3, available at <https://sproutsocial.com/insights/data/social-media-transparency/>.

23. UN Global Compact Reporting Guidance on the 10th Principle Against Corruption (2009). Available at: [https://www.unglobalcompact.org/docs/issues\\_doc/Anti-Corruption/UNGC\\_AntiCorruptionReporting.pdf](https://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/UNGC_AntiCorruptionReporting.pdf)
24. Transparency International, Business Principles for Countering Bribery (2013). Available at: [https://www.transparency.org/whatwedo/tools/business\\_principles\\_for\\_countering\\_bribery](https://www.transparency.org/whatwedo/tools/business_principles_for_countering_bribery)
25. TI's UK "Open Business: Principles and guidance for anti-corruption corporate transparency" available at [https://www.transparency.org.uk/sites/default/files/pdf/publications/TIUK\\_OpenBusiness\\_WEB4.pdf](https://www.transparency.org.uk/sites/default/files/pdf/publications/TIUK_OpenBusiness_WEB4.pdf)
26. TI Netherlands (2018), "Assessing Dutch Publicly Listed Companies" available at: <https://www.transparency.nl/wp-content/uploads/2019/05/TRAC-2018-Assessing-Dutch-publicly-listed-Companies.pdf>
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