ULUSLARARASI ŞEFFAFLIK DERNEĞİ

TRANSPARENCY IN CORPORATE REPORTING

Assessing Borsa Istanbul BIST-100 Companies

British Embassy Ankara

TÜSİAD

Embassy of the Kingdom of the Netherlands, Ankara

Founded in 2008 on voluntary basis, Transparency International Turkey (TI-Turkey) aspires to ensure that transparency, integrity and accountability prevail in all sectors of the society for the country's democratic, social and economic development. In its efforts to reduce corruption, TI-Turkey relies on multi-stakeholder cooperation bringing together all stakeholders including the public sector, business world, trade unions, universities, professional organisations and civil society organisations. TI-Turkey requires all individuals and organisations that constitute the society and/or wield public power to act in a transparent, honest, lawful, ethical, monitorable and accountable manner, and carries on its work in line with these principles.

TI-Turkey shares the principles and goals of Transparency International (TI) operating globally through more than 100 chapters, and works in close cooperation with TI as the Turkish chapter.

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FOREWORD

We live in an age when international organisations, governments and communities call on corporations to assume more responsibility in managing the risks arising from environmental and social externalities as a result of economic activities. In this context, the “Ten Principles” of the United Nations Global Compact are the most important reference laying down the fundamental principles that companies must embrace on human rights, environment, labour standards and anti-corruption. We support this approach which strives to transform, through a framework of corporate citizenship, the corporate philosophy of merely pursuing profits and leaving the management of risks created by own operations to the governments. The prevalent conception of corruption to date has tended to view the government as the sole source of corruption. However, we have recently been reading research reports that companies in their dealings with the governments represent the supply side; and further that, corruption in inter-company business relations is not of a negligible scale. It should therefore not be surprising that the issue of “corruption in the private sector” was taken up in the United Nations Global Compact.

We, Transparency International Turkey, believe that the principle of transparency is of critical importance as a preventive tool in combating corruption. We advocate that just as public agencies operating by taxpayer’s funds must be transparent, companies too must be transparent in line with their accountability to consumers, investors, employees and local communities. We believe that those companies which act in line with this responsibility without hiding behind the so-called business secrets for short-run interests will enhance their competitive standing through strong corporate identity, prestige and high brand value. The public at large can monitor the corporate activities only if companies disclose more information to the public clearly and intelligibly in their corporate reporting. Conceptualised as transparency in corporate reporting, this approach is best implemented through effective use of the Internet. Transparent disclosure of information by companies in their websites ensures that corporate activities can be monitored, measured and compared to others; in short, it provides for corporate accountability. The present study intends to assess the companies established in Turkey and included in the BIST-100 index of Borsa Istanbul for transparency performance based on the information disclosed in own corporate reports.

We should caution that this study does not intend to assess the companies’ performance in combating corruption; its sole purpose is to determine the level of transparency in individual corporate reports. An inference that companies scoring high in this study are free of corruption problems would not be correct. Likewise, it will be equally incorrect to conclude that those scoring low are implicated in corruption. It should be noted that a company which makes no disclosure of its anti-corruption efforts may score low even if it has effective anti-corruption practices. It is possible however to infer that companies which act more responsively on the issue of transparency and score high in this study accord greater importance to anti-corruption.

We should underline that our study is not intended as a critique; on the contrary, it aims to encourage the largest Turkish publicly-listed companies to be more transparent. We do hope that, in an era when Turkey is taking up a greater role in the global economy and politics, our study will contribute to her alignment with the global trend in transparency in the private sector.

EXECUTIVE SUMMARY

The present study on “Transparency in Corporate Reporting” assesses the largest publicly-listed companies established in Turkey and included in the BIST-100 index of Borsa Istanbul for their transparency performance in the following three dimensions based on their corporate reporting:

- **Reporting on anti-corruption programmes:** Assessed in this section is the transparency level of corporate reporting on the basis of companies’ corporate commitment to anti-corruption, to whom the disclosed codes/programmes apply, statements of compliance with laws, training programmes, confidential reporting channels, to what extent suppliers and intermediaries are assessed against the disclosed codes/programmes, companies’ approach to gifts policy and facilitation payments.

- **Organisational transparency:** This section includes an assessment of the transparency level of corporate reporting on the basis of disclosures on corporate holdings, places of incorporation and countries of operation.

- **Country-by-country reporting:** This section includes an assessment of the transparency level of corporate reporting on the basis of disclosures on key financial data including revenues generated, tax payments and capital expenditures through foreign holdings and operations.

Corporate reporting refers to the means of disclosure binding on the disclosing company such as annual reports, external audit report, code of ethics, code of conduct, anti-corruption policy, sustainability report or corporate governance compliance report. To be transparent, these reports should be disclosed to the public in the corporate websites in an easily accessible and intelligible manner.

A company disclosing information on its anti-corruption systems through transparent reporting demonstrates its awareness and commitment to combating corruption. While transparent reporting alone is not sufficient to combat corruption, it is a significant indicator and an effective means of managing corruption risks.

Many publicly traded companies operate through subsidiaries, affiliates or joint ventures and similar holdings. It is important for organisational transparency that parent companies disclose an exhaustive list of their holdings including percentage shares held. Disclosures on the countries of incorporation and operation for such holdings will make the parent company accountable both in its country of incorporation and elsewhere.

A company should include in its corporate reporting the important financial data such as revenues, taxes, capital expenditures and community contributions if it cares to be accountable to public agencies, civil society organisations, investors and the local public at large in all countries of operation. It should be noted that a substantial part of corporate corruption takes place through financial transfers between countries. Country-by-country reporting is an effective means to prevent multinational companies taking advantage of legal gaps in the international financial transfer systems to avoid taxes particularly in poor countries.

Research results indicate that BIST-100 companies score poorly at an average of 28% in the transparent reporting on anti-corruption programmes. Recalling the average score of 70% on this dimension in the 2014 global research on multinational companies by Transparency International employing the same methodology as the present study, it is obvious that BIST-100 companies need to be more transparent in reporting on anti-corruption programmes.

It cannot be claimed that BIST-100 companies have a systemic problem of corruption based solely on this finding. This study only reviews the transparency performance of companies. It is well possible that while having effective anti-corruption practices, a company does not make transparent disclosures on the issue. We believe however that companies with good transparency performance accord greater importance to managing corruption risks.

On the dimension of organisational transparency, 83 companies which had at least one subsidiary or affiliate among BIST-100 companies were studied. The resultant average score was 85% and far above the average score of 39% in the referred global research. It is pleasing that the studied companies disclose key data on their subsidiaries and affiliates.

For country-by-country reporting, 45 companies which had at least one subsidiary or affiliate operating outside the country were studied. The average score of 8% was very low; however, the average score of 6% in the referred global research hints that the problem is not peculiar to Turkey. Country-by-country reporting by companies is a relatively recent practice; nevertheless, we strongly recommend that Turkish companies aspiring highs in the global economy should consider taking up such reporting sooner than later.

1

INTRODUCTION

Through public reporting, companies present important information to stakeholders in a structured way. Public reporting in other words is the embodiment of transparency and the substantive link in the accountability chain.

Transparency International (TI) is a global coalition fighting against corruption through more than 100 chapters worldwide. TI acts on one vision: a world in which government, business, civil society and the daily lives of people are free of corruption. To that end, TI strives to strengthen the principles of transparency, accountability and integrity in all spheres of the society.

In addition to devastating effects on social and political systems, corruption in the private sector destroys corporate reputations, inhibits entrepreneurship, weakens free markets and undermines economic stability. In the context of private sector research, TI published in 2012 the Transparency in Corporate Reporting: Assessing the World's Largest Companies analysing the largest multinational companies. TI then conducted research in 2013 based on the same methodology focusing on multinational companies established in emerging market economies such as Russia, China, India, Brazil and Turkey. The global study was re-conducted in 2014 with certain changes in the research methodology. In the meantime, many country chapters of TI conducted this study in their respective countries.

Considering the rising importance of Turkey in the global economy, when we decided to study transparency and anti-corruption in the private sector, we believed that an appropriate first step would be to undertake the Transparency in Corporate Reporting research for Turkey to analyse the current situation and compare to the global results.

For this purpose, we studied the companies included in the BIST-100 index of Borsa Istanbul. We engaged in an interactive communication strategy including workshops to inform the companies being studied on the research methodology and enable them to review and give feedback on the tentative results.

The distinctive feature of BIST-100 companies forming the top group by market value and trading volume is that, while being traded on the stock market, they not only impact investors, stock markets, suppliers or

Based on the information and documents publicly disclosed in the corporate websites, the present study assesses not the anti-corruption performance of companies but their systems of public disclosure on the matter.

customers but also their employees. These companies are also the first named in a mention of labour conditions and corporate conduct.

Based on the information and documents publicly disclosed in the corporate websites, the present study assesses not the anti-corruption performance of companies but their systems of public disclosure on the matter. Conceptualised as “transparency in corporate reporting,” this approach is considered a key preventive tool in combating corruption.

Overall findings indicate that the information disclosed to the public at large by most BIST-100 companies on their anti-corruption policies, procedures and practices is inadequate. On an optimistic note, one may think that companies may actually be working to combat corruption, but experiencing some problems in transparent reporting of such practices. On the more pessimistic note, one may conclude that most companies do not accord necessary importance to combating corruption beyond mere compliance with laws. The findings of the present study focusing on public disclosure practices indicate that there are significant problems in transparent reporting of the data needed to assess the anti-corruption performance of BIST-100 companies and urgent measures need to be taken for the issue.

It should also be noted that companies have yet to develop a culture of country-by-country reporting referring to the country-wise disclosure of key financial data on revenues, taxes, capital expenditures and community contributions by their operations outside Turkey. International organisations, e.g. Organisation for Economic Co-operation and Development (OECD), and supranational structures, e.g. the European Union, have taken up the country-by-country reporting and introduced various regulations. Under Turkish presidency for the present year, G20 countries have decided to adopt the OECD principles on country-by-country reporting. We therefore think that country-by-country reporting is a mode of reporting which will be further discussed and required from companies. We particularly recommend that companies operating in the global markets and relevant regulatory agencies should proactively take up the issue of country-by-country reporting.

We, Transparency International Turkey, conducted for the first time the present study of Transparency in Corporate Reporting, and intend to re-conduct it regularly in the future and build a reference on transparency in the Turkish private sector. Our work will not be limited to this study, and be augmented to include training programmes to improve problematic areas and events that bring together various stakeholders.

2

REPORTING ON ANTI-CORRUPTION PROGRAMMES

While the existence of an anti-corruption programme does not eliminate corruption risks, it is nevertheless an indicator of the corporate awareness of corruption risks, the commitment to effectively managing such risks, and the right tone at the top. In that sense, anti-corruption programmes serve as a guide for corporate managers, employees and stakeholders in managing such risks. The present study reviews not how compliant companies are with own anti-corruption programmes, but how transparent they are in disclosing such programmes to the public.

Anti-corruption programmes are an effective tool in managing corruption risks and the first line of defence against various forms of corruption. Companies may encounter corruption in own internal functioning and in relations with public agencies as well as in relations with third parties such as suppliers and intermediaries and with other companies. Where such risks occur, companies may be exposed to legal sanctions, experience loss of prestige and image, and the sustainability of their operations may be jeopardised.

While the existence of an anti-corruption programme does not eliminate corruption risks, it is nevertheless an indicator of the corporate awareness of corruption risks, the commitment to effectively managing such risks, and the right tone at the top. In that sense, anti-corruption programmes serve as a guide for corporate managers, employees and stakeholders in managing such risks. Making such programmes transparent and disclosure to the public means a corporate commitment to combating corruption and a binding promise given to stakeholders.

Transparent reporting makes it possible to monitor and control the difference between what companies have reported and how they have actually acted.

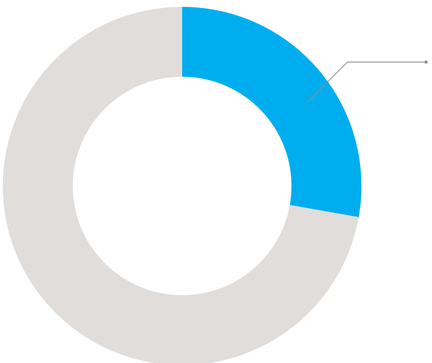
The present study reviews not how compliant companies are with own anti-corruption programmes, but how transparent they are in disclosing such programmes to the public. It may therefore be argued that the study is based only on the information on paper, not looking into the actual corporate practices. While corporate reporting on anti-corruption programmes is only a proxy for reflecting the actual corporate performance in this area, poor reporting suggests inadequate or non-existing anti-corruption programmes and a lack of commitment to combating corruption. Therefore, reporting and practice should be considered as two complementary actions.

Corporate governance is premised on equality, transparency, accountability and responsibility. Transparency enables companies and organisations to disclose their values, policies and how they implement them to their stakeholders and the public at large. Transparency defines how transparent, accessible and accountable companies are, and builds confidence in stakeholders that they are treated equally and responsibly. Transparent reporting makes it possible to monitor and control the difference between what companies have reported and how they have actually acted. This encourages the transparently reporting companies to act in compliance with own anti-corruption programmes. The prestige of companies which report transparently and act accordingly will further increase before all the stakeholders and the society.

The questions in this section were derived from the "Reporting Guidance on the 10th Principle against Corruption" issued jointly by the UN Global Compact and Transparency International. The questions investigate corporate policies and procedures on such matters as the corporate commitment to combating all forms of corruption, whether the programmes apply to corporate managers as well as employees, whether suppliers and intermediaries must comply with the programmes, gifts, hospitality costs, facilitation payments and confidential reporting channels etc.

Nine companies disclosed a document specifically named anti-corruption policy or similar. Therefore, companies were assessed on the basis of their code of ethics documents. Care was taken in the assessments that the information sought should be clear and intelligible; indirect and hypothetical statements in the reports were not accepted as valid.

FIGURE 1



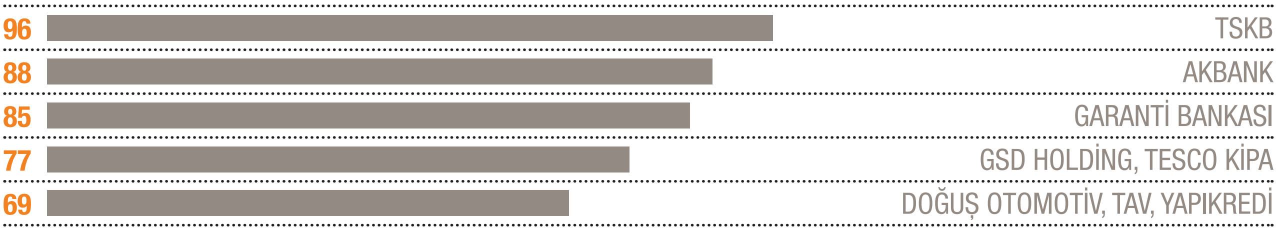
28%

Average for BIST-100 companies
Transparency in reporting on anti-corruption programmes

FIGURE 2

Top Scoring Companies in Reporting on Anti-corruption Programmes

TOP SCORING COMPANIES



The fact that a large part of BIST-100 companies scored low in this dimension should not mean that those companies lacked anti-corruption policies or programmes, or failed to effectively implement such policies or programmes. The result should be interpreted only that those companies failed to disclose adequate information on such programmes to the public, or report transparently.

All of the 100 companies studied were assessed by the questions in this dimension. The average score of companies was 28% (see Figure 1). For the same dimension, TI's 2012 study reported an average score of 46% for 100 companies in emerging markets, and TI's 2014 study reported an average of 70% for multinational companies. This striking difference between the scores of BIST-100 companies and those of emerging market companies and multinational companies suggests that Turkish companies need to take further steps for transparency in reporting on anti-corruption programmes.

Figure 4 shows that 9 out of 13 questions on this dimension had individual averages lower than the overall average score for the dimension. To enable companies to formulate effective anti-corruption programmes or report comprehensively on their existing programmes, company scores on individual questions are described in detail in the following section.

The 1st question related to the commitment to combating corruption. A total of 29 companies stated a strong commitment such as "zero-tolerance policy" against corruption, 22 companies stated weaker and limited commitment, while 49 companies made no statement at all (see Figure 3). These results may be interpreted that most companies acted timidly to use the term corruption in their reporting.

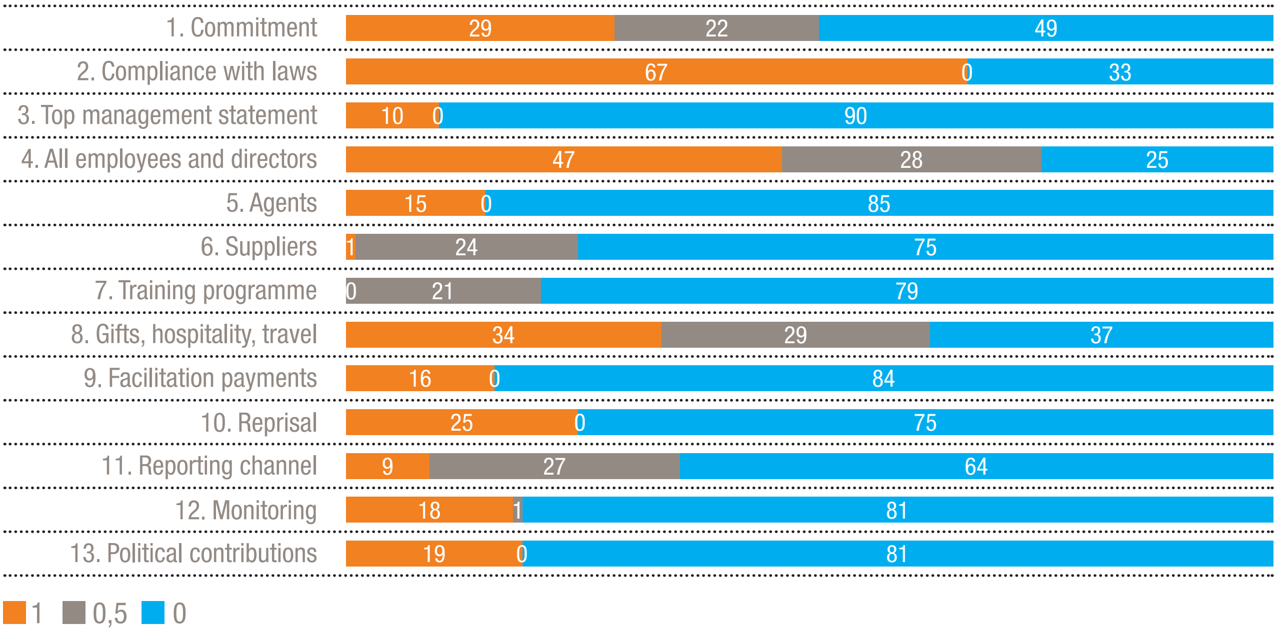
For the 2nd question, which returned the highest average score among questions for this dimension, 67 companies disclosed that they would act in full compliance with laws. This result confirms an impression we had during the research. Companies commonly held the opinion that the disclosure of information as required by the Capital Markets Board (CMB) legislation would be adequate for transparency. We believe stronger emphasis is needed that transparency in the private sector is important further beyond compliance with laws.

For the 3rd question, which had the lowest average score, top managers in 10 companies made references to corruption in their personal messages. Websites of many companies carry no messages of the top management. Those which do mostly include financial information on the company activities, and occasionally make commitments on environmental sustainability and work safety. It is not correct to remain silent on corruption in the top management messages which could be considered an indicator of what level of importance companies accord to specific policies

FIGURE 3

Item-wise Analysis of Questions on Reporting on Anti-corruption Programmes

ITEM-WISE SCORES



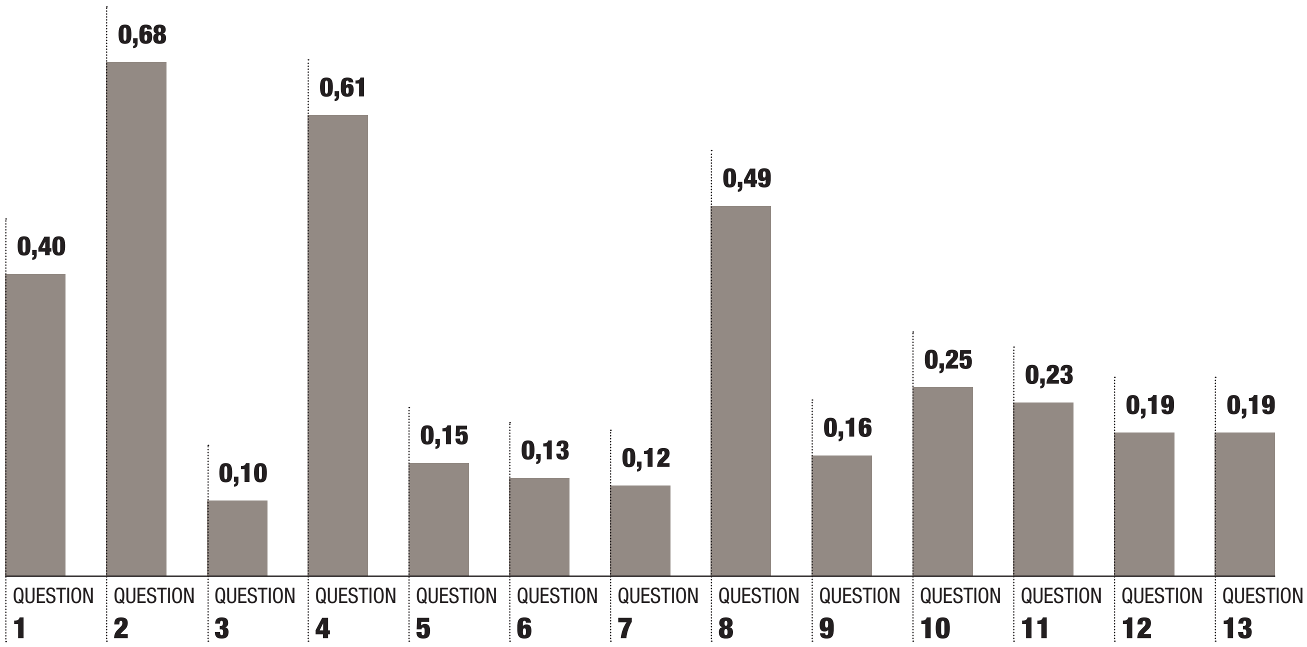
and programmes. As is known, leadership by top management is essential to creating a corporate culture of transparency and integrity. Top managers can display leadership by stating in their speeches and messages that anti-corruption, transparency and integrity are integral parts of the corporate values. This will definitely communicate a strong signal for the importance that company managers and employees must accord to anti-corruption, transparency and integrity.

The 4th question relating to the statements on the programme being applicable to all employees and managers had a relatively higher average score. A total of 47 companies disclosed that anti-corruption programmes applied to all employees and managers, and 28 companies mentioned only all employees without specific reference to managers. A design of corporate ethical codes and procedures to cover only employees in relation to such important departments as sales, procurement, financing or production may impair risk management. Failure to state explicitly that managers are bound by such codes and procedures may divert risk management from being a corporate policy to being a mere human resources practice that governs the relations between employees and the management. To avoid such circumstances, we recommend that relevant programmes be formulated to cover all employees and managers and be disclosed transparently.

Leadership by top management is essential to creating a corporate culture of transparency and integrity. Top managers can display leadership by stating in their speeches and messages that anti-corruption, transparency and integrity are integral parts of the corporate values.

FIGURE 4

Average Scores by Question on Reporting on Anti-corruption Programmes



The average scores were rather low for the 5th and 6th questions inquiring whether non-company employees such as intermediaries and advisors acting on behalf of the company and company's suppliers and subcontractors were included in the programme. Only 15 companies disclosed that company intermediaries must comply with the programme. Only one company stated that not only suppliers must comply with the program but also the company required due diligence and would audit its suppliers. 24 companies made statements referring to a part of the three elements required under the 5th question (compliance with anti-corruption programmes, due diligence and auditing). Some of those companies which scored zero on the two questions on intermediaries and suppliers simply disclosed certain procedures that unilaterally regulated the relation between the company and third parties or merely stated they would encourage third parties to comply with such procedures.

None of the studied companies received a full score on the 7th question dealing with corporate reporting on anti-corruption training programme implemented by a company. Since publicly-listed companies have independent directors on their board of directors as required in the framework of a CMB communique to that effect, a full score on this question would be given to those companies which disclosed that a training programme covering both employees and managers was in place. Those 24 companies which scored 0.5 point on this question disclosed only that the programme covered company employees not making a references to its applicability to managers. This result cannot be interpreted that company managers do not participate in the anti-corruption training programmes; however we believe that such a disclosure is an indicator of the right tone at the top, and thus, the information should particularly be disclosed that company managers who have higher responsibilities on combating corruption and

It is known that persons making the facilitation payments usually do not name them as corruption because the amounts of such payments are "small". Indeed, many companies call the facilitation payments "tips / gratuities". This attitude unfortunately makes corruption ordinary.

ethical behaviour are taking part in the relevant training programmes.

As inquired through the 8th question, companies tended to disclose relatively more information on gifts, hospitality and travel expenditures which run the risk of being bribes. On three aspects as receipt, offer and acceptable thresholds of gifts, hospitality and travel expenditures; 34 companies made statements, 29 companies referred only partially. We recommend that companies should report more information comprehensively on these issues generally referred in the codes of ethics.

For the 9th question relating to facilitation payments, 16 companies made statements. Facilitation payment could be described as payment of a small amount to a public official to expedite the performance of an official action by a public agency. The Turkish Criminal Code treats facilitation payments in Article 250 on extortion and imposes criminal sanctions. It is known that persons making the facilitation payments usually do not name them as corruption because the amounts of such payments are "small". Indeed, many companies call the facilitation payments "tips / gratuities". This attitude unfortunately makes corruption ordinary. We therefore advocate that companies must have policies in place which explicitly prohibit facilitation payments.

For the 10th and 11th questions relating to the reporting channels through which violations of principles and procedures of the programmes will be reported; average scores were slightly lower than the average for the dimension. Twenty five companies made statements that the reporting person would not be exposed to retaliation such as penalty or demotion. Nine companies stated that the identity of the person using this reporting channel would be kept confidential, and in addition, two-way communication with the person in question would be possible. Twenty seven companies made references only to the principle of confidentiality without referring to the two-way communication mode in order to obtain further information and notify the outcome of the report. When scoring for the questions no point was awarded to companies which failed to transparently report on its system of reporting even if it had reporting channels in place on the basis of confidentiality and two-way communication. For such systems to operate effectively, employees and all other stakeholders should have clear information on their use and characteristics. We call companies to disclose more on their corruption/ethical reporting channels.

The 12th investigated the corporate reporting on their systems of monitoring the effectiveness, sustainability and suitability of the programmes implemented by companies. There were 18 companies which stated that such monitoring was conducted regularly by a unit or committee and repeated periodically. The design of such a program as one-time-only and its continued implementation without identifying the problems in its operation and making necessary revisions will reduce its effectiveness, and even take it to a point of existence on paper only and without a practical meaning. To avoid this, we recommend that companies set up monitoring mechanisms and disclose information on such mechanisms to the public.

The 13th question dealt with the corporate policy on political contributions. Companies in some countries may provide funds to election campaigns of political candidates or to other political campaigns. The question inquired if a company disclosed that it made no political contributions, or if it did, a full disclosure of its contributions. In the study sample, 19 companies stated they made no political contributions, 81 companies reported no information on the issue or described some bans on their employees on political matters. It would be understandable for companies to prohibit, as a human resources policy, the use of corporate resources for political ends; however, we believe it would be more appropriate for transparency that companies explicitly declare their decision not to make any political contributions.

To conclude, the fact that a large part of BIST-100 companies scored low in this dimension should not mean that those companies lacked anti-corruption policies or programmes, or failed to effectively implement such policies or programmes. These results should be interpreted only that those companies failed to disclose adequate information on such programmes to the public, or report transparently. Considering however the complementary relation between reporting and practice, it is possible to interpret that those companies scoring higher on this dimension accorded more importance to such programmes and therefore developed more effective practices.

3

ORGANISATIONAL TRANSPARENCY
(Subsidiaries and Shareholdings)

The complexity of business networks which companies are involved in or establish at home and abroad may make it difficult to implement the principle of accountability and monitor their operations. Organisational transparency is essential to monitoring, at national and global levels, the relations such as financial flows and intra-group transfers between a parent company and its subsidiaries.

The complexity of business networks which companies are involved in or establish at home and abroad may make it difficult to implement the principle of accountability and monitor their operations. The second dimension of the present study, organisational transparency, assessed the public reporting by BIST-100 companies on their fully consolidated affiliates, subsidiaries accounted for by the equity method and other associates. This section included questions relating to the full disclosure of affiliates and subsidiaries without reference to any criterion of "significance/ materiality", percentages of shares held, and countries where these affiliates and subsidiaries were incorporated and operating. These questions were intended to make an assessment of the key components of organisational transparency. Organisational transparency is essential to monitoring, at national and global levels, the relations such as financial flows and intra-group transfers between a parent company and its subsidiaries. Local communities in the world are entitled to know which companies are operating in their territories, are bidding for government licences or contracts, or have applied for or obtained favourable tax treatment. The information inquired in this dimension is important to see which business networks the companies belong to, which companies are responsible for ethics and corruption issues and strengthen the principle of accountability. Of the studied 100 companies, 17 had no associates such

FIGURE 5

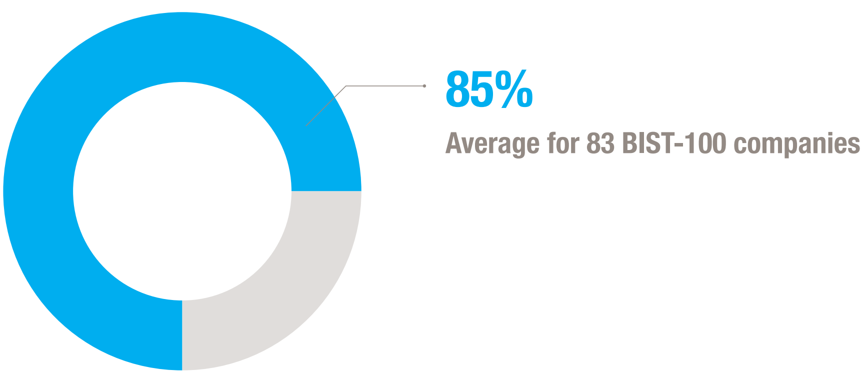
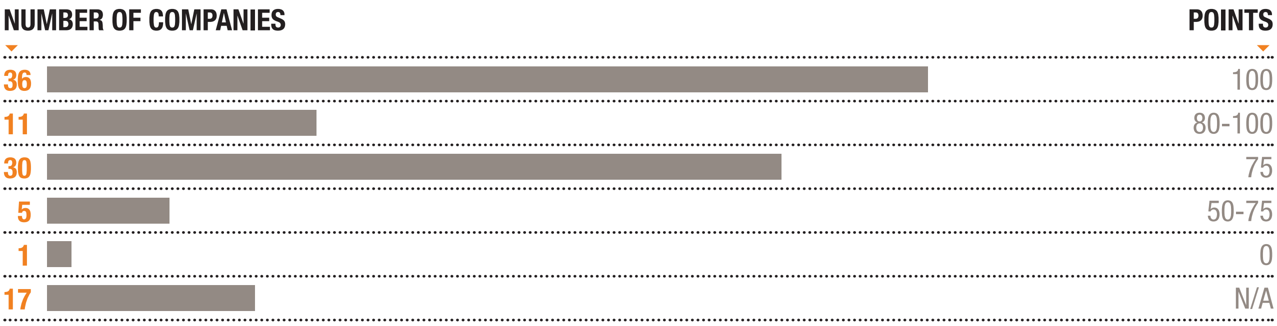


FIGURE 6

Number of Companies by Scores on Organisational Transparency Dimension



as affiliates or subsidiaries on their consolidated financial statements; therefore only 83 companies were reviewed on this dimension. 36 companies scored 100 whereas 41 scored 75 to 100 points (see Figure 6).

The average score of the included companies was 85% on this dimension (see Figure 5). For the same dimension, the average score was 39% for multinational companies in the global research, and 54% for companies in the emerging markets research. As would be noted, the average score arrived in our study was considerably higher than that of the global research and of the emerging markets research. While such high average score has a promising aspect, we think that disclosures required by the Turkish Accounting Standards (TMS) are also influential to such positive outcome. TMS requires companies to disclose information on their affiliates and subsidiaries in their consolidated financial statements. A review of corporate consolidated financial statements reveals that shareholdings and places of incorporation of affiliates and subsidiaries are reported in a similar list and usually under the same heading.

Note should also be taken that such lower average scores of multinational companies on this dimension are owed mainly to the low performance of Chinese and Russian companies, and to global companies having far more numerous subsidiaries and countries of operation compared to BIST-100 companies.

The most important issue in this section is the problems of reporting in the financial statements the difference between where a company is incorporated and where it has operations. As is known, a company may engage in business and economic operations in countries other than the country of incorporation. While the country of incorporation denotes where its headquarters is located; the countries of operation refer to places where it employs people, holds shares, concludes contracts, and it impacts environment and community. Most companies which fail to get full score on this dimension disclose information on the countries of incorporation of their associates, but fail to disclose clear information on which countries such associates operate.

One may think that this is due to a fact that the countries of incorporation and the countries of operation are the same for the associates. However, the reason for separately disclosing the countries of operation is that it allows for geographic monitoring of financial transfers by companies which invest abroad particularly to take advantage of tax exemptions, tax breaks or financial supports. Therefore, the disclosure of countries of operation is of interest to investors, public agencies and citizens. It should be noted that companies are accountable not only to local communities of the countries of incorporation, but also to the peoples of the countries of operation, and these communities are entitled to know which companies operate and are taxpayers in their countries.

The reason for separately disclosing the countries of operation is that it allows for geographic monitoring of financial transfers by companies which invest abroad particularly to take advantage of tax exemptions, tax breaks or financial supports.

4

COUNTRY-BY-COUNTRY REPORTING

Country-by-country reporting is an effective means particularly to prevent multinational companies avoiding taxes by abusing the gaps in international and local laws, and inhibit capital outflows from poor countries. Diligence devoted to not abusing the gaps in the taxation systems of countries of operation establishes and enhances the reputation of a company in the respective countries, and is also instrumental to building corporate identity at global level.

For the questions in this dimension, 45 companies which had operations outside Turkey directly or through affiliates and subsidiaries were assessed; those which engaged only in exports and had no established holding (legal entity) outside Turkey were excluded. Among the three dimensions of the present study, this dimension had the lowest average score at 8%. Considering that, for the same dimension, the average score was 6% for multinational companies in the global research, and 9% for companies in the emerging markets research, the lack of country-by-country reporting was worldwide, not specific to Turkey. Tough yet to draw adequate response in practice, we believe that country-by-country reporting will be a mode of reporting to be required more pronouncedly from companies in the future.

There is now stronger interest and demand in the world that multinational companies should disclose in their annual audit reports and tax statements certain key financial data of importance to local communities such as revenues generated and taxes paid in the countries of operation. Country-by-country reporting is an effective means particularly to prevent multinational companies avoiding taxes by abusing the gaps in international and local laws, and inhibit capital outflows from poor countries. Through country-by-country reporting, investors are able to monitor which companies operate in high risk regions such as countries of political instability, regions of war or tax havens. In addition to investors, civil society organisations or ordinary people too will have information on which multinational companies operate in their countries; monitor taxes paid, exemptions and incentives enjoyed by them; and hold, where necessary, their public authorities to account.

OECD and G20 countries that Turkey is among the members are expected to enact legislation on country-by-country reporting in the upcoming years.

It should be noted that corporate performance today is assessed not only by financial results, but also by abstract intangibles such as brand, image or reputation. The potential is there to gain more, through a corporate identity valuing transparency and anti-corruption, than whatever competitive advantage will be presumably lost through disclosure of business secrets.

On country-by-country reporting, OECD and the European Union have recently introduced regulations for extractive industries (i.e. petroleum, natural gas, mining). In line with OECD recommendations, the United Kingdom has acted first to pass legislation requiring large companies in the said industries to report on country-by-country basis. Under Turkish presidency for the present year, G20 countries have decided to adopt the OECD principles on country-by-country reporting. OECD and G20 countries including Turkey are expected to enact legislation on country-by-country reporting in the upcoming years. Country-by-country reporting, yet legally binding only on companies in the extractive industries, is important for all global companies beyond an obligation. In addition to compliance with laws, country-by-country reporting is also necessary to ensure sustainability of the business and manage associated risks in the country of operation. Diligence devoted to not abusing the gaps in the taxation systems of countries of operation establishes and enhances the reputation of a company in the respective countries, and is also instrumental to building corporate identity at global level.

Among the 45 companies included in the country-by-country reporting dimension of the study, only 14 scored some points (see Figure 8). Seven of the scorers were banks which received 0.5 points or higher in the 22nd question relating to revenues and the 23rd question on capital expenditures for they reported in their financial statements the information on the basis of individual companies about such financial data as "interest revenues", "securities revenues" and "total fixed assets" of their affiliates and subsidiaries in and outside Turkey. To score full points on each of these questions, such data need to be reported country-by-country, not by individual company. Companies other than banks assessed on this dimension were able to receive points only on the 22nd and 23rd questions relating to revenues and expenditures. Only two companies were able to score on questions relating to taxes, which indeed was the substantial aspect of country-by-country reporting.

For foreign operations, companies tend to disclose only the tax rate, but keep the paid tax amount undisclosed for taxation in the context of local laws. Some companies disclose such financial data by continent or by region which does not allow tax monitoring.

It is observed that companies make no disclosures on community contributions to the countries of operation. Limiting the social responsibility actions only to countries of incorporation to the exclusion of countries of operation may lead to problems in managing social and environmental risks in the countries of operation.

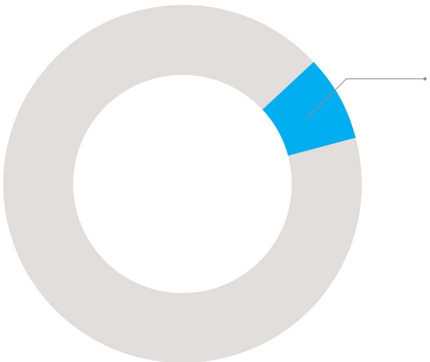
We recommend that all Turkish companies operating outside Turkey, including particularly those which are multinationals and have large turnovers, take up country-by-country reporting. While the financial reporting standards with which they must comply may not require reporting disaggregated by country or geography, companies may opt to disclose information in the local language or in English for the countries of operation in the reporting on non-financial matters or through a separate reporting by country. Financial data needed for country-by-country reporting is already available at the finance departments of companies, and we believe such reporting can be easily provided with no additional cost.

It may be argued that the disclosure of financial data for comprehensive country-by-country reporting would mean disclosure of trade secrets that may impair competitive strength. Even if such a risk is realistic, it should be noted that corporate performance today is assessed not only by financial results, but also by abstract intangibles such as brand, image or reputation.

The potential is there to gain more, through a corporate identity valuing transparency and anti-corruption, than whatever competitive advantage will be presumably lost through disclosure of trade secrets.

Public authorities too have significant duties on the issue of country-by-country reporting. Representing Turkey in other countries, Turkish companies help Turkey assume further roles in the global politics. It will strengthen Turkey's position in global policies if Turkish companies fully comply with the laws of countries of operation and create strong images before the host communities. The government should, in line with this strategy, guide and encourage Turkish companies to develop effective policies on anti-corruption, environmental sustainability and social welfare in their foreign operations. Considering that G20 countries decided last year to adopt the OECD principles on country-by-country reporting, Turkey is expected during her 2015 presidency to lead in taking tangible steps for country-by-country reporting.

FIGURE 7



8%

Average for 45 BIST-100 Companies on Country-by-Country Reporting Dimension

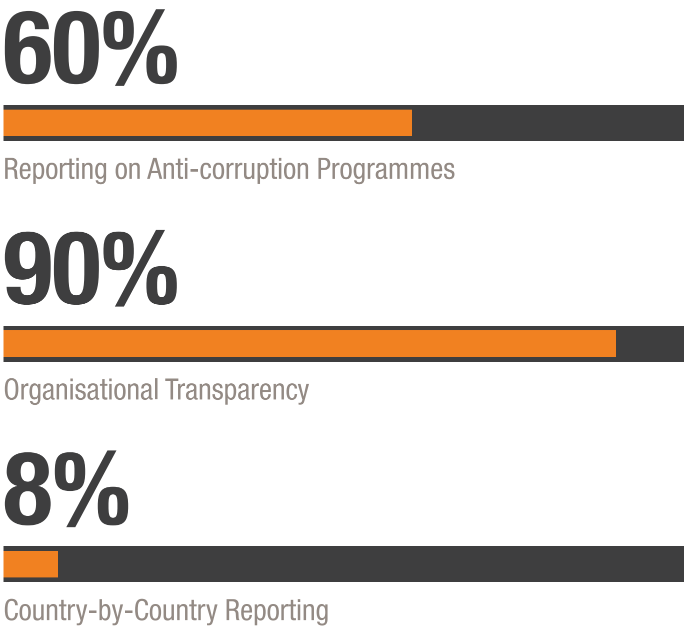
FIGURE 8

Companies Scoring on Country-by-Country Reporting Dimension

POINTS	COMPANIES
100	GSD HOLDİNG
30	ZORLU ENERJİ
27	GARANTİ BANKASI
20	AKBANK, ÇELEBİ, KARSAN, HALKBANKASI, ŞEKERBANK, VAKIFBANK, YAPIKREDİ
18	TÜRKİYE İŞ BANKASI
17	TURKCELL
10	GÜBRE FABRİKALARI
7	TAV

BOX 1: SIGNATORIES TO UNITED NATIONS GLOBAL COMPACT

Thirteen companies included in our study were also signatory the United Nations (UN) Global Compact. Those UN Global Compact signatory companies achieved the following average scores by dimension:

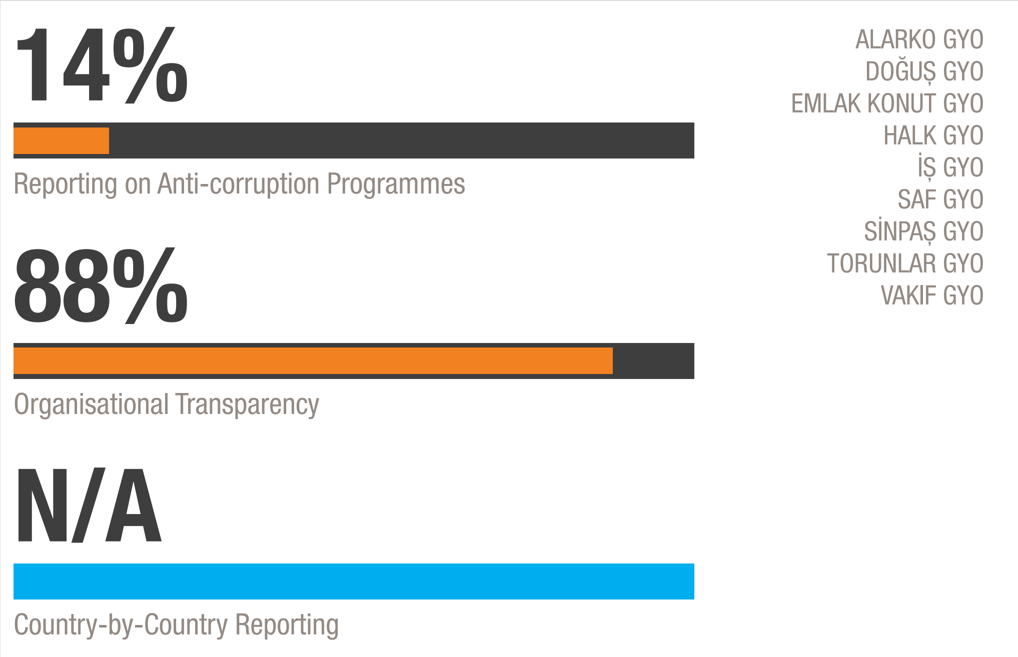


ANADOLU EFES
AKBANK
AKSA
BRİSA
COCA COLA İÇECEK
ÇİMSA
DOĞUŞ OTOMOTİV
GARANTİ BANKASI
İŞ BANKASI
KOÇ HOLDİNG
SABANCI HOLDİNG
TURKCELL
T.S.K.B.

On average scores, the UN Global Compact signatory companies scored well higher than 28% for BIST-100 companies on transparent reporting of anti-corruption programmes. This suggests that the UN Global Compact participants had higher awareness on this dimension. For the average scores on dimensions of organisational transparency and country-by-country reporting, the UN Global Compact participants did not differ significantly from the overall average. The deficiencies observed in the studied companies particularly for country-by-country reporting existed also in the UN Global Compact participants.

BOX 2: REAL ESTATE INVESTMENT TRUSTS (REITs)

Nine companies in the study sample have the status of real estate investment trusts. These companies were not included in assessment for country-by-country reporting because they had no foreign subsidiaries. Their average score of 14% on anti-corruption programmes dimension was half the study average score of 28%. Two companies received no points on this dimension. Four companies assessed on the dimension of organisational transparency scored an average of 88% which was close to the overall average score. Considering that these companies are subsidiaries of certain banks and groups, have separate corporate identities and more importantly enjoy tax advantages, real estate investment trusts should care to disclose more comprehensive information in their corporate reporting.

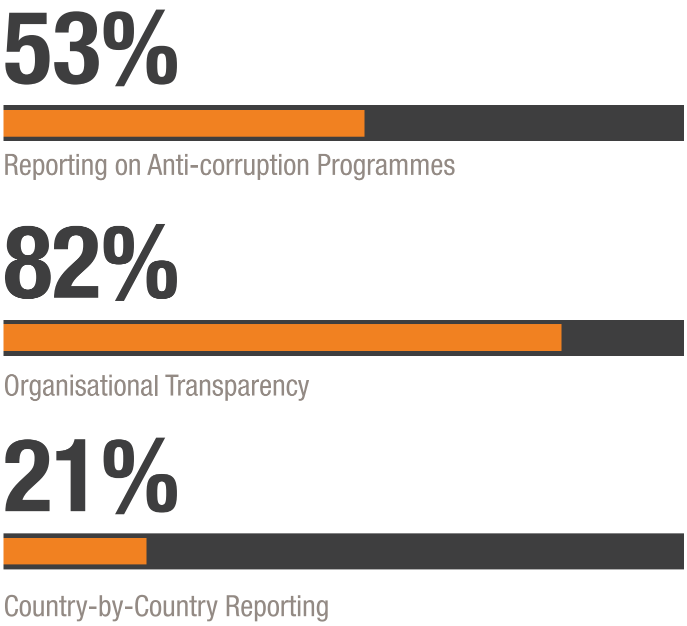


BOX 3: FOOTBALL CLUBS

Turkey's three biggest football clubs Beşiktaş, Fenerbahçe and Galatasaray are companies whose shares are traded in the BIST-100 Index. Their results indicated that only Beşiktaş scored 15% on transparent reporting on anti-corruption programmes, other two scoring zero. Having a significant place in social life and earning the love of millions, these companies should take utmost care on anti-corruption and transparency.

BOX 4: BANKS

Our study sample included 10 banks. The average score of 53% for banks on transparent reporting on anti-corruption programmes was above the overall average score. The average score of 82% on organisational transparency was very close to the overall average score. Finally, it was 21% for country-by-country reporting and higher than the overall average score of 8%. Banks included in the BIST-100 Index observed the principle of transparency in their corporate reporting, and had higher levels of awareness compared to other companies.



AKBANK
FİNANSBANK
GARANTİ BANKASI
ŞEKERBANK
TEKSTİLBANK
T. HALK BANKASI
T. İŞ BANKASI
T.S.K.B
VAKIFBANK
YAPI KREDİ BANKASI

5

RECOMMENDATIONS

To Companies

- Risks of corruption should be defined and detailed information on policies and programmes implemented for combating corruption and bribery should be disclosed on corporate websites, and regularly updated.
- Anti-corruption programmes should be developed to include the assessment criteria adopted in the first section of the study; the United Nations Global Compact should be signed and implemented to encourage transparency and enhance the effectiveness of anti-corruption programmes.
- Codes of ethics as a component of anti-corruption should be formulated and implemented, not as a disciplinary instruction only for company employees, but a commitment that defines the corporate ethical responsibilities of the company including the top management and enhances the accountability to stakeholders.
- To improve organisational transparency, the information on operations in other countries should be disclosed in addition to the information on countries of incorporation of affiliates and subsidiaries.
- Country-by-country reporting should be taken up to move beyond mere reporting of the countries of incorporation for the companies with foreign operations in line with their legal and ethical responsibilities to the host communities and public authorities of the countries of operation; and financial data should be reported particularly on revenues and taxes in all countries of operation.

To Public Authorities

- It should be a legal requirement that companies formulate anti-corruption programmes and disclose them transparently to the public.
- Accounting standards should include the disclosure of the countries of operations of consolidated affiliates and subsidiaries, of the amounts of goods and services traded amongst them, and the reporting of basic financial data such as shareholdings, revenues, profits, capital expenditures, taxes and social contributions in each country of operation.

- The obligations should be fulfilled as prescribed by such international conventions ratified by Turkey including mainly the United Nations Convention on Anti-Corruption prescribing the obligations of states parties in combating corruption in the private sector and increasing the transparency level of companies, and 2015-16 G20 Anti-Corruption Implementation Plan.
- The priority objectives of the “Action Plan for Increasing Transparency and Developing Effective Public Administration in Turkey” relating to the private sector and not yet achieved should be pursued.
- Anti-corruption efforts by government only cannot be successful. Therefore the involvement of all citizens and civil society should be promoted and platforms be created to effectively voice their views.

To Investors and Stock-Market Analysts

- When conducting analyses of the stock-market and investments, the level of public disclosure by companies on anti-corruption programmes should be treated as an indicator of sensitivity of the respective company on the issue, and as an integral part of successful risk management.
- Investors should treat transparency in corporate reporting as an investment criterion.

To Civil Society Organisations

- Civil society organisations should encourage all companies including particularly multinationals operating in their countries to make more transparent corporate reporting, and monitor corporate disclosures.
- They should urge governments to take steps to require companies to report more transparently.
- They should engage in awareness efforts emphasising that corruption in the private sector poses significant risks to all matters of interest to the entire community such as environment, health, work safety, economic stability, human rights and efficient use of resources.
- They should engage in cooperation and exchange experience with those civil society organisations engaged in transparency in the private sector.

RESEARCH METHODOLOGY

Since the late 1980s, companies have been reporting, in addition to financial data, on other matters including mainly environmental actions. As topics included in corporate reporting have diversified over time, companies have also tended to disclose non-financial matters separately from the financial content of corporate reporting. Such evolution in corporate reporting methods has led various organisations and civil society organisations to publish corporate reporting indices and guidelines.

Through public reporting, companies present important information to stakeholders in a structured way. Public reporting in other words is the embodiment of transparency and the substantive link in the accountability chain. Viewed in this light, corporate reporting also demonstrates the corporate commitment to combating corruption and enables companies to account for deficiencies.

In its "Transparency in Corporate Reporting" studies assessing the corporate reporting, TI relies on the publicly disclosed information by companies as an indicator of transparency and, due to its importance for enhancing corporate transparency, conducts the assessment of information on three dimensions: (i) reporting on anti-corruption programmes, (ii) organisational transparency and (iii) country-by-country reporting.

The present study employed the same methodology as TI's global "Transparency in Corporate Reporting" research to allow for comparisons. Accordingly, the methodology included the administration of an assessment questionnaire of 26 items against the data disclosed in the corporate website of and company being studied. Questionnaire items (see Annex 1) were structured along the following three sections:

(1) Reporting on Anti-corruption Programmes (13 questions)

(2) Organisational Transparency (8 questions)

(3) Country-by-Country Reporting (5 questions)

Anti-corruption programmes include corporate policies and procedures implemented by companies in line with their defined principles and values to prevent corruption both in own internal functioning and in relations with their stakeholders. The existence and scope of such a programme as a corporate roadmap of combating corruption is important to demonstrate corporate awareness and resoluteness. The study included 13 questions inquiring the extent of information disclosed by companies on their anti-corruption programmes.

The questions on organisational transparency intended to assess the information disclosed in their consolidated financial statements on related entities such as subsidiaries, affiliates or joint ventures, and the countries of incorporation and countries of operation of such related entities. This section is important to hold the parent company accountable not only for itself but also its related entities and enhance accountability. The section included 8 questions in total.

Country-by-country reporting is a mode of reporting on the basis of individual countries where the reporting company discloses key financial data including primarily the revenues earned and taxes paid through subsidiaries, affiliates or directly owned branches established abroad. Country-by-country reporting is a means to hold companies accountable not only to the local community of the countries of incorporation (where the headquarters is located), but also to that of the countries of operation. This section included 5 questions in total.

Not all BIST-100 companies had affiliates/subsidiaries incorporated and operating both at home (Turkey) and abroad. Therefore it was not possible to apply all three sections of the research to all BIST-100 companies and derive an overall average score.

Therefore, BIST-100 companies studied were categorised into three groups (see Figure 9). Group A included 45 companies which had subsidiaries operating both at home (Turkey) and abroad, and were assessed on all three dimensions. Group B included 38 companies which had subsidiaries only at home country (Turkey); were thus excluded from the assessment on country-by-country reporting dimension. Group C included companies with no subsidiaries, assessed therefore only for the questions on the transparent reporting on anti-corruption programmes, and excluded from the other two dimensions. When comparing the average scores of individual companies, it would be appropriate only to compare those in the same group.

FIGURE 9

Categorisation of Companies by Holdings

	Section 1 Reporting on Anti-corruption Programmes	**Section 2** Organisational Transparency	**Section 3** Country-by-Country Reporting
Group A (45 companies with holdings at home (Turkey) and abroad)	✓	✓	✓
Group B (38 companies with holdings only at home country; Turkey)	✓	✓	Excluded
Group C (17 companies with no holdings at home (Turkey) or abroad)	✓	Excluded	Excluded

Scoring

Each question was scored 1 point for "yes, disclosed" or 0 point for "no, not disclosed". For questions 1, 4, 6, 7, 8, 11 and 12 in the first section and all questions in the second and third sections, a score of 0.5 point could also be awarded. In the first two sections, scores obtained for each question were summed separately for each section. In the section on country-by-country reporting, the average score of all points obtained for a specific question from all countries where the company had operations was designated as the score for the question. For example, if a company had operations in 25 countries and disclosed the revenues earned only in 4 countries, the company's score on that question would be a maximum of "0.16" point calculated by (1.00 x 4) / 25.

The total score of a company in each section was calculated on a scale of 100. For example, in the first section which included 13 questions, if a company scored 3.5 points; that would be converted by (100 x 3.5) / 13 and rounded to the nearest integer to give "27".

The overall average score of a company was computed by dividing the sum of its scores in each section (excluding the sections from which the company was excluded) by the number of sections assessed. For example, if a Group B company assessed on three sections received "30" points in the first section and "40" points in the second section; that company's overall average score would be (30 + 40) / 2 = "35". When computing the average scores, no weighting was employed on the basis of number of questions included in individual sections.

Data Analysis and Feedback Processes

Corporate data were compiled through a desk research from 20 October to 15 December 2014. The data collection process referred only to the most recent (updated) information and documents disclosed publicly and in Turkish in the corporate websites of the companies studied. No other data, in any other website or printed reports, were taken into account for assessment. Accordingly, the assessments based on such documents as the code of ethics, anti-corruption and anti-bribery policies, annual reports, sustainability reports and external audit reports publicly available in the corporate websites. Each datum relating to the research questions was recorded and source-documented. For example, a relevant document's title and the page number from which the datum was obtained were recorded along with the date of access.

Before starting the research, in a kick-off conference organised on 26 September 2014, the research methodology and questionnaire items were provided to the BIST-100 companies. After this meeting, at least one contact point from each company was designated to keep contact with the companies. Companies were provided with opportunities to give feedback on the data compiled by the research team, first in the period of 20 October – 10 November 2014, and second in the period of 1 – 15 December 2014 in order to enhance the quality of compiled data and conduct the research interactively with the companies.

Our research methodology did not compulsory require feedback from the companies; the research team conducted the research independently of the feedback if any provided by the companies. Such feedback was used by the research team only to improve data quality and conduct the research interactively with the companies.

Prior to 20 October 2014 which was the start date of data collection for the study, the questionnaire guide was provided to the companies through contact persons allowing the companies to respond to the questions in accordance with the guide in the first feedback period of 20 October – 10 November 2014, and send their assessments back to the research team. At this stage, 10 companies provided feedback.

At the second stage, the assessment sheets prepared after the completion of assessments by the research team were communicated to the companies to allow review. A total of 42 companies provided feedback at this stage where some companies updated the information and documents in their websites, upon which the data assessments for such companies were revised on the basis of updated information and documents. Feedback from the companies at both feedback stages were reviewed and taken into account by the research team, and company assessments revised as necessary.

Transparency International Turkey believes that transparency and corporate reporting on anti-corruption are critical to building good corporate governance and reducing corruption risks. The present study on Transparency in Corporate Reporting therefore focuses on transparency and corporate reporting on anti-corruption within the framework of corporate policies and processes. It is beyond the scope of this study to investigate the accuracy and completeness of the information and documents disclosed to the public and/or judge the level of transparency and integrity of corporate practices. For example, the study does not deal with whether the code of ethics published in a corporate website is effectively implemented by the company. Likewise, if a company states that it has disclosed a "full list of consolidated subsidiaries", this statement is taken at face value and assessed accordingly. The study dwells on the transparency of corporate reporting to the public, that is, which information is made available to the public, not whether such disclosed information is truthful.

ANNEX 1

RESEARCH QUESTIONNAIRE

Reporting on Anti-Corruption Programmes

1 Does the company have a publicly stated commitment to anti-corruption?

2 Does the company publicly commit to be in compliance with all relevant laws, including anti-corruption laws?

3 Does the company leadership (senior member of the management or board) demonstrate support for anti-corruption?

4 Does the company's code of conduct/anti-corruption policy explicitly apply to all employees and directors?

5 Does the company's anti-corruption policy explicitly apply to persons who are not employees but are authorised to act on behalf of the company or represent it (for example: agents, advisors, representatives or intermediaries)?

6 Does the company's anti-corruption programme apply to non-controlled persons or entities that provide goods or services under contract (for example: contractors, subcontractors, suppliers)?

7 Does the company have in place an anti-corruption training programme for its employees and directors?

8 Does the company have a policy on gifts, hospitality and expenses?

9 Is there a policy that explicitly prohibits facilitation payments?

10 Does the programme enable employees and others to raise concerns and report violations (of the programme) without risk of reprisal?

11 Does the company provide a channel through which employees can report suspected breaches of anti-corruption policies, and does the channel allow for confidential and/or anonymous reporting (whistle-blowing)?

12 Does the company carry out regular monitoring of its anti-corruption programme to review the programme's suitability, adequacy and effectiveness, and implement improvements as appropriate?

13 Does the company have a policy on political contributions that either prohibits such contributions or if it does not, requires such contributions to be publicly disclosed?

Organisational Transparency

14 Does the company disclose all of its fully consolidated subsidiaries?

15 Does the company disclose percentages owned in each of its fully consolidated subsidiaries?

16 Does the company disclose countries of incorporation for each of its fully consolidated subsidiaries?

17 Does the company disclose countries of operations for each of its fully consolidated subsidiaries?

18 Does the company disclose all of its non-fully consolidated holdings (associates, joint ventures)?

19 Does the company disclose percentages owned in each of its non-fully consolidated holdings?

20 Does the company disclose countries of incorporation for each of its non-fully consolidated holdings?

21 Does the company disclose countries of operations for each of its non-fully consolidated holdings?

Country-By-Country Reporting

22 Does the company disclose its revenues/sales in country X?

23 Does the company disclose its capital expenditure in country X?

24 Does the company disclose its pre-tax income in country X?

25 Does the company disclose its income tax in country X?

26 Does the company disclose its community contribution in country X?

ANNEX 2

COMPANIES STUDIED AND SCORES

GROUP A

	COMPANY	Reporting on Anti-corruption Programme	Organisational Transparency	Country-by-Country Reporting	AVERAGE SCORE
1	GSD HOLDİNG	77	100	100	92
2	GARANTİ BANKASI	85	100	27	71
3	AKBANK	88	75	20	61
4	YAPI KREDİ	69	88	20	59
	TAV HAVALİMANLARI	69	100	7	59
5	ÇİMSA	54	100	0	51
	KOÇ HOLDİNG	54	100	0	51
	SABANCI HOLDİNG	54	100	0	51
	T. İŞ BANKASI	54	81	18	51
6	VAKIFBANK	50	81	20	50
	EREĞLİ DEMİR ÇELİK	50	100	0	50
7	DOĞUŞ OTOMOTİV	69	75	0	48
8	ASELSAN	42	100	0	47
	TURKCELL	31	94	17	47
9	AKSA HOLDİNG	38	100	0	46
	PEGASUS	38	100	0	46
	ZORLU ENERJİ	19	88	30	46
10	MİGROS	35	100	0	45
11	DOĞAN HOLDİNG	31	100	0	44
	HÜRRİYET GAZETESİ	31	100	0	44
12	COCA COLA	54	75	0	43

	COMPANY	Reporting on Anti-corruption Programme	Organisational Transparency	Country-by-Country Reporting	AVERAGE SCORE
13	AKSA ENERJİ	27	100	0	42
	T. HALK BANKASI	31	75	20	42
	ANADOLU CAM	50	75	0	42
14	TÜRK TELEKOM	23	100	0	41
	ŞEKERBANK	27	75	20	41
15	ÇELEBİ	0	100	20	40
	LOGO YAZILIM	19	100	0	40
16	KARSAN	19	75	20	38
	ANADOLU EFES	38	75	0	38
17	YAZICILAR HOLDİNG	23	88	0	37
	GÜBRE FABRİKALARI	0	100	10	37
	ARÇELİK	35	75	0	37
	SODA SANAYİ	35	75	0	37
	ŞİŞECAM	35	75	0	37
18	ALARKO HOLDİNG	8	100	0	36
19	TRAKYA CAM	31	75	0	35
	VESTEL	31	75	0	35
20	BİM	0	100	0	33
	NETAŞ	0	100	0	33
	TEKFEN	12	88	0	33
21	BORUSAN MANNESMANN	15	75	0	30
22	ECZACIBAŞI İLAÇ	8	75	0	28
	NET TURİZM	8	75	0	28
23	ENKA İNŞAAT	4	75	0	26

N/A: Not applicable, excluded

GROUP B

	COMPANY	Reporting on Anti-corruption Programme	Organisational Transparency	Country-by-Country Reporting	AVERAGE SCORE
1	TSKB	96	100	N/A	98
2	TOFAŞ	65	100	N/A	83
	TÜPRAŞ	65	100	N/A	83
3	AYGAZ	42	100	N/A	71
4	PETKİM	62	75	N/A	68
5	ANADOLU ISUZU	31	100	N/A	65
6	İHLAS HOLDİNG	27	100	N/A	63
	OMV PETROL OFİSİ	50	75	N/A	63
7	SAF GYO	23	100	N/A	62
	TORUNLAR GYO	23	100	N/A	62
8	PARK ELEKTRİK	19	100	N/A	60
	SİNPAŞ GYO	19	100	N/A	60
9	THY	31	88	N/A	59
10	ALKİM KİMYA	15	100	N/A	58
11	İTTİFAK HOLDİNG	12	100	N/A	56
	MENDERES TEKSTİL	12	100	N/A	56
12	TEKSTİLBANK	31	75	N/A	53
13	TURCAS PETROL	27	75	N/A	51
14	KARDEMİR	0	100	N/A	50
	TAT GIDA	0	100	N/A	50
	EGE ENDÜSTRİ	12	88	N/A	50
15	AKENERJİ	23	75	N/A	49
	ÜLKER BİSKÜVİ	23	75	N/A	49
16	TEKNOSA	19	75	N/A	47
17	METRO	42	50	N/A	46
18	GALATASARAY	0	88	N/A	44
19	KARTONSAN	12	75	N/A	43
20	İZMİR DEMİR ÇELİK	0	81	N/A	41

	COMPANY	Reporting on Anti-corruption Programme	Organisational Transparency	Country-by-Country Reporting	AVERAGE SCORE
21	FENERBAHÇE	0	75	N/A	38
	FİNANSBANK	0	75	N/A	38
	KONYA ÇİMENTO	0	75	N/A	38
	KOZA ALTIN	0	75	N/A	38
	KOZA MADENCİLİK	0	75	N/A	38
22	İŞ GYO	19	50	N/A	35
23	BEŞİKTAŞ	15	50	N/A	33
	ECZACIBAŞI YATIRIM	15	50	N/A	33
24	GÖLTAŞ ÇİMENTO	0	63	N/A	31
25	İPEK DOĞAL ENERJİ	0	0	N/A	0

N/A: Not applicable, excluded

GROUP C

	COMPANY	Reporting on Anti-corruption Programme	Organisational Transparency	Country-by-Country Reporting	AVERAGE SCORE
1	TESCO KİPA	77	N/A	N/A	77
2	BRİSA	65	N/A	N/A	65
3	AFYON ÇİMENTO	54	N/A	N/A	54
4	SASA	46	N/A	N/A	46
5	TÜRK TRAKTÖR	42	N/A	N/A	42
6	FORD OTOSAN	35	N/A	N/A	35
7	BİZİM TOPTAN GIDA	27	N/A	N/A	27
	OTOKAR	27	N/A	N/A	27
8	HALK GYO	19	N/A	N/A	19
	VAKIF GYO	19	N/A	N/A	19
9	DOĞUŞ GYO	8	N/A	N/A	8
	TÜMOSAN	8	N/A	N/A	8
10	ALARKO GYO	0	N/A	N/A	0
	BAGFAŞ	0	N/A	N/A	0
	EMLAK KONUT GYO	0	N/A	N/A	0
	GOOD YEAR	0	N/A	N/A	0
	GÖZDE GİRİŞİM	0	N/A	N/A	0

N/A: Not applicable, excluded