

# TRANSPARENCY IN CORPORATE REPORTING

**2023** ASSESSING THE TOP 125 PUBLIC  
LIMITED COMPANIES IN SRI LANKA





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ISBN: 978-624-6193-04-1

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

**Note: The TRAC report does not assess the implementation of companies' anti-corruption policies or programmes. Therefore, a low score does not necessarily mean that a company does not have strong anti-corruption programmes, nor does it indicate any wrongdoing on the part of the company. Conversely, a high score may not always reflect operational and implementational success of anti-corruption programmes, but merely reflects strong disclosure mechanisms pertaining to anti-corruption, organisational transparency, domestic financial reporting, and policies on gender and non-discrimination.**

### Acknowledgement

This report is part of the project 'Strengthening Democracy Through Enhanced Public and Private Sector Accountability.' This project is supported by a Grant from the Center for International Private Enterprise in Washington, D.C.



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# Message from the Executive Director

Corruption is defined as the abuse of entrusted power for personal gain. As people, systems and organizations become more transparent, share all relevant information with the public and are open to be questioned and dissented with, corruption becomes more and more difficult. Conversely, any person wielding power becomes vulnerable to corruption if critical transparency and accountability measures are not attached to the exercise of such power. Therefore, as an organization with the mission to contribute to the collective effort to eradicate corruption in Sri Lanka, advocating for and facilitating initiatives designed to enhance transparency in country-level governance, within institutions and within the prevailing culture become paramount. While the private sector is a key player in the country's journey towards economic recovery, it can also play a significant role in driving corruption, from being enablers, to being the supply side of day-to-day corruption to even colluding with politicians and public officials on grand corruption scandals.

The economic crisis and the resultant people's uprising created an unprecedented social awakening on the impact of grand corruption and poor governance on the

functioning of the economy and on the lives of citizens. This shared realization was confirmed by the landmark judgment of the Supreme Court in November 2023, which held that the former President, former Prime Minister, former Finance Minister, former Governors of the Central Bank, former Secretary to the Treasury, former Monetary Board members and former Secretary to the President acted in violation of the public trust in their administration of the economy, leading to the economic crisis in the country. With the economic crisis and certain economic reform processes continuing to have devastating implications among the most vulnerable groups in society, the public outcry for a real 'systems change' continues to resonate and grow across the nation.

In keeping with a requirement of the agreement with the International Monetary Fund (IMF), the Anti-Corruption Act, No. 9 of 2023 was enacted in August 2023, consolidating and replacing the existing anti-corruption laws. This new law introduced the country's first-ever specific provisions focusing on bribery in the private sector, whereby it introduces bribery offenses in economic, financial, or commercial activities and prescribes imprisonment and fines for convictions. The law provides

for the establishment of mandatory codes of conduct aimed at preventing and eradicating bribery and corruption within businesses. In addition, specific measures are also outlined to prevent corruption in contractual relations between the government and private sector entities. In keeping with this focus on strengthening the legal and regulatory framework of Sri Lanka related to combatting corruption and money laundering and based on stakeholder and public responses to enhance governance structures and responsibilities of the Board of Directors of companies, Sri Lanka's Securities and Exchange Commission (SEC) announced that Listed Companies will come under tighter corporate governance rules, which are in line with international standards, from October 2023. TISL welcomes these amended rules, which require Listed Companies among others, to establish and maintain Board policies for risk management and internal controls, relations with shareholders and investors, whistleblowing, corporate disclosures, environmental, social and governance sustainability and anti-bribery and corruption and require Listed Companies to disclose these policies as well as the implementation details on their annual reports and websites.

TRAC 2023 which is launched in this critical context becomes a timely initiative for corporates to critically review their actual commitment to the principles of good governance, transparency and accountability, which are key elements that demonstrate the organization's integrity and social responsibility. By striving to fulfill all requirements of TRAC and gain a full score for transparency in corporate reporting at this time with heightened public attention, enhanced legal framework and growing global standards on corporate social responsibility, companies can gain social capital and enhance their organizational image.

The TRAC report provides recommendations on how to improve transparency in corporate reporting, on necessary regulatory changes, and on updating listing rules. We hope that the companies assessed will be encouraged

to lead the private sector by example towards improving the quality of disclosure of information. We further urge the companies to take the next critical step of ensuring that the disclosed anti-corruption policies and mechanisms are effectively implemented within a corporate culture that does not tolerate corruption.

I wish to thank the 125 companies assessed in this report for their cooperation and the effort taken to engage, learn and take steps to improve their transparency in reporting. We look forward to continuing this journey with these organizations and to connecting with other stakeholders within the private sector towards the collective mission of enhancing transparency and accountability of the private sector, thereby strengthening the fight against corruption to revive Sri Lanka.

### **Nadishani Perera**

Executive Director







# Methodology

The Transparency in Corporate Reporting (TRAC) Assessment 2023 is an independent assessment of corporate disclosure practices among the top 125 public limited companies in Sri Lanka conducted by Transparency International Sri Lanka (TISL). The research methodology adopted, loosely follows Transparency International's standard TRAC methodology. For more information on the standard TRAC Methodology, please refer Annex 3.

## What Does the Report Assess?

The standard TRAC methodology assesses three key sections, namely Reporting on Anti-Corruption Programmes, Organisational Transparency, and Country-by-Country Reporting. The TRAC Assessment 2023, in recognition of the domestic corporate landscape, included three additional sections namely, Domestic Financial Reporting, Reporting on Policies relating to Gender and Non-Discrimination, and Reporting on Procurement related to Government Contracts/Tenders. The reasons for including these additional sections are set out below.

### Section 1: Reporting on Anti-Corruption Programmes

This section assesses a company's public disclosure on its anti-corruption programmes. It encourages companies to publicly demonstrate their commitment to fighting corruption and towards being responsible corporate citizens. The section comprises 15 questions derived from the Transparency International – United Nations Global Compact (UNGC) Reporting Guidance on the UNGC's 10th Principle (Anti-corruption), which assess disclosures on key elements of a robust anti-corruption programme.

### Section 2: Organisational Transparency

This section contains 9 questions which assess how transparent companies are in their disclosures pertaining to corporate structures, specifically in relation to their ownership of fully and non-fully consolidated holdings. This section encourages companies to maintain transparent corporate structures, whilst also allowing stakeholders to detect and prevent illicit financial flows and financial irregularities facilitated by opaque structures. The previous TRAC Assessment (2022) included a new question in this section which assesses companies' disclosure practices pertaining to their ultimate beneficial owners. Disclosures relating to beneficial ownership is important, as anonymity enables illegal activities such as corruption, money laundering and tax evasion.

### Section 3: Domestic Financial Reporting

This section includes 5 questions which assess a company's domestic financial disclosures. Public disclosure of domestic finances encourages accountability in the management of public funds collected by companies and enhances their reputation among the communities in which they

operate. The disclosure of domestic financials is an essential tool in the fight against corruption as the public disclosure of such information allows investors to take informed decisions and thereby hold companies accountable. It also mitigates the risk of investor funds being misused, insider trading, tax evasion, window dressing etc. Such disclosures are considered as indicators that companies act in a financially responsible manner with accountability to their key stakeholders.

### **Section 4: Country-by-Country Reporting**

This section follows the same questions included in Section 3; however, it assesses a company's financial disclosures pertaining to their foreign and cross-border operations, where applicable. The disclosure of financial information pertaining to overseas operations is as important as domestic financial disclosures. It facilitates investors to understand the true financial position of the company and determine its overall stability. This is especially so, in the face of an ongoing economic crisis. Furthermore, the transparency of country-by-country financial data also mitigates the possibility of companies utilising their overseas operations for illicit or illegal activities such as tax evasion, money laundering and fraud. Several companies, whilst disclosing the consolidated financials for their overseas operations, do not disclose the financials for each country of operation based on the principle of materiality<sup>1</sup>. TISL encourages all companies to disclose financial data for each country of operation, regardless of materiality, to facilitate complete transparency.

### **Section 5: Reporting on Gender and Non-Discrimination Policies**

This section comprising 4 questions, assesses a company's approach to gender-based issues of discrimination and sexual harassment. The objective of this section is to encourage companies to publicly demonstrate a zero-tolerance approach to sexual harassment and discrimination on the basis of gender.

1. Materiality is an accounting term, which allows for the selection of certain items for company reports based on their relative significance for the overall business.

### **Section 6: Reporting on Procurement Related to Government Contracts/Tenders**

The previous TRAC Assessment (2022) introduced this section which assesses a company's disclosure practices pertaining to the procurement of government contracts and tenders which was continued in the current assessment. This section comprises of 4 questions, which assess if companies have disclosed whether they have an internal policy for bidding on government contracts, if they have disclosed whether they have any contracts with government entities and finally if the company discloses its financial position regarding such contracts. This section was incorporated into the current assessment considering the significant risks of corruption in procurement and seeks to ensure that companies transparently disclose the nature of their dealings with the government, particularly in relation to bidding and procurement of large-scale public contracts and projects.

### **How Were the Companies Selected?**

The TRAC Assessment 2023 assessed the disclosure practices of the top 125 public limited companies in Sri Lanka based on market capitalisation on the Colombo Stock Exchange (CSE) as of 5th July 2023. (See Annex 1 for the full list of companies assessed in this report). The scope of the 2023 Assessment was expanded to include 125 companies, which included 26 new companies in addition to the 99 companies assessed in the previous TRAC Assessment (TRAC 2022).<sup>2</sup> At the point of selecting the top 125 public limited companies, LOLC Development Finance PLC was still listed on the CSE. It has subsequently been de-listed due to its amalgamation with LOLC Finance PLC<sup>3</sup> and was therefore, not assessed in the current assessment. As a result, the TRAC 2023 assessment consists of only the top 124 public limited companies in Sri Lanka.

2. <https://www.tisrilanka.org/transparency-in-corporate-reporting-trac-2022/>

3. [https://cdn.cse.lk/cmt/announcement\\_portal\\_prod/LODF%20Documents%20-%20CSE%20upload\\_21511009639943583.pdf](https://cdn.cse.lk/cmt/announcement_portal_prod/LODF%20Documents%20-%20CSE%20upload_21511009639943583.pdf), <https://www.cbsl.gov.lk/en/authorized-financial-institutions/licensed-finance-companies>

## On What Information Were Companies Scored?

Companies were scored based on publicly available information pertaining to the company. Information was sourced from the latest Annual Reports (2022 or 2022/23) published by companies, company websites, and other publicly available documents. Companies were provided with the opportunity to provide feedback on their initial scores until 21st December 2023. Therefore, all information made publicly available prior to the 21st of December 2023 was considered towards the TRAC Assessment 2023 and the report does not capture any information made public thereafter.

As with previous years, the TRAC Assessment 2023 is limited to direct disclosures made by companies themselves. As such, disclosures which refer to codes of best practices, certification requirements, and other reporting standards that refer to anti-corruption were not considered as adequate forms of disclosure. No information made available on third party sources were considered. Similarly, disclosures made by the parent of a group of companies, was not considered towards the scoring of subsidiary companies within the group and vice versa. Companies were scored as independent entities, based on their disclosures alone, regardless of whether they belonged to a group of companies. The only exception afforded to the above, was if a subsidiary referred to group policies, whilst providing a link to such policies on their own website or in their Annual Report. In such cases, the disclosure of the group policy was considered when scoring the subsidiary of the group.

## How Are Companies Scored?

Data for each of the 37 questions was sourced from publicly available documents. The source of the data was recorded (document title and page number) along with the relevant excerpt which formed the basis for the allocated score. Scores were allocated for explicit disclosures that met the scoring criteria set out in the codebook (See Annex 2). Vague or indirect disclosures were not considered in scoring companies for the current assessment. Once companies were scored, the initial score sheets were

shared with the respective companies, and the companies were given the opportunity to provide feedback on their scores. Each company's individual scoresheet may be viewed at [www.tisrilanka.org/trac2023](http://www.tisrilanka.org/trac2023).

Of the 124 companies assessed, a total of 32 companies provided feedback before the allocated deadline. Feedback provided by companies that was specific, verifiable, and publicly available in the company's Annual Report or website, was considered and scores were revised where applicable. It must be noted that it is challenging to engage with large companies as it is not always clear to whom the communication should be addressed. Further, reaching out on the provided general email address or phone number, is very rarely effective as the communication is often missed or mis-directed. Therefore, despite numerous letters, emails and reminders, several companies did not provide feedback on the initial score. This may be due to the company choosing not to engage with the TRAC assessment or simply due to missed communication.

## How Does the Scoring System Work?

The score per question uses a scale from 0 to 1 with equal weight allocated for each question across all the sections, namely reporting on Anti-Corruption Programmes, Organisational Transparency, Domestic Financial Reporting, Country-by-Country Reporting, Reporting on Gender and Non-Discrimination, and Reporting on Procurement related to Government Contracts/Tenders. Companies received 1 point for full disclosure, 0.5 for partial disclosure, and scored 0 if the information was either unavailable or unclear. The scoring for the question on beneficial ownership followed a "Yes/No" scoring criteria, with an additional scoring option of "Not Applicable" (N/A) being included in the current codebook, to accommodate for companies that do not have traceable or identifiable ultimate beneficial owners. Accordingly, companies that had disclosed their ultimate beneficial owner received a "Yes" score, whilst companies that did not disclose their beneficial owner received a "No" score, and companies that disclosed that they did not have an identifiable ultimate beneficial owner who is a natural person received a

“N/A” score. Thereafter, the scores obtained by the company were averaged based on the number of questions that are applicable to each individual company.

### How Are Companies Ranked?

The overall ranking was calculated based on the company’s absolute scores for the following four sections; Reporting on Anti-Corruption Programmes, Organisational Transparency, Domestic Financial Reporting and Reporting on Gender and Non-Discrimination. Whilst companies were scored on the Country-by-Country section and the Reporting on Procurement relating to Government Contracts/Tenders section, these two sections were not considered towards the company’s overall score and rank.

The current assessment continued to utilise the revised methodology adopted in the previous assessment, where companies are ranked by averaging the absolute scores received by the companies, based on the number of questions applicable to each individual company. Accordingly, the average for most companies was obtained by averaging the total score that they obtained for all four sections against the total number of questions (32 questions). However, if companies had questions which were “Not Applicable” to them, their average was adjusted to reflect the number of questions applicable to the company. Once a company’s rank has been finalised, they are categorised as follows based on the overall TRAC score that they have received;

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

The ranks derived using the new methodology are a more accurate representation of the company’s disclosure practices, as it reduces the undue weightage that was previously allocated to the sections on domestic financial reporting and organisational transparency. It is not possible to adopt a completely equal weightage for each section, due to the nature of the Sri Lankan business landscape, which has some companies that have fully consolidate subsidiaries and non-fully consolidated subsidiaries while others do not. Due to this business landscape, it is inevitable that some questions will not be applicable to certain companies. Therefore, given the local context, the adopted methodology to the greatest possible extent regularises the weightage adopted for each section whilst significantly reducing the issues prevalent in the previously adopted methodology.

### What Are the Limitations of the TRAC Report?

The TRAC report **does not assess the implementation** of companies’ anti-corruption policies or programmes. Therefore, **a low score does not necessarily mean that a company does not have strong anti-corruption programmes, nor does it indicate any wrongdoing on the part of the company. Conversely, a high score may not always reflect operational and implementational success of anti-corruption programmes, but merely reflects strong disclosure mechanisms pertaining to anti-corruption, organisational transparency, domestic financial reporting, and policies on gender and non-discrimination.**

This assessment seeks to provide a basis upon which a broader discussion can commence on normalising transparency in corporate reporting. This report does not seek to assess companies’ levels of integrity or the strength of their internal controls, but rather focuses on public reporting by companies on anti-corruption policies and procedures and other disclosures with respect to company holdings and key financial data, which are considered as crucial elements in ensuring good corporate governance and mitigating the risk of corruption.



In conducting the research, TISL did not investigate the veracity or completeness of the published information and did not make any judgment about the integrity or completeness of the information provided. Therefore, if a company publishes what it refers to as 'a full list of its fully consolidated subsidiaries,' this has been accepted at face value, and scored accordingly.

The TRAC report assesses each company independently, regardless of whether they are a parent or subsidiary. Therefore, disclosures made by the parent company regarding the group were not considered towards the scoring of subsidiary companies and vice versa. Parent and subsidiary companies alike, are held equally and independently to the same standard of corporate disclosure. This requires both parent companies and subsidiary companies to make separate and independent disclosures pertaining to their anti-corruption policies and practices, corporate structure, and financial data.

### **How Was TRAC 2023 Compared to Previous TRAC Assessments?**

The current assessment has been compared to the previous assessment (2022) to analyse the trends in corporate disclosure of the top 124 companies. Some analysis has also been drawn between the current assessment and all the previous assessments as well. As the current methodology for calculating the company ranking varies from the methodology adopted in earlier versions of the assessment, an equal comparison cannot be drawn to the previous TRAC assessments. However, general comparisons have been drawn throughout the report, as a loose indicator of changes in disclosure practices of companies. It is also important to note throughout the findings of the report, that an increase or decrease in score could also be a result of an increase in the sample size of assessed companies, from 100 in the 2022 report to 124 in the current assessment.







# Introduction

Corruption in the business sector is widespread and can take many forms. It may take the form of bribery or bid rigging, or the use of opaque company structures and secret subsidiaries to exploit or avoid tax laws, influence political decisions or to build economic cartels.<sup>4</sup> The scope and space for private sector corruption is wide, with far-reaching effects that adversely impact all citizens of a country. A corrupt business environment can lead to severe economic consequences arising out of unfair competition, and the distortion of market forces. As much as public sector corruption is a serious problem, so too is private sector corruption, wherein private sector actors are often silent colluders or enablers of much larger public sector corruption.

Despite the serious implications associated with private sector corruption, public limited companies continue to publish too little information about their commitments to comprehensive anti-corruption programmes, their widespread operations and corporate structures. Continued opacity in company operations contributes towards the creation of an environment in which corruption is not only the norm, but also thrives. Failure to transparently disclose commitments and policies on anti-corruption also creates an impression of companies being corrupt or of companies being willing to turn a blind eye to corruption. Therefore, in a business and political context where corruption is increasingly becoming the norm, it is vital not only to have a zero-tolerance approach to corruption, but to also be seen as being free of corruption.

Recognizing the severe consequences of private sector corruption, the newly enacted Anti-Corruption Act No. 09 of 2023, for the first time in Sri Lanka recognizes private sector bribery as a punishable offence.<sup>5</sup> This is further strengthened by the revised Listing Rules of the Colombo Stock Exchange, which has introduced new policy requirements and disclosure standards for public listed companies.<sup>6</sup> Accordingly, listed companies are now required to adopt and maintain whistleblower policies and anti-bribery and corruption policies and make disclosures on said policies. It has also been reported that beneficial ownership disclosures will be made compulsory to ensure greater transparency, by way of an amendment to the Companies Act No. 07 of 2007. The proposed amendment would require the Registrar General of Companies to maintain a separate register on beneficial ownership.<sup>7</sup>

4. <https://knowledgehub.transparency.org/topics/private-sector-parent-label>

5. <https://www.parliament.lk/uploads/acts/gbills/english/6296.pdf>

6. [https://cdn.cse.lk/cmt/upload\\_report\\_file/hPLxglBoBHBOZRNs\\_11Sep2023051530GMT\\_1694409330850.pdf](https://cdn.cse.lk/cmt/upload_report_file/hPLxglBoBHBOZRNs_11Sep2023051530GMT_1694409330850.pdf)

7. <https://www.sundaytimes.lk/231112/business-times/company-beneficial-ownership-disclosure-becomes-compulsory-next-year-537898.html>

These revisions in the regulatory framework of Sri Lanka make it evident that transparency and accountability are important principles that companies must adhere to. It also recognizes the responsibility that companies carry to meaningfully contribute towards the fight against corruption. However, the existence of a strong regulatory framework alone is inadequate to curb corruption if there is ineffective implementation. In this regard, companies must commit to abide by the new regulatory standards, whilst also self-regulating to maintain higher standards than the minimum requirements set out in regulations.

The Transparency in Corporate Reporting Assessment (TRAC) assists companies to objectively evaluate the strength of their corporate disclosures and assess how they are viewed by the public in terms of their anti-corruption initiatives. As such, the TRAC assessment reviews a company's disclosures regarding their Anti-Corruption Programmes, Organisational Transparency, Domestic Financial Reporting, Country-by-Country Reporting, Reporting on Gender and Non-Discrimination Policies and Reporting on Procurement Related to Government Contracts/Tenders. The TRAC assessment also functions on the premise that for companies to improve their public disclosures relating to anti-corruption, there must also be an improvement in the strength of the policy and its implementation. Therefore, while the TRAC assessment in no way seeks to assess the strength of a company's anti-corruption programme and the extent of its implementation, it highlights areas for improvement for companies, not only in their public disclosure, but indirectly in their policies as well.

### **The Objective of TRAC**

Clear and consistent public messaging about a company's anti-corruption programme can strengthen the programme, as good reporting should include information of targets achieved and key indicators of progress. The ranking of companies based on the strength of their disclosures may also serve as a strong motivator for companies to improve not only their disclosure of internal anti-corruption measures but their

policies as well. In its fourth year, the TRAC assessment has served as a stepping stone for many companies to identify shortcomings and improve their policies. It has also been a motivator for other companies to disclose their anti-corruption policies with several companies taking steps to publish their policies on the company website. As such, the periodic reviewing of a company's public disclosure on anti-corruption serves as a strong motivator for companies to regularly review their policies and improve their disclosures.

Furthermore, the TRAC assessment is carried out with the objective of improving shareholder and public confidence in companies. The public disclosure of the information assessed in the TRAC assessment allows stakeholders to take informed decisions and eventually influence corporate behaviour.

TISL's expectation is that periodic TRAC assessments will encourage companies to improve standards of integrity and transparency in business. The most important objective of this assessment is to encourage companies to incorporate and strengthen anti-corruption practices and make this information publicly available.

### **The Relevance of TRAC**

The TRAC assessment is relevant not only to the companies assessed, but to the public as well. There is an increased emphasis being placed on Environment, Social and Governance (ESG) reporting which holds companies to a high standard of disclosure regarding their ESG practices. The TRAC assessment reviews the Governance component of ESG reporting to a great extent. This has a two-fold benefit. Firstly, it improves investor confidence in companies. In a country rife with corruption, where corruption is the second most significant unlawful activity that generates criminal proceeds in the country<sup>8</sup>, it is important for companies to be transparent in their business operations. Investor confidence in companies will greatly depend on them being free of corruption. As such, regular, clear, direct and strong disclosures of a company's actual commitment to anti-

8. [http://fiusrilanka.gov.lk/docs/home\\_slider/2023/News/2023\\_09\\_17.pdf](http://fiusrilanka.gov.lk/docs/home_slider/2023/News/2023_09_17.pdf)



corruption can only serve to improve investor confidence in the company. The TRAC assessment by periodically monitoring companies' disclosure practices, encourages and guides companies to provide their shareholders with clear and direct disclosures, particularly in relation to their governance practices. In turn, improved investor confidence in the company could lead to greater growth and long-term profits for the company.

Secondly, the TRAC assessment serves as a benchmark for companies to strive to in improving their corporate disclosure. This may lead to improvements within the companies themselves. From the perspective of the company, the disclosure of a company's commitment to its anti-corruption programme may also serve to enhance ethical conduct within the company. Such public disclosure may encourage and underscore ethical behaviours amongst the company's management, employees, partners and agents etc. TRAC also provides a framework for improvement of company disclosure practices, providing them with a view of how they fare when compared to their peers, highlighting areas for improvement and setting out best practices that must be achieved. The year-on-year assessment also provides companies with a yearly opportunity to improve their image by conforming to better standards and improving their ranking. As mentioned above, such improvements in addition to ensuring that the company's internal governance operations are sustainable and ethical, will also lead to greater investor confidence and long-term benefits for the company.

## The Results at a Glance

The overall average of the companies indicates that the top 124 public limited companies in Sri Lanka are only Partially Transparent<sup>9</sup> according to the TRAC 2023 Assessment. The overall average score for the 124 companies in this report is 5.85 out of 10 which indicates a marginal increase from 5.42 recorded in the previous year. The top 124 public limited companies assessed, were only Partially Transparent in their Reporting on Anti-Corruption Programmes with an average score of 4.05, which is a significant improvement from last year where companies were only Slightly Transparent<sup>10</sup> in their anti-corruption reporting. A similar improvement was observed in the section on Organisational Transparency, where companies were Significantly Transparent<sup>11</sup> in their disclosures in the current assessment with an average score of 8.05, as opposed to being Moderately Transparent<sup>12</sup> in the previous year with an average score of 7.86. Companies were Significantly Transparent in the Domestic Financial Reporting section with an average score of 9.60.

As with previous assessments, since 2020, the results of TRAC 2023 show the importance of legally mandated disclosures and the limitations of voluntary disclosure. Sri Lanka has in place regulations which prescribe disclosures pertaining to Organisational Transparency and Domestic Financial Reporting which may be the reason for the higher scores observed in these sections as opposed to the Reporting on Anti-Corruption Programmes score, which is a voluntary disclosure.

9. Overall company scores range from 0 to 10, where 0 is the Least Transparent in corporate reporting and 10 is Fully Transparent. Companies that have obtained a TRAC score between 4.00 - 5.99 are considered Partially Transparent.

10. Overall company scores range from 0 to 10, where 0 is the Least Transparent in corporate reporting and 10 is Fully Transparent. Companies that have obtained a TRAC score between 2.00 - 3.99 are considered Slightly Transparent.

11. Overall company scores range from 0 to 10, where 0 is the Least Transparent in corporate reporting and 10 is Fully Transparent. Companies that have obtained a TRAC score between 8.00 - 9.99 are considered Significantly Transparent.

12. Overall company scores range from 0 to 10, where 0 is the Least Transparent in corporate reporting and 10 is Fully Transparent. Companies that have obtained a TRAC score between 6.00 - 7.99 are considered Moderately Transparent.

# Highlights

## 5.85/10

Overall, the companies assessed in the report are **Partially Transparent** in corporate reporting.

## 32

companies were either **Significantly Transparent** or **Fully Transparent**<sup>13</sup> in corporate reporting, which shows a **9% increase** compared to the 2022 assessment.

## 28

companies were either **Slightly Transparent** or **Least Transparent**<sup>14</sup> in corporate reporting which shows a **5% decrease** compared to the 2022 assessment.

**Only 5 companies, (Ceylon Tobacco Company PLC, Dialog Axiata PLC, Dilmah Ceylon Tea Company PLC, John Keells Holdings PLC, and Teejay Lanka PLC) obtained the full overall score in corporate reporting.**

**8 companies (Ceylon Cold Stores PLC, Ceylon Tobacco Company PLC, Commercial Bank of Ceylon PLC, Dialog Axiata PLC, Dialog Finance PLC, Dilmah Ceylon Tea Company PLC, John Keells Holdings PLC, and Teejay Lanka PLC) were Fully Transparent in Reporting on Anti-Corruption Programmes.**

**20 Companies were Significantly Transparent in Reporting on Anti-Corruption Programmes.**

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

13. Overall company scores range from 0 to 10, where 0 is the Least Transparent in corporate reporting and 10 is Fully Transparent. Companies that have obtained a TRAC score of 10.00 are considered Fully Transparent.

14. Overall company scores range from 0 to 10, where 0 is the Least Transparent in corporate reporting and 10 is Fully Transparent. Companies that have obtained a TRAC score between 0.00 - 1.99 are considered Least Transparent.

**John Keells Holdings PLC** ranked first for the fourth consecutive year and **Teejay Lanka PLC** ranked first for the second consecutive year in corporate reporting.

**ONLY  
39/102**<sup>15</sup>

companies have full scores in the **Organisational Transparency** category which shows a **9% increase** compared to the 2022 assessment.

**94**

companies have obtained full scores in **Domestic Financial Reporting**.

**33**

companies obtained full scores in the **Reporting on Gender and Non-Discrimination Policies** section which shows a **7% increase** compared to the 2022 assessment.

**8 companies** (Bukit Darah PLC, Carson Cumberbatch PLC, Hayleys PLC, JAT Holdings PLC, John Keells Holdings PLC, John Keells Hotels Holdings PLC, L B Finance PLC, and Laugfs Gas PLC) scored **100%** in the **Country-by-Country Reporting** Category.

**7/25**<sup>16</sup>

companies (Asian Hotels and Properties PLC, Ceylon Cold Stores PLC, Dialog Axiata PLC, John Keells Holdings PLC, John Keells Hotels PLC, Kelani Valley Plantations PLC, and Trans Asia Hotels PLC) obtained a full score in the **Procurement related to Government Contracts and Tenders'** section which shows a **23% increase** compared to the 2022 assessment.

**The Tele-communications industry was the highest ranked industry, which was Significantly Transparent, while no industry was Fully Transparent.**

15. Only 102 out of 124 companies have either fully consolidated subsidiaries or non-fully consolidated holdings.

16. Only 25 out of 124 companies have contracts with either local or foreign governments.







# Overall TRAC Scores

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Industry	Anti-Corruption Programmes	Organisational Transparency	Domestic Financial Reporting	Gender and Non-Discrimination	Average	TRAC Score
1	Ceylon Tobacco Company PLC	Food Beverage & Tobacco	15.0	N/A	5.0	4.0	100%	10.00
1	Dialog Axiata PLC	Telecommunication Services	15.0	8.0	5.0	4.0	100%	10.00
1	Dilmah Ceylon Tea Company PLC	Food Beverage & Tobacco	15.0	4.0	5.0	4.0	100%	10.00
1	John Keells Holdings PLC	Capital Goods	15.0	8.0	5.0	4.0	100%	10.00
1	Teejay Lanka PLC	Consumer Durables & Apparel	15.0	4.0	5.0	4.0	100%	10.00
6	Cargills (Ceylon) PLC	Food & Staples Retailing	14.0	8.0	5.0	4.0	97%	9.69
6	Commercial Bank of Ceylon PLC	Banks	15.0	8.0	5.0	3.0	97%	9.69
6	John Keells Hotels PLC	Consumer Services	14.0	8.0	5.0	4.0	97%	9.69
9	Ceylon Cold Stores PLC	Food Beverage & Tobacco	15.0	4.0	5.0	3.0	96%	9.64
10	Trans Asia Hotels PLC	Consumer Services	14.0	N/A	5.0	4.0	96%	9.58
11	Dialog Finance PLC	Diversified Financials	15.0	N/A	4.0	3.0	96%	9.57
12	Asian Hotels and Properties PLC	Consumer Services	13.5	4.0	5.0	4.0	95%	9.46
12	JAT Holdings PLC	Materials	13.5	4.0	5.0	4.0	95%	9.46
12	Sampath Bank PLC	Banks	14.0	3.5	5.0	4.0	95%	9.46
15	Hemas Holdings PLC	Capital Goods	14.0	8.0	5.0	3.0	94%	9.38
16	Alumex PLC	Materials	14.0	4.0	5.0	3.0	93%	9.29
16	L B Finance PLC	Diversified Financials	13.0	4.0	5.0	4.0	93%	9.29
18	Hela Apparel Holdings PLC	Consumer Durables & Apparel	12.5	8.0	5.0	4.0	92%	9.22
19	Aitken Spence PLC	Capital Goods	12.0	8.0	5.0	4.0	91%	9.06
20	Amana Bank PLC	Banks	12.5	N/A	5.0	4.0	90%	8.96
20	Nestle Lanka PLC	Food Beverage & Tobacco	13.5	N/A	5.0	3.0	90%	8.96
22	Union Bank of Colombo PLC	Banks	14.5	3.5	4.0	3.0	89%	8.93
23	Hayleys PLC	Capital Goods	11.5	8.0	5.0	4.0	89%	8.91
23	National Development Bank PLC	Banks	12.5	7.0	5.0	4.0	89%	8.91
25	People's Leasing & Finance PLC	Diversified Financials	12.5	4.0	5.0	3.0	88%	8.75

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

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Industry	Anti-Corruption Programmes	Organisational Transparency	Domestic Financial Reporting	Gender and Non-Discrimination	Average	TRAC Score
25	Seylan Bank PLC	Banks	11.5	4.0	5.0	4.0	88%	8.75
25	Talawakelle Tea Estates PLC	Food Beverage & Tobacco	12.5	4.0	5.0	3.0	88%	8.75
25	Union Assurance PLC	Insurance	13.0	N/A	5.0	3.0	88%	8.75
29	DFCC Bank PLC	Banks	13.5	6.0	5.0	3.0	86%	8.59
30	Access Engineering PLC	Capital Goods	10.5	8.0	4.5	4.0	84%	8.44
30	Haycarb PLC	Materials	10.5	7.5	5.0	4.0	84%	8.44
32	Hatton National Bank PLC	Banks	12.0	6.0	5.0	3.0	81%	8.13
33	Aitken Spence Hotel Holdings PLC	Consumer Services	8.5	8.0	5.0	4.0	80%	7.97
34	United Motors Lanka PLC	Retailing	10.0	4.0	5.0	3.0	79%	7.86
34	Watawala Plantations PLC	Food Beverage & Tobacco	10.0	3.0	5.0	4.0	79%	7.86
36	Sri Lanka Telecom PLC	Telecommunication Services	9.5	6.0	5.0	4.0	77%	7.66
37	B P P L Holdings PLC	Household & Personal Products	10.5	3.0	4.5	3.0	75%	7.50
37	Kelani Valley Plantations PLC	Food Beverage & Tobacco	9.0	4.0	5.0	3.0	75%	7.50
37	The Lanka Hospitals Corporation PLC	Health Care Equipment & Services	8.5	4.0	4.5	4.0	75%	7.50
40	Softlogic Life Insurance PLC	Insurance	9.0	N/A	5.0	3.0	71%	7.08
41	Ceylinco Insurance PLC	Insurance	4.5	8.0	5.0	4.0	67%	6.72
42	Printcare PLC	Commercial & Professional Services	5.0	4.0	5.0	4.0	64%	6.43
43	Central Finance Company PLC	Diversified Financials	5.5	8.0	5.0	2.0	64%	6.41
43	Elpitiya Plantation PLC	Food Beverage & Tobacco	4.5	8.0	5.0	3.0	64%	6.41
45	Dipped Products PLC	Materials	7.5	4.0	5.0	1.0	63%	6.25
45	Expolanka Holdings PLC	Transportation	5.0	6.5	4.5	4.0	63%	6.25
45	Windforce PLC	Independent Power Producers & Energy Traders	7.0	6.0	5.0	2.0	63%	6.25
48	ACL Cables PLC	Capital Goods	3.5	8.0	5.0	3.0	61%	6.09
48	Royal Ceramics Lanka PLC	Capital Goods	4.5	6.0	5.0	4.0	61%	6.09
50	First Capital Holdings PLC	Diversified Financials	5.0	4.0	5.0	3.0	61%	6.07
51	Prime Land Residencies PLC	Real Estate	6.5	N/A	5.0	3.0	60%	6.04

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

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Industry	Anti-Corruption Programmes	Organisational Transparency	Domestic Financial Reporting	Gender and Non-Discrimination	Average	TRAC Score
52	Singer (Sri Lanka) PLC	Retailing	5.0	7.0	5.0	2.0	59%	5.94
53	Co-operative Insurance PLC	Multi-line Insurance	4.0	4.0	4.0	4.0	59%	5.93
54	Hayleys Fabric PLC	Consumer Durables & Apparel	5.5	2.0	5.0	4.0	59%	5.89
54	Lanka IOC PLC	Energy	5.0	2.5	5.0	4.0	59%	5.89
56	Citizens Development Business Finance PLC	Diversified Financials	5.0	N/A	5.0	4.0	58%	5.83
57	CIC Holdings PLC	Materials	5.0	5.5	5.0	3.0	58%	5.78
57	Lanka Tiles PLC	Capital Goods	3.5	8.0	5.0	2.0	58%	5.78
57	Lanka Walltiles PLC	Capital Goods	3.0	8.0	4.5	3.0	58%	5.78
60	HNB Assurance PLC	Insurance	6.0	2.0	5.0	3.0	57%	5.71
60	Vallibel Finance PLC	Diversified Financials	6.0	2.0	5.0	3.0	57%	5.71
62	Ceylon Grain Elevators PLC	Food Beverage & Tobacco	4.5	7.0	4.5	2.0	56%	5.63
63	Vallibel Power Erathna PLC	Power and Energy	3.5	4.0	5.0	3.0	55%	5.54
64	Senkadagala Finance PLC	Diversified Financials	5.5	6.0	4.0	2.0	55%	5.47
65	Laugfs Gas PLC	Energy	4.0	3.5	4.5	3.0	54%	5.36
65	Nations Trust Bank PLC	Banks	4.0	3.0	5.0	3.0	54%	5.36
67	Mercantile Investments and Finance PLC	Diversified Financials	6.5	3.0	5.0	0.0	52%	5.18
67	Namunukula Plantations PLC	Food Beverage & Tobacco	3.5	3.0	5.0	3.0	52%	5.18
69	Melstacorp PLC	Food Beverage & Tobacco	4.0	6.0	4.5	2.0	52%	5.16
70	Commercial Credit and Finance PLC	Diversified Financials	2.5	8.0	4.0	1.0	50%	5.00
70	Hatton Plantation PLC	Food Beverage & Tobacco	5.0	6.0	5.0	0.0	50%	5.00
70	HNB Finance PLC	Diversified Financials	4.0	N/A	5.0	3.0	50%	5.00
73	Ceylon Guardian Investment Trust PLC	Diversified Financials	3.0	8.0	4.0	0.0	48%	4.84
74	Kotmale Holdings PLC	Food Beverage & Tobacco	7.5	1.5	4.0	0.0	48%	4.81
75	Sunshine Holdings PLC	Food Beverage & Tobacco	3.0	4.0	5.0	3.0	47%	4.69
75	Vallibel One PLC	Utilities	2.0	6.0	5.0	2.0	47%	4.69
77	Ex-Pack Corrugated Cartons PLC	Materials	3.0	3.0	5.0	2.0	46%	4.64

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



Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Industry	Anti-Corruption Programmes	Organisational Transparency	Domestic Financial Reporting	Gender and Non-Discrimination	Average	TRAC Score
77	hSenid Business Solutions PLC	Application Software	2.0	3.0	5.0	3.0	46%	4.64
77	Janashakthi Insurance PLC	Insurance	2.5	2.0	4.5	4.0	46%	4.64
77	Kelani Cables PLC	Capital Goods	3.5	2.0	4.5	3.0	46%	4.64
77	Overseas Realty (Ceylon) PLC	Real Estate	2.5	3.0	4.5	3.0	46%	4.64
82	Malwatte Valley Plantations PLC	Food Beverage & Tobacco	2.5	3.0	5.0	2.0	45%	4.46
83	LOLC Holdings PLC	Diversified Financials	1.5	8.0	4.5	0.0	44%	4.38
83	Vidullanka PLC	Utilities	1.0	8.0	5.0	0.0	44%	4.38
85	Brown and Company PLC	Capital Goods	2.5	5.0	4.0	2.0	44%	4.35
86	LOLC Finance PLC	Diversified Financials	4.5	2.5	5.0	0.0	43%	4.29
86	Softlogic Capital PLC	Insurance	3.0	2.0	5.0	2.0	43%	4.29
88	Bukit Darah PLC	Food Beverage & Tobacco	1.0	6.0	4.5	2.0	42%	4.22
88	Carson Cumberbatch PLC	Food Beverage & Tobacco	1.0	6.0	4.5	2.0	42%	4.22
88	Richard Pieris Exports PLC	Materials	1.0	5.0	4.5	3.0	42%	4.22
91	Browns Investment PLC	Food Beverage & Tobacco	1.5	5.5	4.0	2.0	42%	4.19
92	Capital Alliance PLC	Investment Banking & Brokerage	2.5	N/A	4.5	3.0	42%	4.17
92	First Capital Treasuries PLC	Investment Banking & Brokerage	2.5	N/A	4.5	3.0	42%	4.17
94	Sanasa Development Bank PLC	Banks	3.0	2.0	4.5	2.0	41%	4.11
95	E B Creasy & Company PLC	Capital Goods	1.0	3.0	4.0	3.0	41%	4.07
96	Hunas Holdings PLC	Consumer Services	4.0	4.5	4.0	0.0	40%	4.03
97	Lanka Milk Food PLC	Food Beverage & Tobacco	1.5	3.0	4.5	2.0	39%	3.93
98	Agstar PLC	Materials	1.0	2.0	4.5	3.0	38%	3.75
98	C T Holdings PLC	Food & Staples Retailing	1.0	4.0	5.0	2.0	38%	3.75
100	Chevron Lubricants Lanka PLC	Materials	4.5	N/A	4.0	0.0	37%	3.70
101	Ambeon Capital PLC	Consumer Durables & Apparel	1.0	6.0	4.0	0.0	35%	3.55
102	Harischandra Mills PLC	Food Beverage & Tobacco	2.0	3.0	4.5	0.0	34%	3.39
102	Richard Pieris and Company PLC	Capital Goods	1.0	3.0	4.5	1.0	34%	3.39

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

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Industry	Anti-Corruption Programmes	Organisational Transparency	Domestic Financial Reporting	Gender and Non-Discrimination	Average	TRAC Score
102	Kelani Tyres PLC	Automobiles & Components	1.5	5.0	4.0	0.0	34%	3.39
105	Asiri Surgical Hospital PLC	Health Care Equipment & Services	2.0	3.0	4.0	0.0	33%	3.33
106	Lion Brewery (Ceylon) PLC	Food Beverage & Tobacco	1.0	3.5	4.5	0.0	32%	3.21
106	Tokyo Cement Company (Lanka) PLC	Materials	1.0	3.0	5.0	0.0	32%	3.21
108	Eden Hotel Lanka PLC	Consumer Services	1.0	3.5	4.0	0.0	31%	3.15
109	Pan Asia Bank PLC	Banks	2.0	N/A	4.5	1.0	31%	3.13
110	Bogala Graphite PLC	Materials	1.0	N/A	4.0	2.0	30%	3.04
111	Asiri Hospital Holdings PLC	Health Care Equipment & Services	2.0	2.0	4.0	0.0	30%	2.96
112	Colombo Fort and Land PLC	Capital Goods	1.0	4.0	4.0	0.0	29%	2.90
113	Agalawatte Plantations PLC	Food Beverage & Tobacco	1.5	2.0	4.5	0.0	29%	2.86
114	LOLC General Insurance PLC	Property & Casualty Insurance	2.5	N/A	4.0	0.0	28%	2.83
115	Ceylon Beverage Holdings PLC	Food Beverage & Tobacco	1.0	2.5	4.0	0.0	28%	2.78
115	Distilleries Company of Sri Lanka PLC	Food Beverage & Tobacco	1.5	2.0	4.0	0.0	28%	2.78
117	Ambeon Holdings PLC	Consumer Durables & Apparel	0.0	3.0	4.5	0.0	27%	2.68
118	Good Hope PLC	Diversified Financials	1.0	N/A	4.0	0.0	22%	2.17
118	Indo - Malay PLC	Diversified Financials	1.0	N/A	4.0	0.0	22%	2.17
118	Shalimar (Malay) PLC	Diversified Financials	1.0	N/A	4.0	0.0	22%	2.17
121	Galadari Hotels PLC	Consumer Services	0.0	N/A	4.0	0.0	17%	1.74
121	PGP Glass Ceylon PLC	Materials	0.0	N/A	4.0	0.0	17%	1.74
123	Softlogic Holdings PLC	Capital Goods	1.0	1.0	0.0	0.0	7%	0.74
124	Nawaloka Hospitals PLC	Health Care Equipment & Services	0.0	N/A	0.0	0.0	0%	0.00
Average			41%	82%	96%	58%	59%	5.85

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

# Overall Results

- The Top 124 public limited companies in Sri Lanka are Partially Transparent in their corporate reporting, with an average score of 5.85.
- Only 5 companies achieved the full score for transparency in corporate reporting, while 27 companies are considered Significantly Transparent.
- The Telecommunication Services industry is Significantly Transparent in its disclosures.

## Reporting on Anti-Corruption Programmes

- Companies were Partially Transparent in Reporting on their Anti-Corruption Programmes, with an average score of 4.05.
- There has been an improvement from companies being only Slightly Transparent in the previous assessment, to being Partially Transparent in the current assessment.
- Eight companies were Fully Transparent in Reporting on their Anti-Corruption Programmes.
- 20 companies are Significantly Transparent in Reporting on their Anti-Corruption Programmes.
- 77/124 companies were Slightly Transparent or Least Transparent in Reporting on their Anti-Corruption Programmes.
- 4 companies did not disclose any information on their Anti-Corruption Programmes, resulting in a score of 0.
- 95% of the companies are committed to comply with all relevant laws including anti-corruption laws.
- 54% of the companies have codes of conduct/anti-corruption policies that are applicable to both the Board of Directors and all employees.
- Only 15% of the companies explicitly prohibit facilitation payments.
- While 52% of the companies have whistleblowing channels that allow for confidential and/or anonymous reporting, only 37% of the companies ensure that the whistleblower is free from any form of reprisal, and only 31% of the companies provide for two-way communication with the whistleblower.
- 45 companies have either explicitly prohibited political contributions or disclosed such contributions if made.

## Organisational Transparency

- Companies were Significantly Transparent in the Organisational Transparency section, with an average score of 8.05.
- There has been an improvement from companies being only Moderately Transparent in the previous assessment, to being Significantly Transparent in the current assessment.
- Only 9 companies disclosed their ultimate beneficial owner or controlling party, while 2 companies disclosed that they did not have an ultimate beneficial owner.
- All companies have published a list of their fully consolidated subsidiaries and their non-fully consolidated holdings.
- Of the companies that have fully consolidated subsidiaries, 97% disclosed the percentages owned in each of them. Of the companies that had non-fully consolidated holdings, 94% disclosed the percentages owned in each of them.
- 62/96<sup>17</sup> companies disclosed the country of incorporation for their fully consolidated subsidiaries while 63/96 companies disclosed their country of operations.
- Only 27/53<sup>18</sup> companies disclosed the country of incorporation for their non-fully consolidated holdings while 31/53 companies disclosed their country of operations.

17. Of the 124 companies assessed only 96 companies had fully consolidated subsidiaries.

18. Of the 124 companies assessed only 53 companies had non-fully consolidated holdings.



## Domestic Financial Reporting

- Companies were Significantly Transparent in their Domestic Financial Reporting with an average score of 9.60.
- 94 companies obtained a full score for transparency in Domestic Financial Reporting.
- 28 companies were Significantly Transparent in their Domestic Financial Reporting.
- Only 2 companies were Least Transparent in their Domestic Financial Reporting.<sup>19</sup>
- 122<sup>20</sup> companies had disclosed their revenue, capital expenditure, pre-tax income, and income tax paid in Sri Lanka.
- 69/97<sup>21</sup> companies disclosed both the amount of community contributions, and a description of how it was spent, while 26/97 companies either disclosed only the amount of community contribution spent, or described how it was spent.

## Country By Country Reporting

- Companies were only Slightly Transparent in Country-by-Country Reporting. with an average score of 3.17.
- 8 companies were Fully Transparent in their Country-by-Country Reporting.
- 26 companies were either Slightly Transparent or Least Transparent in their Country-by-Country Reporting.
- 13/38<sup>22</sup> companies do not disclose any data regarding their foreign operations.

## Reporting on Gender and Non-Discrimination Policies

- Companies were Partially Transparent in Reporting on Gender and Non-Discrimination policies, with an average score of 5.81.
- 33 companies were Fully Transparent in Reporting on Gender and Non-Discrimination policies.
- 30 companies do not disclose any data regarding their policies on Gender and Non-Discrimination.
- 53 companies have disclosed a zero-tolerance approach to sexual harassment, indicating a 5% increase from the previous assessment.
- 89 companies have disclosed a general commitment to non-discrimination on the basis of gender as well as at the point of recruitment.
- 57 companies explicitly commit to equal opportunity at the point of promotion, indicating an increase of 12% from the previous assessment.

## Reporting on Procurement related to Government Contracts/Tenders

- 25 companies either disclosed that they had contracts with either local or foreign governments or that they had policies for bidding on government contracts/tenders.
- 18 companies disclosed that they had contracts with either local or foreign governments.
- Of these 18, 11 companies disclosed their audited financials for the government contracts.
- 7 companies were Fully Transparent with a score of 10.00.
- No company had published their contracts with the government.

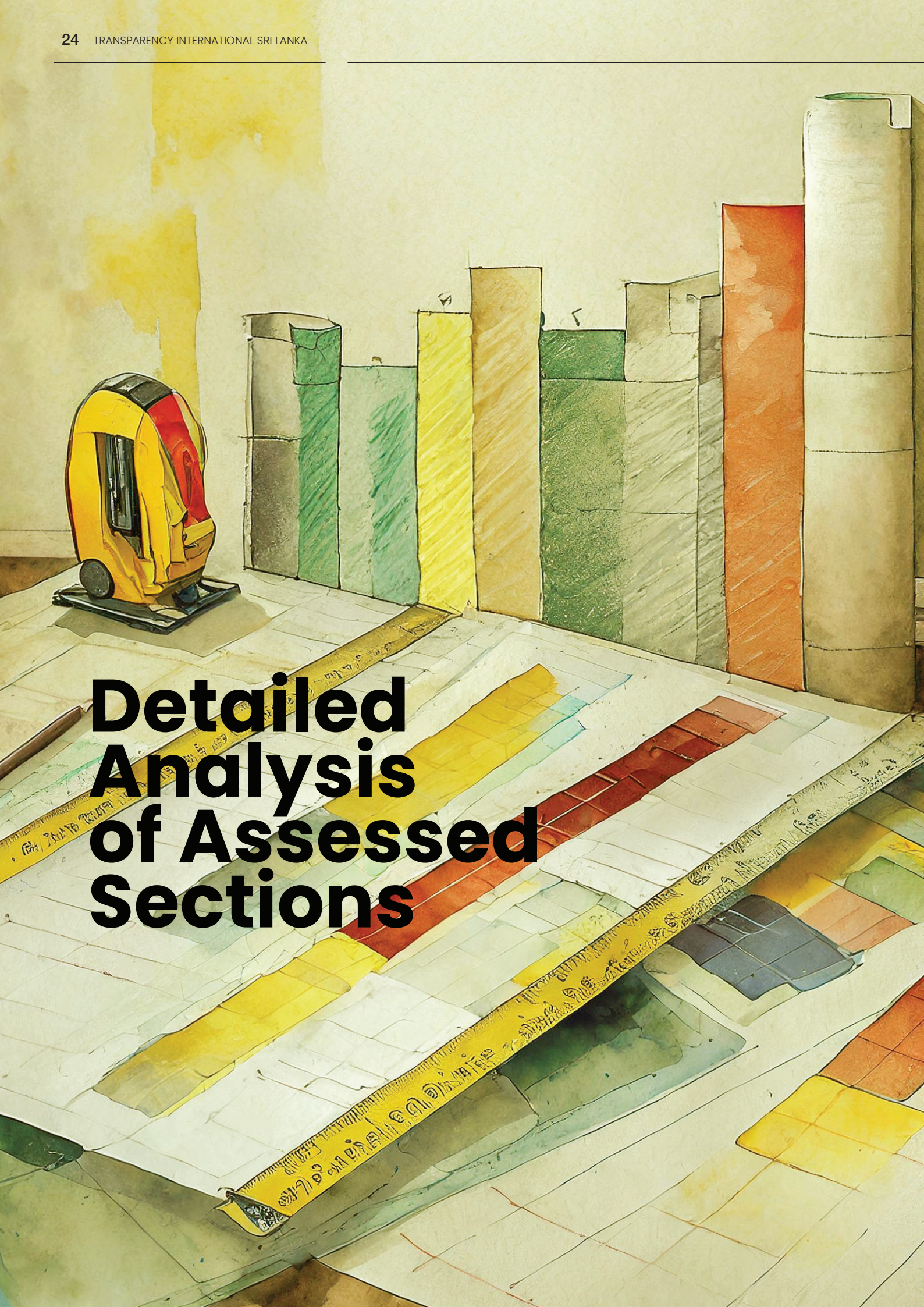
19. This is attributable to the fact that both companies, namely Nawaloka Hospitals PLC and Softlogic Holdings PLC had not published their Annual Reports by the time of completing the assessment.

20. Ibid.

21. Of the 124 companies assessed only 97 companies stated that they made community contributions for the year under consideration.

22. Of the 124 companies assessed 38 companies have cross border operations. Of the 38 companies that have cross border operations, 1 company has wound up operations and as such were scored as "Not Applicable".





# Detailed Analysis of Assessed Sections



# Reporting on Anti-Corruption Programmes

The call for companies to become responsible corporate citizens that act with transparency, accountability and integrity has been at the forefront of global anti-corruption discourse for several years. Greater transparency and accountability enables companies to reap greater returns by improving investor and shareholder confidence, whilst simultaneously improving goodwill and reputation in the communities in which they operate.<sup>23</sup> Recognising this global trend, the Securities Exchange Commission (SEC) of Sri Lanka and the Colombo Stock Exchange (CSE) amended the Listing Rules of the Colombo Stock Exchange to reflect international best practices in corporate governance.<sup>24</sup> Formulated in line with global best practices, it is hoped that the revised rules will foster greater investor confidence in Sri Lanka's stock market.<sup>25</sup>

The revised Listing Rules recognise the importance of strong anti-corruption programmes to ensure effective corporate governance in a company. Accordingly, section 9.2. of the Revised Listing Rules, states that listed entities shall establish and maintain a;

- (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- (h) Policy on Environmental, Social and Governance Sustainability
- (k) Policy on Whistleblowing
- (l) Policy on Anti-Bribery and Corruption

Section 9.2.1. further requires listed entities to disclose the existence of such policies, together with the details relating to the implementation of such policies by the entity on its website. Section 9.2.3. further requires

listed entities to disclose in their Annual Report, the list of policies in place along with cross references to their website and details of changes made to the policies for the year under review. Strengthening corporate disclosures still further, section 9.2.4. stipulates that listed entities must provide shareholders with such policies upon their request. The implementation of strong corporate disclosure regulations as set out above, acknowledges the imperative importance of companies not only being transparent, but also being seen as being transparent. This further strengthens the credibility of the TRAC Assessment by supporting the overall objective of the assessment to improve the corporate disclosure practices of companies. The mandatory requirement for companies to maintain anti-bribery and corruption policies recognises the increased risks of bribery and corruption that companies face in expanding their operations across jurisdictions and multiple corporate structures.

The TRAC assessment does not evaluate the implementation and effectiveness of these programmes; however, it does assess the company's public disclosure pertaining to its anti-bribery and corruption programmes. Past TRAC reports show that even though some companies maintained robust anti-bribery and corruption policies, these policies were kept confidential. However, with the implementation of the revised Listing Rules, all policies will be freely available to the public and shareholders of the company, thereby increasing shareholder confidence in the company. It also acknowledges that the adoption of strong anti-bribery and corruption programmes protects companies from the risk of bribery and corruption, whilst the public disclosure of such programmes

23. <https://idealsboard.com/importance-of-corporate-governance/>

24. [https://cdn.cse.lk/cmt/upload\\_report\\_file/hPLxglBoBHBOZRNs\\_11Sep2023051530GMT\\_1694409330850.pdf](https://cdn.cse.lk/cmt/upload_report_file/hPLxglBoBHBOZRNs_11Sep2023051530GMT_1694409330850.pdf)

25. <https://economynext.com/sri-lanka-stock-exchange-revised-governance-rules-applicable-from-oct-144211/>; <https://www.ft.lk/front-page/CSE-SEC-revise-corporate-governance-rules-to-drive-capital-market-forward/44-756526>



protects the company's good will and reputation in the communities in which it operates. Disclosures on anti-corruption provide the public with a clear and consistent message about the company's commitment to transparency and accountability. Similarly, reporting on anti-corruption programmes can also improve the company's programme as good reporting should reflect actual improvements, targets, and achievements of the programme.

### **Reporting on Anti-Corruption Programmes in Sri Lanka**

The overall average score for this section was 41% with companies scoring an average of 4.05. This demonstrates a marginal increase from the previous assessment, wherein the average score was 35% and companies scored an average of 3.46. This is further reflected in the categorisation of Sri Lankan companies as Partially Transparent under the current assessment as opposed to only Slightly Transparent in the previous year. Despite these improvements, as with previous years, this section continues to be the weakest performing section of the entire TRAC assessment.

Marking a remarkable first for the TRAC assessment, the current assessment witnessed eight companies being scored as Fully Transparent in Reporting on Anti-Corruption Programmes and a further 20 companies being ranked as Significantly Transparent. This is the greatest number of companies that have achieved such high scores in the history of the TRAC assessment in Sri Lanka. These companies belonged predominantly to the banking sector, with eight banks being either Fully or Significantly Transparent in Reporting on Anti-Corruption Programmes, as well as companies belonging to the capital goods industry and food, beverage, and tobacco industries.

Companies continue to struggle with disclosures relating to facilitation payments with several companies using the word "bribe" or "bribery" as a catch all phrase intended to include facilitation payments as well. As with previous years, another area of weak disclosure was in relation to two-way communication with whistle-blowers. There is also space for improvements in disclosures pertaining to anti-corruption training for both

directors and all employees, the application of the anti-corruption programme to non-controlled entities and disclosures on reporting procedures and mechanisms for gifts, hospitality, and expenses.

It may be assumed that with section 9.2 of the revised Listing Rules coming into effect from the 1st of October 2024, the overall score in this section will increase in the years to come. However, it must be highlighted that the low score in this section cannot be interpreted to mean that companies have weak anti-corruption measures and practices. Rather, it is only reflective of the fact that companies have not disclosed information regarding their internal anti-corruption policies. This is particularly so as many companies report that they follow the Code of Best Practice on Corporate Governance 2017 by the Institute of Chartered Accountants of Sri Lanka, which addresses anti-bribery and corruption.

## Reporting on Anti-Corruption Programmes

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
1	Ceylon Cold Stores PLC	10.00
1	Ceylon Tobacco Company PLC	10.00
1	Commercial Bank of Ceylon PLC	10.00
1	Dialog Axiata PLC	10.00
1	Dialog Finance PLC	10.00
1	Dilmah Ceylon Tea Company PLC	10.00
1	John Keells Holdings PLC	10.00
1	Teejay Lanka PLC	10.00
9	Union Bank of Colombo PLC	9.67
10	Alumex PLC	9.33
10	Cargills (Ceylon) PLC	9.33
10	Hemas Holdings PLC	9.33
10	John Keells Hotels PLC	9.33
10	Sampath Bank PLC	9.33
10	Trans Asia Hotels PLC	9.33
16	Asian Hotels and Properties PLC	9.00
16	DFCC Bank PLC	9.00
16	JAT Holdings PLC	9.00
16	Nestle Lanka PLC	9.00
20	L B Finance PLC	8.67
20	Union Assurance PLC	8.67
22	Amana Bank PLC	8.33
22	Hela Apparel Holdings PLC	8.33
22	National Development Bank PLC	8.33
22	People's Leasing & Finance PLC	8.33
22	Talawakelle Tea Estates PLC	8.33
27	Aitken Spence PLC	8.00
27	Hatton National Bank PLC	8.00
29	Hayleys PLC	7.67
29	Seylan Bank PLC	7.67
31	Access Engineering PLC	7.00
31	B P P L Holdings PLC	7.00
31	Haycarb PLC	7.00
34	United Motors Lanka PLC	6.67
34	Watawala Plantations PLC	6.67
36	Sri Lanka Telecom PLC	6.33
37	Kelani Valley Plantations PLC	6.00
37	Softlogic Life Insurance PLC	6.00

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
39	Aitken Spence Hotel Holdings PLC	5.67
39	The Lanka Hospitals Corporation PLC	5.67
41	Dipped Products PLC	5.00
41	Kotmale Holdings PLC	5.00
43	Windforce PLC	4.67
44	Mercantile Investments and Finance PLC	4.33
44	Prime Land Residencies PLC	4.33
46	HNB Assurance PLC	4.00
46	Vallibel Finance PLC	4.00
48	Central Finance Company PLC	3.67
48	Hayleys Fabric PLC	3.67
48	Senkadagala Finance PLC	3.67
51	CIC Holdings PLC	3.33
51	Citizens Development Business Finance PLC	3.33
51	Expolanka Holdings PLC	3.33
51	First Capital Holdings PLC	3.33
51	Hatton Plantation PLC	3.33
51	Lanka IOC PLC	3.33
51	Printcare PLC	3.33
51	Singer (Sri Lanka) PLC	3.33
59	Ceylinco Insurance PLC	3.00
59	Ceylon Grain Elevators PLC	3.00
59	Chevron Lubricants Lanka PLC	3.00
59	Elpitiya Plantation PLC	3.00
59	LOLC Finance PLC	3.00
59	Royal Ceramics Lanka PLC	3.00
65	Co-operative Insurance PLC	2.67
65	HNB Finance PLC	2.67
65	Hunas Holdings PLC	2.67
65	Laugfs Gas PLC	2.67
65	Melstacorp PLC	2.67
65	Nations Trust Bank PLC	2.67
71	ACL Cables PLC	2.33
71	Kelani Cables PLC	2.33
71	Lanka Tiles PLC	2.33
71	Namunukula Plantations PLC	2.33
71	Vallibel Power Erathna PLC	2.33

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

## Reporting on Anti-Corruption Programmes

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
76	Ceylon Guardian Investment Trust PLC	2.00
76	Ex-Pack Corrugated Cartons PLC	2.00
76	Lanka Walltiles PLC	2.00
76	Sanasa Development Bank PLC	2.00
76	Softlogic Capital PLC	2.00
76	Sunshine Holdings PLC	2.00
82	Brown and Company PLC	1.67
82	Capital Alliance PLC	1.67
82	Commercial Credit and Finance PLC	1.67
82	First Capital Treasuries PLC	1.67
82	Janashakthi Insurance PLC	1.67
82	LOLC General Insurance PLC	1.67
82	Malwatte Valley Plantations PLC	1.67
82	Overseas Realty (Ceylon) PLC	1.67
90	Asiri Hospital Holdings PLC	1.33
90	Asiri Surgical Hospital PLC	1.33
90	Harischandra Mills PLC	1.33
90	hSenid Business Solutions PLC	1.33
90	Pan Asia Bank PLC	1.33
90	Vallibel One PLC	1.33
96	Agalawatte Plantations PLC	1.00
96	Browns Investment PLC	1.00
96	Distilleries Company of Sri Lanka PLC	1.00
96	Kelani Tyres PLC	1.00
96	Lanka Milk Food PLC	1.00
96	LOLC Holdings PLC	1.00
102	Agstar PLC	0.67
102	Ambeon Capital PLC	0.67
102	Bogala Graphite PLC	0.67
102	Bukit Darah PLC	0.67
102	C T Holdings PLC	0.67
102	Carson Cumberbatch PLC	0.67
102	Ceylon Beverage Holdings PLC	0.67
102	Colombo Fort and Land PLC	0.67
102	E B Creasy & Company PLC	0.67
102	Eden Hotel Lanka PLC	0.67

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
102	Good Hope PLC	0.67
102	Indo - Malay PLC	0.67
102	Lions Brewery (Ceylon) PLC	0.67
102	Richard Pieris and Company PLC	0.67
102	Richard Pieris Exports PLC	0.67
102	Shalimar (Malay) PLC	0.67
102	Softlogic Holdings PLC	0.67
102	Tokyo Cement Company (Lanka) PLC	0.67
102	Vidullanka PLC	0.67
121	Ambeon Holdings PLC	0.00
121	Galadari Hotels PLC	0.00
121	Nawaloka Hospitals PLC	0.00
121	PGP Glass Ceylon PLC	0.00
Average		4.05

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



## Reporting on Anti-Corruption Programmes



No. of Companies that Scored 1.0

No. of Companies that Scored 0.5

No. of Companies that Scored 0

## Anti-Corruption in numbers

118 companies reported a commitment to abide by all relevant laws in the countries in which they operate, but only 56 companies published an explicit commitment of zero-tolerance to corruption. Additionally, only 48 companies had personal statements from the company's leadership which showed support for anti-corruption. This possibly indicates a lack of "tone from the top" from the other companies, a key principle of anti-corruption programmes, which calls upon the company's leadership to demonstrate support for anti-corruption practices and policies.

Whilst 67 companies stated that their anti-corruption policy or code of conduct (which includes anti-corruption provisions) applies to all employees and directors, only 26 of these companies stated that they have anti-corruption training programmes for their employees and directors, which may indicate a gap in human resource development priorities. On the other hand, 25 companies stated that they provided anti-corruption training either only for their directors or employees. This may also be a result of companies encapsulating the Board of Directors under the catch all umbrella term of "all employees," even though it may not be possible to consider some directors to be employees of the company.

Another weak area of disclosure was in relation to questions 05 and 06 which assessed if the company's anti-corruption programme extended to persons authorised to act on behalf of the company (agents and representatives) and its non-controlled entities such as suppliers. Only 26% (32) companies stated that their anti-corruption programmes extended to agents and representatives, while 25 companies indicated that it was applicable to non-controlled entities as well. Disclosures regarding these questions were at times unclear as varying language had been used based on the company's internal policies. Some companies also interpreted these questions to mean that their employees were bound by the anti-corruption policy when dealing with agents, representatives and/or suppliers. On the other hand, other companies, assumed that the carrying out of due diligence processes or vetting processes for non-controlled entities inherently meant that the non-controlled entity was bound to abide by the company's anti-corruption programme or supplier code of conduct.

As such, 35 companies scored "0.5" for question 06 as they had disclosed that they carry out due diligence of non-controlled entities or that such entities were bound by the anti-corruption programme/supplier code of conduct. However, what is assessed in these questions is whether the agents, representatives and/or suppliers themselves are bound to abide by the company's anti-corruption policies. Question 06 includes a further element which requires companies to disclose two elements; one, that non-controlled entities are bound to abide by the company's anti-corruption policy and two, that the company carries out due diligence of such entities. It may be in light of these overarching complications, that companies in general scored poorly on these questions.

Companies were also assessed to determine if they had a policy on gifts, hospitality and entertainment which covered the receiving and giving of gifts. It also assessed if the company had value thresholds for what was considered an appropriate gift and if there were reporting mechanisms in place. Accordingly, 34 companies stated that they had policies on the receiving and giving of gifts, but only 27 companies disclosed the existence of a threshold for acceptable gifts and the existence of a reporting mechanism.

As with previous TRAC assessments, only a few companies explicitly prohibit facilitation payments. Of the companies assessed, only 18 companies expressly prohibited facilitation payments. Several companies mentioned that their code of conduct included clauses on facilitation payments, but failed to mention an express prohibition, thereby negatively impacting their score. Similarly, some companies had conflated facilitation payments and bribes under the assumption that they are one and the same. As a result, several companies explicitly prohibit the offering of bribes, but do not extend this prohibition to facilitation payments.

Another area that companies found particularly challenging was in relation to the questions on whistleblower policies. Out of the companies assessed, 65 mentioned the existence of a whistle-blower policy which allowed for confidential and anonymous whistleblowing, whilst 17 companies mentioned the existence of a whistle-blower policy but failed to disclose if it allowed for confidential and/or anonymous reporting. Only 46 companies disclosed that the

whistle-blower will be protected from the risk of reprisal, while 38 companies disclosed that their whistleblower policy provides for two-way communication with the whistleblower. Such disclosures are important as they encourage whistle-blowers to come forward, who may otherwise have been reluctant to blow the whistle for fear of reprisal in the form of demotion, termination etc.

Finally, 53 companies reported that they conduct regular monitoring of their anti-corruption policies and programmes and 45 companies either expressly prohibited political contributions or disclosed the political contributions made.

### **Anti-Corruption Reporting: 2022 Vs. 2023**

The overall average score for this section has improved by 6% and the companies have improved from being Slightly Transparent to being Partially Transparent in Reporting on Anti-Corruption Programmes. Overall, there has been an improvement in the scores for all 15 questions in this section except for question 06, which saw a 7% decline in the number of companies that scored "1.0" for this question, and question 10, which saw no change. There has also been a reduction in the average number of companies that scored "0" for almost all the questions in this section. This is clearly indicative of an improvement in disclosures relating to reporting on Anti-Corruption Programmes.



## Question by question analysis 2022 vs 2023

Questions		No. of Companies that Scored 1.0 or "Yes"			No. of Companies that Scored 0.5			No. of Companies that Scored 0 or "No"			No. of Companies for which the Question is Not Applicable (N/A)		
		2022	2023	Variance	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance
1.	Does the company have an explicit, publicly stated commitment to anti-corruption?	41%	45%	4% ↑	N/A	N/A	N/A	59%	55%	-4% ↓	N/A	N/A	N/A
2.	Does the company publicly commit to be in compliance with all relevant laws, including anti-corruption laws?	90%	95%	5% ↑	N/A	N/A	N/A	10%	5%	-5% ↓	N/A	N/A	N/A
3.	Does the company leadership (Chairperson/ CEO/Member of the board of directors) demonstrate support for anti-corruption?	30%	39%	9% ↑	N/A	N/A	N/A	70%	61%	-9% ↓	N/A	N/A	N/A
4.	Does the company's code of conduct / anti-corruption policy explicitly apply to all employees and directors?	48%	54%	6% ↑	13%	15%	2% ↑	39%	31%	-8% ↓	N/A	N/A	N/A
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)?	22%	26%	4% ↑	N/A	N/A	N/A	78%	74%	-4% ↓	N/A	N/A	N/A
6.	Does the company require external entities that provide goods or services under contract (for example: contractors, subcontractors, suppliers) to abide by the company's anti-corruption programme or supplier code?	27%	20%	-7% ↓	16%	28%	12% ↑	57%	52%	-5% ↓	N/A	N/A	N/A
7.	Does the company have in place an anti-corruption training programme for its employees and directors?	16%	21%	5% ↑	21%	20%	-1% ↓	63%	59%	-4% ↓	N/A	N/A	N/A
8.	Does the company have a policy on gifts, hospitality and expenses?	24%	27%	3% ↑	7%	3%	-4% ↓	69%	69%	0% →	N/A	N/A	N/A
9.	Does the policy on gifts, hospitality or expenses include a definition of thresholds (descriptive or quoted as amounts) as well as procedures and reporting requirements?	14%	22%	8% ↑	9%	5%	-4% ↓	77%	73%	-4% ↓	N/A	N/A	N/A
10.	Is there a policy that explicitly prohibits facilitation payments?	15%	15%	0% →	N/A	N/A	N/A	85%	85%	0% →	N/A	N/A	N/A
11.	Does the company provide a mechanism/channel through which employees can report suspected acts of corruption or breaches of anti-corruption policies, and does the mechanism/channel allow for confidential and/or anonymous reporting (whistle-blowing)?	49%	52%	3% ↑	16%	14%	-2% ↓	35%	34%	-1% ↓	N/A	N/A	N/A
12.	Does the whistle-blowing mechanism/channel enable employees and others to raise concerns and report suspected acts of corruption or breaches of anti-corruption policies without risk of reprisal?	31%	37%	6% ↑	N/A	N/A	N/A	69%	63%	-6% ↓	N/A	N/A	N/A
13.	Does the mechanism/channel provide for two-way communication with the whistle-blower for any needed follow-up on the concern/s raised?	16%	31%	15% ↑	N/A	N/A	N/A	84%	69%	-15% ↓	N/A	N/A	N/A
14.	Does the company carry out regular or continuous monitoring of its anti-corruption programme/policy to review its suitability, adequacy and effectiveness, and implement improvements as appropriate?	24%	43%	19% ↑	9%	5%	-4% ↓	67%	52%	-15% ↓	N/A	N/A	N/A
15.	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?	27%	36%	9% ↑	N/A	N/A	N/A	73%	64%	-9% ↓	N/A	N/A	N/A

Question	Company	Source	Best Practice Statement
Does the company have an explicit, publicly stated commitment to anti-corruption?	Dilmah Ceylon Tea Company PLC	Dilmah Anti-Bribery & Corruption (ABC) Policy	"1.1 It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to Bribery and Corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery."
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)?	Commercial Bank of Ceylon PLC	Anti-Bribery and Anti-Corruption Policy pg. 03/04/06	<p>"This Anti-Bribery and Anti-Corruption Policy (the Policy) is applicable to Commercial Bank of Ceylon PLC, and its activities in all jurisdictions in which the Bank operates.</p> <ul style="list-style-type: none"> <li>• The Bank and its overseas branches (in line with governing laws/regulations of such jurisdictions)</li> <li>• Bank Personnel</li> <li>• Third Parties"</li> </ul> <p>"Third Parties - This collectively includes, but is not limited to, customers, business partners, contractors, consultants, third party agents, third party introducers, referrers, persons acting in a fiduciary capacity, suppliers and joint venture partners in any operations of the Bank."</p>
Does the company have in place an anti-corruption training programme for its employees and directors?	Ceylon Tobacco Company PLC	Annual Report 2022 pg. 79/80 and Our Standards of Business Conduct 2020 pg. 1/3	<p>"100% of employees completed annual SoBC training"</p> <p>"Ethics and Compliance Training We ensure that our employees are aware of and understand our policies and procedures with regard to ethical behaviour. Periodic refresher sessions, training and other communication including policy cascades and our SoBC App ensure that ethical behaviour is ingrained into our organisation culture. The following ethics and compliance training programmes were conducted during the year:</p> <ul style="list-style-type: none"> <li>- LEX Policy Cascade conducted for all permanent and DC Management employees,</li> <li>- SoBC training for all permanent and DC Non-Executive employees,</li> <li>- LEX Policy refresher for all permanent and DC Leaf Field staff."</li> </ul> <p>"employees' includes, where the context admits, directors, officers, and permanent employees of Group companies"</p>

<p>Does the company require external entities that provide goods or services under contract (for example: contractors, subcontractors, suppliers) to abide by the company's anti-corruption programme or supplier code?</p>	<p>Teejay Lanka PLC</p>	<p>Anti-Corruption Policy pg. 05/09</p>	<p>External Stakeholders</p> <ul style="list-style-type: none"> <li>• Understand the expectation of Teejay Group of Companies and its policy on anti-corruption.</li> <li>• Apply the Teejay Group's policy on anti-corruption on behalf of the Company during the period of initial application or expression of interest and negotiation of any contract/ agreement/ business dealing with the Company.</li> <li>• Apply the Teejay Group's policy on anti-corruption on behalf of the Company during the period of contract."</li> </ul> <p>"Careful due diligence of the third-party should be carried out before establishing business relationships with the third party. Any red flags identified should be escalated and resolved prior to official engagement. Procurement Committee comprising of a cross functional team is responsible for the due diligence of third parties of high valued projects/ purchases. Respective Department Heads are responsible for the due diligence of other engagements with third parties. Company shall continuously monitor the active third parties to identify any potential risks due to any market/ environmental/ regulatory changes that have come to effect and to determine whether they continue to demonstrate professionalism and ethical business practices in compliance to the policies of the Company."</p>
<p>Does the policy on gifts, hospitality or expenses include a definition of thresholds (descriptive or quoted as amounts) as well as procedures and reporting requirements?</p>	<p>Ceylon Cold Stores PLC</p>	<p>Annual Report 2022/23 pg. 112</p>	<p>"In the event a gift or benefit of a threshold of above USD 50 per gift is given or received, based on business exigencies, these are monitored to ensure conformance with the Group's policies, including policies on gifts and entertainment. Such exceptions are required to be reported to the respective Finance Head of the business (Chief Financial Officer or Sector Financial Controller), where in turn, these are collated and monitored centrally."</p>
<p>Is there a policy that explicitly prohibits facilitation payments?</p>	<p>John Keells Holdings PLC</p>	<p>Annual Report 2022/23 pg. 193</p>	<p>"Accordingly, all forms of fraud and corruption, including, but not limited to, theft, embezzlement, overriding controls, giving or receiving kickbacks, facilitation payments and bribery is prohibited across the Group."</p>



Does the mechanism/channel provide for two-way communication with the whistleblower for any needed follow-up on the concern/s raised?	Dialog Axiata PLC	Whistleblowing/ Speaking Up Policy and Procedure pg. 8	"The person who reported the concern will be updated on the status and/or progress of the investigation subject to Axiata Group's policies and procedures"
	Dilmah Ceylon Tea Company PLC	Annual Report 2022/23 pg. 121	"A whistle blowing policy provides a direct communication line to the Chairman, where employees have the opportunity to report in good faith any genuine suspicions of fraud, bribery or malpractice. The policy provides for anonymity and protection of the reporting employee and two-way communication with the management without retaliation."

# Organisational Transparency

Companies are at liberty to structure the company and its subsidiaries as they see fit. Accordingly, companies may create vast structures comprising of subsidiaries, sub-subsidiaries, joint ventures, and associates both within Sri Lanka and across international borders. To fully grasp the extent, size and reach of a company in any community in which it operates, information on the company's corporate and organisational structure must be freely available. This section of the TRAC assessment recognises the value of such information being in the public domain and seeks to encourage companies to transparently disclose their corporate structures.

Maintaining transparent corporate structures is of particular importance, as opacity leads to such structures being exploited for unethical purposes. Complex corporate structures may be used as a tool to avoid taxes, engage in money laundering, human rights violations and bribery and corruption. Ensuring that companies maintain clearly defined corporate and organisational hierarchies which are transparently disclosed to its shareholders, reduces the risk of the company engaging in illicit activities. It also empowers shareholders to monitor cash flows between company holdings, thereby enabling shareholders to play a watchdog function to the companies that they have invested in. Such accountability is particularly essential for the holding companies of large conglomerates. On the side of the company, it will improve shareholder and investor confidence, as they are able to clearly see intra-group cash and capital flows, giving them the confidence required to invest in such companies.

It must be noted that the principle of materiality<sup>26</sup> often limits the extent of corporate disclosures made pertaining to corporate structures. However, TISL urges all companies to disclose all their fully consolidated and non-fully consolidated entities, regardless of materiality.

## Organisational Transparency in Sri Lanka

The overall average score for Organisational Transparency at 82%, is significantly higher than the overall average score recorded for Reporting on Anti-Corruption Programmes, which is a mere 41%. As with previous TRAC assessments, most companies were Fully Transparent in listing the names of their subsidiaries, associates and joint ventures and their holdings in them. Some companies, however, were less transparent when disclosing the country of incorporation and operations of all fully consolidated and non-fully consolidated holdings. It was noted that several companies disclosed the address for their subsidiaries on the presumption that the country of incorporation and operation were the same. However, as it is possible to have companies incorporated in Sri Lanka and operated overseas and vice versa, disclosure of the country of incorporation and operation is assessed in this section. One reason as to why companies are less likely to disclose the country of incorporation and operation is perhaps because it is not regulatorily required by the Listing Rules of the CSE.

26. Materiality is an accounting term based on which companies select certain items for reports based on their relative significance for the overall company business.

## Organisational Transparency

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
1	Access Engineering PLC	10.00
1	ACL Cables PLC	10.00
1	Aitken Spence Hotel Holdings PLC	10.00
1	Aitken Spence PLC	10.00
1	Alumex PLC	10.00
1	Asian Hotels and Properties PLC	10.00
1	Cargills (Ceylon) PLC	10.00
1	Central Finance Company PLC	10.00
1	Ceylinco Insurance PLC	10.00
1	Ceylon Cold Stores PLC	10.00
1	Ceylon Guardian Investment Trust PLC	10.00
1	Co-operative Insurance PLC	10.00
1	Commercial Bank of Ceylon PLC	10.00
1	Commercial Credit and Finance PLC	10.00
1	Dialog Axiata PLC	10.00
1	Dilmah Ceylon Tea Company PLC	10.00
1	Dipped Products PLC	10.00
1	Elpitiya Plantation PLC	10.00
1	First Capital Holdings PLC	10.00
1	Hayleys PLC	10.00
1	Hela Apparel Holdings PLC	10.00
1	Hemas Holdings PLC	10.00
1	JAT Holdings PLC	10.00
1	John Keells Holdings PLC	10.00
1	John Keells Hotels PLC	10.00
1	Kelani Valley Plantations PLC	10.00
1	L B Finance PLC	10.00
1	Lanka Tiles PLC	10.00
1	Lanka Walltiles PLC	10.00
1	LOLC Holdings PLC	10.00
1	People's Leasing & Finance PLC	10.00
1	Printcare PLC	10.00
1	Seylan Bank PLC	10.00
1	Talawakelle Tea Estates PLC	10.00
1	Teejay Lanka PLC	10.00
1	The Lanka Hospitals Corporation PLC	10.00
1	United Motors Lanka PLC	10.00

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
1	Vallibel Power Erathna PLC	10.00
1	Vidullanka PLC	10.00
40	Haycarb PLC	9.38
41	Ceylon Grain Elevators PLC	8.75
41	Eden Hotel Lanka PLC	8.75
41	Laugfs Gas PLC	8.75
41	Lions Brewery (Ceylon) PLC	8.75
41	National Development Bank PLC	8.75
41	Sampath Bank PLC	8.75
41	Singer (Sri Lanka) PLC	8.75
41	Union Bank of Colombo PLC	8.75
49	Expolanka Holdings PLC	8.13
50	Ambeon Capital PLC	7.50
50	Ambeon Holdings PLC	7.50
50	Asiri Surgical Hospital PLC	7.50
50	B P L Holdings PLC	7.50
50	Bukit Darah PLC	7.50
50	Carson Cumberbatch PLC	7.50
50	DFCC Bank PLC	7.50
50	E B Creasy & Company PLC	7.50
50	Ex-Pack Corrugated Cartons PLC	7.50
50	Harischandra Mills PLC	7.50
50	Hatton National Bank PLC	7.50
50	Hatton Plantation PLC	7.50
50	hSenid Business Solutions PLC	7.50
50	Lanka Milk Food PLC	7.50
50	Malwatte Valley Plantations PLC	7.50
50	Melstacorp PLC	7.50
50	Mercantile Investments and Finance PLC	7.50
50	Namunukula Plantations PLC	7.50
50	Nations Trust Bank PLC	7.50
50	Overseas Realty (Ceylon) PLC	7.50
50	Richard Pieris and Company PLC	7.50
50	Royal Ceramics Lanka PLC	7.50
50	Senkadagala Finance PLC	7.50
50	Sri Lanka Telecom PLC	7.50
50	Tokyo Cement Company (Lanka) PLC	7.50

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



## Organisational Transparency

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
50	Vallibel One PLC	7.50
50	Watawala Plantations PLC	7.50
50	Windforce PLC	7.50
78	Browns Investment PLC	6.88
78	CIC Holdings PLC	6.88
80	Brown and Company PLC	6.25
80	Ceylon Beverage Holdings PLC	6.25
80	Kelani Tyres PLC	6.25
80	Lanka IOC PLC	6.25
80	LOLC Finance PLC	6.25
80	Richard Pieris Exports PLC	6.25
86	Hunas Holdings PLC	5.63
87	Agalawatte Plantations PLC	5.00
87	Agstar PLC	5.00
87	Asiri Hospital Holdings PLC	5.00
87	C T Holdings PLC	5.00
87	Colombo Fort and Land PLC	5.00
87	Distilleries Company of Sri Lanka PLC	5.00
87	Hayleys Fabric PLC	5.00
87	HNB Assurance PLC	5.00
87	Janashakthi Insurance PLC	5.00
87	Kelani Cables PLC	5.00
87	Sanasa Development Bank PLC	5.00
87	Softlogic Capital PLC	5.00
87	Sunshine Holdings PLC	5.00
87	Vallibel Finance PLC	5.00
101	Kotmale Holdings PLC	3.75
102	Softlogic Holdings PLC	2.50

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
N/A	Amana Bank PLC	N/A
N/A	Bogala Graphite PLC	N/A
N/A	Capital Alliance PLC	N/A
N/A	Ceylon Tobacco Company PLC	N/A
N/A	Chevron Lubricants Lanka PLC	N/A
N/A	Citizens Development Business Finance PLC	N/A
N/A	Dialog Finance PLC	N/A
N/A	First Capital Treasuries PLC	N/A
N/A	Galadari Hotels PLC	N/A
N/A	Good Hope PLC	N/A
N/A	HNB Finance PLC	N/A
N/A	Indo - Malay PLC	N/A
N/A	LOLC General Insurance PLC	N/A
N/A	Nawaloka Hospitals PLC	N/A
N/A	Nestle Lanka PLC	N/A
N/A	Pan Asia Bank PLC	N/A
N/A	PGP Glass Ceylon PLC	N/A
N/A	Prime Land Residencies PLC	N/A
N/A	Shalimar (Malay) PLC	N/A
N/A	Softlogic Life Insurance PLC	N/A
N/A	Trans Asia Hotels PLC	N/A
N/A	Union Assurance PLC	N/A
Average		8.05

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

## Organisational Transparency



## Organisational Transparency in numbers

Of the 124 companies assessed, 96 had fully consolidated holdings and 53 had non-fully consolidated holdings. Accordingly, a total of 102 companies had either fully consolidated holdings or non-fully consolidated holdings. 39 of these companies were Fully Transparent in their disclosures on Organisational Transparency while 10 companies were Significantly Transparent in their disclosures. As such, 48% of the companies that have fully, or non-fully consolidated holdings are either Significantly or Fully Transparent in Organisational

Transparency. Of the 102 companies, 35% are Moderately Transparent, 15% are Partially Transparent and 2% are Least Transparent. It must be noted that the Least Transparent score obtained by 2% of the companies is due to the companies failing to publish their most recent Annual Report, at the time of the assessment.<sup>27</sup>

All companies that have fully consolidated subsidiaries or non-fully consolidated holdings, fully disclosed the list of such companies with names. 97% of the

27. Nawaloka Hospitals PLC and Softlogic Holdings PLC had not published their Annual Reports by the time of completing the assessment.

companies that have fully consolidated subsidiaries and 94% of the companies that have non-fully consolidated holdings, fully disclosed the percentages owned in each of them. The former is indicative of a marginal 1% increase in disclosures of percentages owned in fully consolidated holdings, whereas the latter is indicative of a 4% decline compared to the previous assessment, which saw 98% of the companies with non-fully consolidated holdings disclosing the percentages owned in them.

62/96 companies disclosed the country of incorporation for all fully consolidated subsidiaries, while 63/96 companies disclosed the country of operations for all fully consolidated subsidiaries. A similar trend was observed regarding disclosures pertaining to non-fully consolidated holdings, where 27/53 companies disclosed the country of incorporation, and 31/53 companies disclosed the country of operations of associates and joint ventures. The questions regarding countries of incorporation and operations displayed the weakest disclosures in this section. Only 7/96 companies made partial disclosures as to the country of incorporation of their fully consolidated holdings, and 8/96 companies made partial disclosures on the country of operations. Similarly, only 2 companies made partial disclosures on the country of incorporation, and 3 companies made partial disclosures on the country of operations of their non-fully consolidated holdings. This is perhaps indicative of the fact that companies are not necessarily relying on the principle of materiality when selecting their Organisational Transparency disclosures, as only a few companies have made partial disclosures of their country of incorporation and operation.

As with previous assessments, several companies relied on the mere provision of the address of the company to suffice as disclosure for both the country of

incorporation and operation. Furthermore, some companies generalised phrases such as “registered office” and “principal place of business” and made the general assumption that the country of incorporation must also be the country of operation. This assumption, however, is untenable as companies may conduct operations outside of the country in which they are incorporated and vice versa. Therefore, when scoring this section, if the company had disclosed the “registered office” it was considered as a disclosure of the country of incorporation. On the other hand, disclosures pertaining to “the principal place of business,” “domicile” or even the provision of an address only, was considered as disclosure of the country of operations.

### **Beneficial Ownership**

For the purposes of the TRAC Assessment, a beneficial owner was defined “as a natural person who ultimately has controlling ownership or effective control of the company. The ultimate beneficial owner must be a natural person and cannot be a company, an organization, or a legal arrangement.” Therefore, a beneficial owner is a natural person who ultimately owns or controls a company including the person who exercises ultimate effective control over the company. Given the complexity of corporate structures, it may be possible for there to be more than one beneficial owner of a company.

Corporate structures are a convenient means through which individuals may hide their identity and ownership. As such, the creation of shell companies<sup>28</sup> and shelf companies<sup>29</sup> may be a means of enabling illegal financial activity. It is for this reason that the Central Bank of Sri Lanka has recognised that the lack of adequate, accurate and timely information pertaining to beneficial ownership may increase incidents of money laundering and the financing of terrorism, by disguising the identity of known or suspected criminals, the

28. A shell corporation is a company which serves as a vehicle for business transactions without itself having any significant assets or operations.

<https://corporationstoday.com/how-it-works/about-aged-companies/>

29. A shelf corporation, shelf company, or aged corporation, is a company or corporation that has had no activity. It was created and left with no activity - metaphorically put on the “shelf” to “age”. The company can then be sold to a person or group of persons who wish to start a company without going through all the procedures of creating a new one.

<https://corporationstoday.com/how-it-works/overview/>



true purpose of the transaction and the true source or use of funds.<sup>30</sup> Despite the numerous risks associated with veiled beneficial owners, the disclosure of the ultimate beneficial owner of a company is not regulatorily required in Sri Lanka at present although there have been several attempts to amend this in the Company's Act.<sup>31</sup> Due to the absence of regulatory pressure, several companies perceive such disclosures as inessential. On the other hand, the CSE also does not have the requisite infrastructure to trace the ultimate beneficial owner of a company, particularly, for highly divested companies.

This question was scored on a "Yes/No" scale and is not considered towards the overall rank of the company. For the current assessment, the codebook also included a "Not Applicable" score, recognising that some companies may not have identifiable or traceable beneficial owners. If such companies had disclosed that they did not have an identifiable owner or if they had disclosed that their ultimate controlling party is a government entity, a "N/A" score was allocated.

As with the previous year, an overwhelming 92% of the companies scored a "No" for the question on beneficial ownership. Only 8 companies disclosed the beneficial owner of the company or the natural person who was the ultimate controlling party of the company, and 2 companies disclosed that their ultimate controlling party was a government entity and as such were marked as "N/A".

Several companies disclosed their parent company or the controlling party of the company, however, as this did not refer to a natural person but rather other legal persons, a "Yes" score was not allocated for such companies. On the other hand, some companies referred to the list of top 20 major shareholders included in their Annual Reports, as comprising the ultimate beneficial owner of the company. However, as these shareholders often did not include natural persons, but rather reference to the holding company, such disclosures could not be considered towards this question.

## Organisational Transparency: 2022 Vs. 2023

A 3% decrease was observed in the number of companies that disclosed their ultimate beneficial owner. On the other hand, 2 companies were scored as "N/A" for the first time, as they disclosed that their ultimate beneficial owner was a government entity. As with the previous year, all companies that had fully, or non-fully consolidated holdings disclosed the full list of such holdings. There was a 1% increase in the number of companies that disclosed the percentages they owned in their fully consolidated subsidiaries and a massive 17% increase in the number of companies that disclosed the country of operations of fully consolidated holdings. Unfortunately, there was a marginal 2% decrease in the number of companies that disclosed the country of incorporation of fully consolidated holdings. Similarly, in relation to non-fully consolidated holdings, there was a 5% increase in the number of companies that disclosed the country of operations, no change in the number of companies that disclosed the country of incorporation and a regrettable 3% decrease in the number of companies that disclosed the percentage owned in such holdings.

30. Guidelines for Designated Non-Finance Businesses on Identification of Beneficial Ownership, No. 02 of 2019  
<http://fiusrilanka.gov.lk/docs/Guidelines/2019/Guideline-02-2019.pdf>

31. <https://www.ft.lk/Front-Page/Disclosure-on-beneficial-ownership-to-ensure-greater-transparency/44-653355> ;  
<https://www.sundaytimes.lk/231112/business-times/company-beneficial-ownership-disclosure-becomes-compulsory-next-year-537898.html>

## Question by question analysis 2022 vs 2023

Questions		No. of Companies that Scored 1.0 or "Yes"			No. of Companies that Scored 0.5			No. of Companies that Scored 0 or "No"			No. of Companies for which the Question is Not Applicable (N/A)			
		2022	2023	Variance	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance	
16.	Does the company disclose its ultimate beneficial owner/s?	9%	6%	-3% ↓	N/A	N/A	N/A	91%	92%	1%	0%	2%	N/A*	
17.	Which of the following information does the company disclose for all of its fully consolidated subsidiaries	full list with names	100%	100%	0% →	0%	0%	0%	0%	0%	0%	22%	23%	1% ↑
18.		percentages owned in each of them	96%	97%	1% ↑	1%	2%	1% ↑	3%	1%	-2% ↓	22%	23%	1% ↑
19.		country of incorporation (for each entity)	67%	65%	-2% ↓	10%	7%	-3% ↓	23%	28%	5% ↑	22%	23%	1% ↑
20.		country of operations (for each entity)	49%	66%	17% ↑	19%	8%	-11% ↓	32%	26%	-6% ↓	22%	23%	1% ↑
21.	Which of the following information does the company disclose for all of its non fully consolidated holdings, such as associates, joint-ventures	full list with names	100%	100%	0% →	0%	0%	0%	0%	0%	0%	55%	57%	2% ↑
22.		percentages owned in each of them	98%	94%	-3% ↓	0%	4%	4%	2%	2%	0% →	55%	57%	2% ↑
23.		country of incorporation (for each entity)	51%	51%	0% →	7%	4%	-3% ↓	42%	45%	3% ↑	55%	57%	2% ↑
24.		country of operations (for each entity)	53%	58%	5% ↑	7%	6%	-1% ↓	40%	36%	-4% ↓	55%	57%	2% ↑

\* The variance has been marked N/A as the question was amended for the current codebook, therefore, a comparable score cannot be obtained

# Domestic Financial Reporting

The section on Domestic Financial Reporting assesses a company's financial disclosures, in particular, their disclosures pertaining to revenue, capital expenditure, pre-tax income, income tax, and community contributions. The financial indicators evaluated in this section are industry-neutral and are therefore applicable to all 124 companies assessed. Requiring companies to disclose such financial information pertaining to their operations in Sri Lanka creates transparency of company activities within the country. This section sets out the reporting standards required at the most basic level for stakeholders to hold the company accountable for their activities in Sri Lanka.

This section comprises five questions, four of which assess a company's disclosures on its financial performance. The objective of requiring companies to transparently disclose their financial information, is to reduce the risk of corruption. The disclosure of this data ensures that shareholders remain aware of the company's activities and performance at all times. Furthermore, the disclosure of such data after it has been audited, furthers the credibility of the company in the eyes of their stakeholders. It also highlights the company's commitment towards ensuring that its tax obligations towards the government are fulfilled. Tax evasion through the incorporation of companies in tax havens is a popular mechanism used by companies to evade paying taxes. These questions are geared to shed light on disclosures that are essential to reveal if companies are engaging in such activities. It can only be assumed that such disclosures will become more relevant with the introduction of the new tax regime.

The section also assesses the company's disclosures in relation to community contributions and/or Corporate Social Responsibility (CSR). Companies are encouraged to disclose not only how much they spent on community contributions, but also describe the nature of community contributions. This dual disclosure on community contributions and CSR serves to keep the public informed of how the company is serving the communities in which it operates. It also serves to keep

shareholders informed of how the company is spending its money. This question also acts as a deterrent to the risk of corruption as it prevents companies from writing off expenses as CSR projects or community contributions for the purposes of evading taxes. Furthermore, from the perspective of the company, the open and honest disclosure of the company's community contributions, serves to improve the company's reputation and good will amongst the public.

## Domestic Financial Reporting in Sri Lanka

As with the previous assessments, with an overall average of 96%, indicating a marginal increase of 1% from the previous year, this was the highest scoring section across all four sections assessed towards the overall ranking of the companies. Of the 124 companies assessed, 94 companies received a full score for their disclosures on Domestic Financial Reporting, and 28 companies were Significantly Transparent in this section. 122 of the 124 companies assessed were either Fully or Significantly Transparent in their Domestic Financial Reporting. Only 2 companies did not receive a score for this disclosure, as the companies had yet to publish their Annual Reports at the time of the assessment. As observed in previous TRAC reports, the extraordinarily high scoring in this section may be attributable to the legal and regulatory obligations placed on companies by the Accounting and Auditing Standards Act, the Companies Act, the Securities and Exchange Commission Act, the Monetary Law Act, the Banking Act, the Insurance Act and the Finance Companies Act which mandates that companies maintain and publish proper audited accounting records,<sup>32</sup> which give a true and fair view of the company's state of affairs.<sup>33</sup> Therefore, ostensibly due to the mandatory reporting obligations placed on companies by law, all companies received a full score for the four questions assessing a company's financial information.<sup>34</sup>

32. Companies Act No. 07 of 2007, Sections 150(1), 151, 152(1) and 153, Accounting and Auditing Standards Act Section 5 and 6

33. Companies Act No. 07 of 2007, Sections 148, and 120

34. The only exception being Nawaloka Hospitals PLC and Softlogic Holdings PLC who had not published their Annual Reports at the time of assessment.



## Domestic Financial Reporting

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
1	ACL Cables PLC	10.00
1	Aitken Spence Hotel Holdings PLC	10.00
1	Aitken Spence PLC	10.00
1	Alumex PLC	10.00
1	Amana Bank PLC	10.00
1	Ambeon Capital PLC	10.00
1	Asian Hotels and Properties PLC	10.00
1	Asiri Hospital Holdings PLC	10.00
1	Asiri Surgical Hospital PLC	10.00
1	Bogala Graphite PLC	10.00
1	Brown and Company PLC	10.00
1	Browns Investment PLC	10.00
1	C T Holdings PLC	10.00
1	Cargills (Ceylon) PLC	10.00
1	Central Finance Company PLC	10.00
1	Ceylinco Insurance PLC	10.00
1	Ceylon Beverage Holdings PLC	10.00
1	Ceylon Cold Stores PLC	10.00
1	Ceylon Guardian Investment Trust PLC	10.00
1	Ceylon Tobacco Company PLC	10.00
1	Chevron Lubricants Lanka PLC	10.00
1	CIC Holdings PLC	10.00
1	Citizens Development Business Finance PLC	10.00
1	Co-operative Insurance PLC	10.00
1	Colombo Fort and Land PLC	10.00
1	Commercial Bank of Ceylon PLC	10.00
1	Commercial Credit and Finance PLC	10.00
1	DFCC Bank PLC	10.00
1	Dialog Axiata PLC	10.00
1	Dialog Finance PLC	10.00
1	Dilmah Ceylon Tea Company PLC	10.00
1	Dipped Products PLC	10.00
1	Distilleries Company of Sri Lanka PLC	10.00
1	E B Creasy & Company PLC	10.00
1	Eden Hotel Lanka PLC	10.00
1	Elpitiya Plantation PLC	10.00

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
1	Ex-Pack Corrugated Cartons PLC	10.00
1	First Capital Holdings PLC	10.00
1	Galadari Hotels PLC	10.00
1	Good Hope PLC	10.00
1	Hatton National Bank PLC	10.00
1	Hatton Plantation PLC	10.00
1	Haycarb PLC	10.00
1	Hayleys Fabric PLC	10.00
1	Hayleys PLC	10.00
1	Hela Apparel Holdings PLC	10.00
1	Hemas Holdings PLC	10.00
1	HNB Assurance PLC	10.00
1	HNB Finance PLC	10.00
1	hSenid Business Solutions PLC	10.00
1	Hunas Holdings PLC	10.00
1	Indo - Malay PLC	10.00
1	JAT Holdings PLC	10.00
1	John Keells Holdings PLC	10.00
1	John Keells Hotels PLC	10.00
1	Kelani Tyres PLC	10.00
1	Kelani Valley Plantations PLC	10.00
1	Kotmale Holdings PLC	10.00
1	L B Finance PLC	10.00
1	Lanka IOC PLC	10.00
1	Lanka Tiles PLC	10.00
1	LOLC Finance PLC	10.00
1	LOLC General Insurance PLC	10.00
1	Malwatte Valley Plantations PLC	10.00
1	Mercantile Investments and Finance PLC	10.00
1	Namunukula Plantations PLC	10.00
1	National Development Bank PLC	10.00
1	Nations Trust Bank PLC	10.00
1	Nestle Lanka PLC	10.00
1	People's Leasing & Finance PLC	10.00
1	PGP Glass Ceylon PLC	10.00
1	Prime Land Residencies PLC	10.00

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

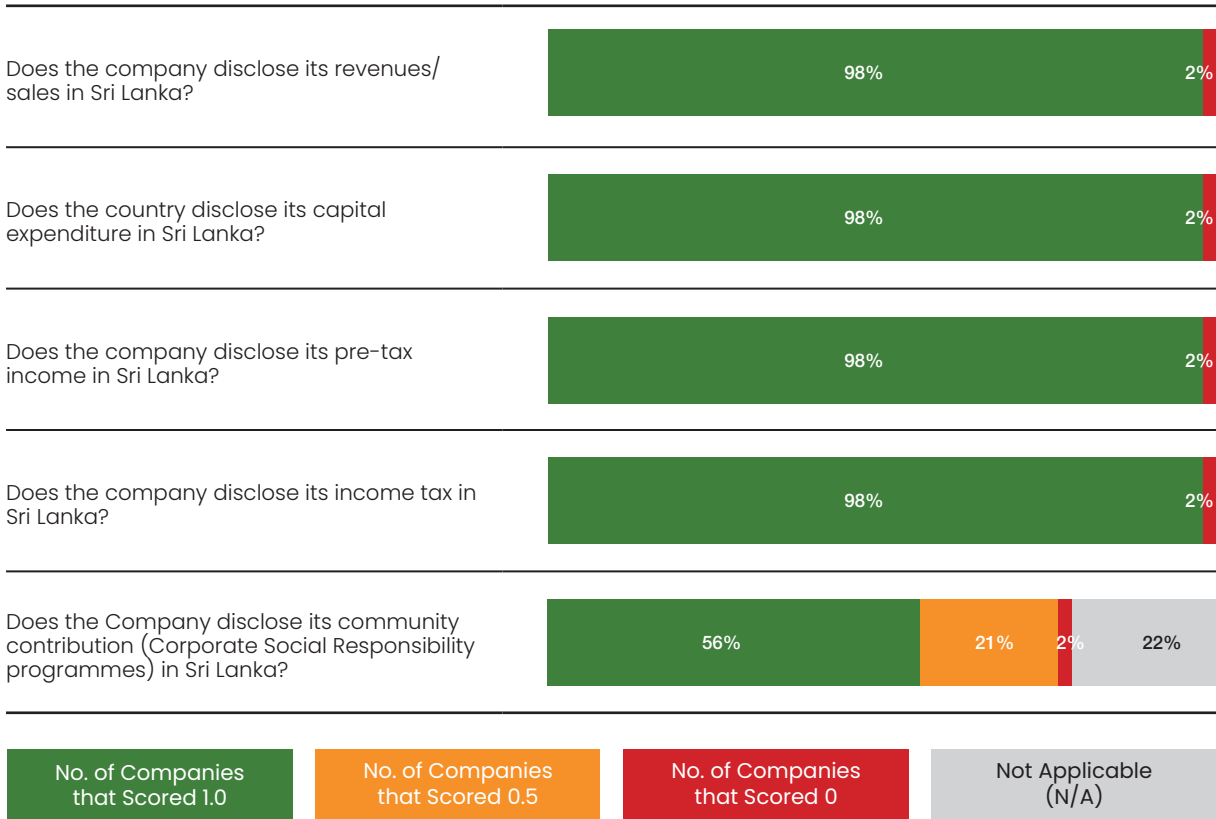
## Domestic Financial Reporting

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
1	Printcare PLC	10.00
1	Royal Ceramics Lanka PLC	10.00
1	Sampath Bank PLC	10.00
1	Seylan Bank PLC	10.00
1	Shalimar (Malay) PLC	10.00
1	Singer (Sri Lanka) PLC	10.00
1	Softlogic Capital PLC	10.00
1	Softlogic Life Insurance PLC	10.00
1	Sri Lanka Telecom PLC	10.00
1	Sunshine Holdings PLC	10.00
1	Talawakelle Tea Estates PLC	10.00
1	Teejay Lanka PLC	10.00
1	Tokyo Cement Company (Lanka) PLC	10.00
1	Trans Asia Hotels PLC	10.00
1	Union Assurance PLC	10.00
1	United Motors Lanka PLC	10.00
1	Vallibel Finance PLC	10.00
1	Vallibel One PLC	10.00
1	Vallibel Power Erathna PLC	10.00
1	Vidullanka PLC	10.00
1	Watawala Plantations PLC	10.00
1	Windforce PLC	10.00
95	Access Engineering PLC	9.00
95	Agalawatte Plantations PLC	9.00
95	Agstar PLC	9.00
95	Ambeon Holdings PLC	9.00
95	B P P L Holdings PLC	9.00
95	Bukit Darah PLC	9.00
95	Capital Alliance PLC	9.00
95	Carson Cumberbatch PLC	9.00
95	Ceylon Grain Elevators PLC	9.00
95	Expolanka Holdings PLC	9.00
95	First Capital Treasuries PLC	9.00
95	Harischandra Mills PLC	9.00
95	Janashakthi Insurance PLC	9.00
95	Kelani Cables PLC	9.00
95	Lanka Milk Food PLC	9.00

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
95	Lanka Walltiles PLC	9.00
95	Laugfs Gas PLC	9.00
95	Lions Brewery (Ceylon) PLC	9.00
95	LOLC Holdings PLC	9.00
95	Melstacorp PLC	9.00
95	Overseas Realty (Ceylon) PLC	9.00
95	Pan Asia Bank PLC	9.00
95	Richard Pieris and Company PLC	9.00
95	Richard Pieris Exports PLC	9.00
95	Sanasa Development Bank PLC	9.00
95	The Lanka Hospitals Corporation PLC	9.00
121	Senkadagala Finance PLC	8.00
121	Union Bank of Colombo PLC	8.00
123	Nawaloka Hospitals PLC	0.00
123	Softlogic Holdings PLC	0.00
Average		9.60

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

## Domestic Financial Reporting





## Domestic Financial Reporting in numbers

Of the 124 companies assessed, 122 companies disclosed their domestic revenue, capital expenditure, income before tax and income tax paid. This is a continuing trend observed across all previous TRAC reports and may be attributable to the legal requirement placed on companies to make such disclosures. Over three-quarter of the companies assessed amounting to 76% were Fully Transparent, indicating a marginal 1% decrease from the previous year.

Of the 124 companies assessed, 97 companies stated that they made community contributions of which 69 companies disclosed both the amount contributed and described the nature of the community contributions. This indicates that 71% of the companies that made community contributions made full disclosures, which represents a marginal 1% decline compared to last year. 26 companies disclosed either the amount of the community contribution or described the contribution whilst 2 companies stated that they made community contributions but neither disclosed the amount nor described the community contributions made. Interestingly, for the first time, the assessment came across companies which disclosed their

community contributions pictorially. Whilst it is acknowledged that pictures may be descriptive, TISL encourages all companies to describe the nature of their community contributions in greater detail, for the sake of clarity.

### **Domestic Financial Reporting: 2022 Vs. 2023**

No change was observed in relation to the questions on domestic financials as all companies are mandatorily required to report such figures. Encouragingly however, a 2% increase was observed in the number of companies that disclosed both the amount contributed towards community contributions and described the nature of such contributions. A similar 2% increase was observed in the number of companies which disclosed either the amount contributed or described the community contribution. Conversely, a 2% decrease was observed in the number of companies that scored "0" for the question on community contributions.

## Question by question analysis 2022 vs 2023

Questions		No. of Companies that Scored 1.0 or "Yes"			No. of Companies that Scored 0.5			No. of Companies that Scored 0 or "No"			No. of Companies for which the Question is Not Applicable (N/A)		
		2022	2023	Variance	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance
25.	Does the company disclose its revenues/ sales in Sri Lanka?	98%	98%	0% →	N/A	N/A	N/A	2%	2%	0% →	N/A	N/A	N/A
26.	Does the country disclose its capital expenditure in Sri Lanka?	98%	98%	0% →	N/A	N/A	N/A	2%	2%	0% →	N/A	N/A	N/A
27.	Does the company disclose its pre-tax income in Sri Lanka?	98%	98%	0% →	N/A	N/A	N/A	2%	2%	0% →	N/A	N/A	N/A
28.	Does the company disclose its income tax in Sri Lanka?	98%	98%	0% →	N/A	N/A	N/A	2%	2%	0% →	N/A	N/A	N/A
29.	Does the Company disclose its community contribution (Corporate Social Responsibility programmes) in Sri Lanka?	54%	56%	2% ↑	19%	21%	2% ↑	4%	2%	-2% ↓	23%	22%	-1% ↓

# Country-by-Country Reporting

Most companies today are formed as large multinational conglomerates which operate across borders and jurisdictions, in a complex network of interconnected entities such as subsidiaries, sub-subsidiaries, associates and joint ventures. This complex network may be structured with deliberate opacity, across national borders with varying degrees of control by the parent company. Each entity within a group of companies can have a profound impact on the communities and countries in which they operate through revenue generation, tax payments to the government, and even community contributions. This section seeks to assess whether companies disclose financial information pertaining to their overseas operations. Such disclosures are imperative in ensuring transparent cash and capital flows between intra-group companies and to assess the strength of a company in a particular country. Companies are at present not required by law or regulation to disclose financial information for the subsidiaries they operate outside of Sri Lanka. However, TISL encourages all companies, to adopt the same stringent standards of accounting, auditing and disclosure that is adopted regarding Domestic Financial Reporting in the company's Country-by-Country reporting as well. TISL believes that companies should maintain the same level of accountability across all their countries of operations. Closely following the structure of the section on domestic financial reporting, this section assesses whether a company discloses its revenue, capital expenditure, pre-tax income, income tax paid and community contributions.

Some companies report information only on their "material<sup>35</sup>" subsidiaries i.e., subsidiaries that make a significant contribution towards the overall revenue of the company. Whilst it is encouraging that some companies at least disclose their financial data for material subsidiaries, TISL recommends

that companies disclose financial data for all the countries in which they operate, regardless of materiality. Disclosures based on materiality are discouraged, as materiality is determined on a subjective criterion which may vary from country to country based on the accounting regime in place. Materiality is also discouraged, as smaller subsidiaries which may be considered insignificant, could be used as financial vehicles for fraud and corruption by the parent company. This is particularly so, as foreign subsidiaries may be used by multinationals to shift profits to low-tax jurisdictions. In such a context, Country-by-Country Reporting on payments to the government creates a means of exposing excessive tax evasion by companies.

## Country by Country Reporting in Sri Lanka

Of the 124 companies assessed, 38 companies had subsidiaries operating in foreign jurisdictions. Of these 38 companies, 1 company<sup>36</sup> was not scored as the company had decided to withdraw from the joint venture in the foreign jurisdiction and was therefore considered as "Not Applicable". The average company score for Country-by-Country Reporting is 3.17, indicating that companies are only Slightly Transparent in their disclosures on their Country-by-Country operations. 8 companies received a full score for their Country-by-Country Reporting, which accounts for 21% of the companies that have subsidiaries in foreign jurisdictions.

As with previous TRAC assessments, this year being no exception, it was observed that companies were more transparent in their Domestic Financial Reporting compared to their Country-by-Country Reporting disclosures. Despite being assessed on the same indicators, the overall average score for Domestic Financial Reporting was 9.60 whereas the average score for Country-by-Country reporting is a mere 3.17. The

35. It is an accounting term, which allows for the selection of certain items for company reports on the basis of their relative significance for the overall business.

36. CIC Holdings PLC.

discrepancy may be attributed to the lack of regulatory requirement for companies to disclose financial information for foreign operations. Furthermore, companies report their “consolidated financials” of the group as a whole, rather than disclosing financial data for each country of operation. Alternately, it was observed that some companies report financial data for overseas operations by region such as the “Middle Eastern region” or “African region.” Whilst such disclosures are certainly better than no disclosure at all, the consolidation of such information creates space for the risk of bribery and corruption. Therefore, whilst the financial data

of their foreign operations is reflected in the ultimate consolidated figures, it cannot be independently identified and verified. Another reason for companies receiving low scores in relation to Country-by-Country Reporting is due to the reliance on the principle of materiality, as companies only disclose the financial data for material or significant regions and/or countries. Finally, regarding the question on income tax, it was observed that several companies had disclosed the tax rate that was applicable to their foreign subsidiaries instead of disclosing the actual amount paid.

## Country-by-Country Reporting

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
1	Bukit Darah PLC	10.00
1	Carson Cumberbatch PLC	10.00
1	Hayleys PLC	10.00
1	JAT Holdings PLC	10.00
1	John Keells Holdings PLC	10.00
1	John Keells Hotels Holdings PLC	10.00
1	L B Finance PLC	10.00
1	Laugfs Gas PLC	10.00
9	Commercial Bank of Ceylon PLC	7.50
9	People’s Leasing & Finance PLC	7.50
11	Haycarb PLC	4.25
12	LOLC Finance PLC	3.75
13	Dipped Products PLC	2.50
13	National Development Bank PLC	2.50
13	Teejay Lanka PLC	2.50
16	Vidullanka PLC	1.25
17	Aitken Spence Hotel Holdings PLC	1.00
17	Hela Apparel Holdings PLC	1.00
19	LOLC Holdings PLC	0.88
20	Aitken Spence PLC	0.83
21	Windforce PLC	0.67
22	Brown & Company PLC	0.42

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
23	Melstacorp PLC	0.31
24	Expolanka Holdings PLC	0.29
25	Access Engineering PLC	0.00
25	Ambeon Capital PLC	0.00
25	Browns Investments PLC	0.00
25	Ceylinco Insurance PLC	0.00
25	Ceylon Beverage Holdings PLC	0.00
25	Ceylon Guardian Investment Trust PLC	0.00
25	Eden Hotel Lanka PLC	0.00
25	Hemas Holdings PLC	0.00
25	hSenid Business Solutions PLC	0.00
25	Lanka Tiles PLC	0.00
25	Lions Brewery (Ceylon) PLC	0.00
25	Printcare PLC	0.00
25	Royal Ceramics Lanka PLC	0.00
N/A	CIC Holdings PLC	N/A
Average		3.17

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



## Country-by-Country Reporting in numbers

8 of the 38 companies scored 100% and are Fully Transparent in their Country-by-Country Reporting disclosures. Regrettably however, most companies, amounting to 61% of the companies that have foreign operations, were within the Least Transparent bracket scoring between

0% to 19%, with 13 companies receiving a "0" overall score for Country-by-Country Reporting. This indicates a marginal 1% decrease from the previous year.

# Reporting on Gender and Non-Discrimination Policies

This section was introduced in recognition of the potential for sextortion,<sup>37</sup> sexual bribery, and gender-based discrimination occurring within the workplace. It has been recognised that sexual harassment and gender discrimination in the workplace can lead to pervasive latent forms of corruption which impact the entire workforce. This section encourages companies to adopt gender-neutral policies which mandate that their operations ensure that all employees are guaranteed equal opportunities, regardless of gender. Adopting an equal opportunity policy and a zero-tolerance approach to sexual harassment, serves as a safety net that gender minorities may rely on, in the event they face discrimination. It also sets the tone from the top and eliminates the space for sexual based corruption within the workplace. In this regard, this section places emphasis on companies adopting a zero-tolerance approach to sexual harassment and the adoption of gender-neutral recruitment and promotion policies.

In assessing these key areas, it was observed that companies have different approaches to ensuring non-discrimination in the workplace. Some companies adopt diversity and equality policies, whilst others adopt gender policies, anti-harassment policies and even equal opportunity policies. Whilst it is acknowledged that several companies broadly state that they are equal opportunity employers, given that

corruption at the time of promotion may be the gateway point for greater corruption, the assessment sought specific disclosure that the company was gender neutral at the time of promotion. As such, a generalised statement that the company was an equal opportunity employer or that the company did not discriminate based on gender was considered sufficient to receive a full score for the question on recruitment, however, it was considered insufficient to receive a full score for the question on discrimination at the time of promotion. Discrimination at the time of recruitment and promotion has been a major hurdle for gender minorities, which must be duly acknowledged and prevented. As such, the TRAC assessment encourages all companies to make specific disclosures stating that they do not discriminate on the basis of gender at the time of recruitment and promotion. The use of varied language made the scoring of this question particularly difficult, as it was often vague, indirect, and broad. In this regard, companies had used phrases such as “career development,” “career progression” and “career advancement” to refer to non-discrimination at the time of promotion. Whilst it is acknowledged that such statements set out the company’s commitment to ensuring equal opportunity at the time of promotion, companies are encouraged to adopt more direct and stronger statements.

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37. The International Association of Women Judges (IAWJ) defines sextortion as a “form of corruption in which sex, rather than money, is the currency of the bribe.” (International Association of Women Judges. Stopping the abuse of power through sexual exploitation: naming, shaming and ending sextortion. Washington DC: IAWJ; 2012.); <https://www.transparency.org/en/blog/sextortion-sexual-offence-or-corruption-offence>

## Reporting on Gender and Non-Discrimination Policies

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
1	Access Engineering PLC	10.00
1	Aitken Spence Hotel Holdings PLC	10.00
1	Aitken Spence PLC	10.00
1	Amana Bank PLC	10.00
1	Asian Hotels and Properties PLC	10.00
1	Cargills (Ceylon) PLC	10.00
1	Ceylinco Insurance PLC	10.00
1	Ceylon Tobacco Company PLC	10.00
1	Citizens Development Business Finance PLC	10.00
1	Co-operative Insurance PLC	10.00
1	Dialog Axiata PLC	10.00
1	Dilmah Ceylon Tea Company PLC	10.00
1	Expolanka Holdings PLC	10.00
1	Haycarb PLC	10.00
1	Hayleys Fabric PLC	10.00
1	Hayleys PLC	10.00
1	Hela Apparel Holdings PLC	10.00
1	Janashakthi Insurance PLC	10.00
1	JAT Holdings PLC	10.00
1	John Keells Holdings PLC	10.00
1	John Keells Hotels PLC	10.00
1	L B Finance PLC	10.00
1	Lanka IOC PLC	10.00
1	National Development Bank PLC	10.00
1	Printcare PLC	10.00
1	Royal Ceramics Lanka PLC	10.00
1	Sampath Bank PLC	10.00
1	Seylan Bank PLC	10.00
1	Sri Lanka Telecom PLC	10.00
1	Teejay Lanka PLC	10.00
1	The Lanka Hospitals Corporation PLC	10.00
1	Trans Asia Hotels PLC	10.00
1	Watawala Plantations PLC	10.00
34	ACL Cables PLC	7.50
34	Agstar PLC	7.50
34	Alumex PLC	7.50
34	B P P L Holdings PLC	7.50

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
34	Capital Alliance PLC	7.50
34	Ceylon Cold Stores PLC	7.50
34	CIC Holdings PLC	7.50
34	Commercial Bank of Ceylon PLC	7.50
34	DFCC Bank PLC	7.50
34	Dialog Finance PLC	7.50
34	E B Creasy & Company PLC	7.50
34	Elpitiya Plantation PLC	7.50
34	First Capital Holdings PLC	7.50
34	First Capital Treasuries PLC	7.50
34	Hatton National Bank PLC	7.50
34	Hemas Holdings PLC	7.50
34	HNB Assurance PLC	7.50
34	HNB Finance PLC	7.50
34	hSenid Business Solutions PLC	7.50
34	Kelani Cables PLC	7.50
34	Kelani Valley Plantations PLC	7.50
34	Lanka Walltiles PLC	7.50
34	Laugfs Gas PLC	7.50
34	Namunukula Plantations PLC	7.50
34	Nations Trust Bank PLC	7.50
34	Nestle Lanka PLC	7.50
34	Overseas Realty (Ceylon) PLC	7.50
34	People's Leasing & Finance PLC	7.50
34	Prime Land Residencies PLC	7.50
34	Richard Pieris Exports PLC	7.50
34	Softlogic Life Insurance PLC	7.50
34	Sunshine Holdings PLC	7.50
34	Talawakelle Tea Estates PLC	7.50
34	Union Assurance PLC	7.50
34	Union Bank of Colombo PLC	7.50
34	United Motors Lanka PLC	7.50
34	Vallibel Finance PLC	7.50
34	Vallibel Power Erathna PLC	7.50
72	Bogala Graphite PLC	5.00
72	Brown and Company PLC	5.00
72	Browns Investment PLC	5.00
72	Bukit Darah PLC	5.00

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

## Reporting on Gender and Non-Discrimination Policies

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
72	C T Holdings PLC	5.00
72	Carson Cumberbatch PLC	5.00
72	Central Finance Company PLC	5.00
72	Ceylon Grain Elevators PLC	5.00
72	Ex-Pack Corrugated Cartons PLC	5.00
72	Lanka Milk Food PLC	5.00
72	Lanka Tiles PLC	5.00
72	Malwatte Valley Plantations PLC	5.00
72	Melstacorp PLC	5.00
72	Sanasa Development Bank PLC	5.00
72	Senkadagala Finance PLC	5.00
72	Singer (Sri Lanka) PLC	5.00
72	Softlogic Capital PLC	5.00
72	Vallibel One PLC	5.00
72	Windforce PLC	5.00
91	Commercial Credit and Finance PLC	2.50
91	Dipped Products PLC	2.50
91	Pan Asia Bank PLC	2.50
91	Richard Pieris and Company PLC	2.50
95	Agalawatte Plantations PLC	0.00
95	Ambeon Capital PLC	0.00
95	Ambeon Holdings PLC	0.00
95	Asiri Hospital Holdings PLC	0.00
95	Asiri Surgical Hospital PLC	0.00
95	Ceylon Beverage Holdings PLC	0.00
95	Ceylon Guardian Investment Trust PLC	0.00
95	Chevron Lubricants Lanka PLC	0.00
95	Colombo Fort and Land PLC	0.00
95	Distilleries Company of Sri Lanka PLC	0.00
95	Eden Hotel Lanka PLC	0.00
95	Galadari Hotels PLC	0.00

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
95	Good Hope PLC	0.00
95	Harischandra Mills PLC	0.00
95	Hatton Plantation PLC	0.00
95	Hunas Holdings PLC	0.00
95	Indo - Malay PLC	0.00
95	Kelani Tyres PLC	0.00
95	Kotmale Holdings PLC	0.00
95	Lions Brewery (Ceylon) PLC	0.00
95	LOLC Finance PLC	0.00
95	LOLC General Insurance PLC	0.00
95	LOLC Holdings PLC	0.00
95	Mercantile Investments and Finance PLC	0.00
95	Nawaloka Hospitals PLC	0.00
95	PGP Glass Ceylon PLC	0.00
95	Shalimar (Malay) PLC	0.00
95	Softlogic Holdings PLC	0.00
95	Tokyo Cement Company (Lanka) PLC	0.00
95	Vidullanka PLC	0.00
Average		5.81

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



## Reporting on Gender and Non-Discrimination Policies



## Reporting on Gender and Non-Discrimination in Numbers

Companies were Partially Transparent in their reporting on gender and non-discrimination policies with an overall average score of 5.81. Of the 124 companies assessed, 33 companies were Fully Transparent, indicating a 7% increase from the previous year. A further 27% of the companies are either Slightly Transparent or Least Transparent in their Reporting on Gender and non-discrimination policies, with 30 of these companies receiving a "0" score for all questions in this section.

43% of the companies assessed had made an explicit statement of a zero-tolerance approach to sexual harassment in the workplace. It must be noted that some companies had mentioned the existence of a harassment policy, and reporting mechanisms for harassment, but failed to state that the company had a zero-tolerance approach towards sexual harassment. Whilst the TRAC report acknowledges that the failure to mention such a commitment to anti-sexual harassment, does not in any way reflect the actual practice of the company, the public disclosure of such a commitment is essential in encouraging and reassuring members of vulnerable groups of their security in the workplace.

89 companies had made a commitment to non-discrimination on the basis of gender.

72% of these companies are committed to non-discrimination on the basis of gender at the time of recruitment. However, only 57 companies specifically disclosed that they do not discriminate based on gender at the time of promotion.

### Reporting on Gender and Non-Discrimination Policies: 2022 Vs. 2023

There has been consistent improvement in disclosure for this section. The overall average score for this section increased from 5.13 to 5.81 this year, and the number of Fully Transparent companies increased from 20 to 33. Similarly, the number of companies that had disclosed an explicit commitment of zero-tolerance towards sexual harassment increased by 5%. Despite a 5% improvement, this was the worst performing question in this section, as opposed to the question on discrimination at the time of promotion which was the worst performing question last year. There was an 8% increase in companies expressing a commitment to non-discrimination based on gender and a 3% increase in companies disclosing a commitment to non-discrimination at the time of recruitment. A resounding increase was observed in the last question of this section on non-discrimination at the time of promotion, which saw a 12% increase compared to last year.

## Question by question analysis 2022 vs 2023

Questions		No. of Companies that Scored 1.0 or "Yes"			No. of Companies that Scored 0.5			No. of Companies that Scored 0 or "No"			No. of Companies for which the Question is Not Applicable (N/A)		
		2022	2023	Variance	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance
30	Does the company have an explicit publicly stated commitment against sexual harassment?	38%	43%	5% ↑	N/A	N/A	N/A	62%	57%	-5% ↓	N/A	N/A	N/A
31	Does the company have an explicit, publicly stated commitment to non-discrimination based on gender?	64%	72%	8% ↑	N/A	N/A	N/A	36%	28%	-8% ↓	N/A	N/A	N/A
32	Does the company adopt a gender inclusive/equal opportunity recruitment policy?	69%	72%	3% ↑	N/A	N/A	N/A	31%	28%	-3% ↓	N/A	N/A	N/A
33	Does the company adopt a gender inclusive promotion policy?	34%	46%	12% ↑	N/A	N/A	N/A	66%	54%	-12% ↓	N/A	N/A	N/A

## Suggested Reporting Best Practices for better corporate disclosure on Gender and Non-Discrimination

Question	Company	Source	Best Practice Statement
Does the company have an explicit publicly stated commitment against sexual harassment?	Ceylon Tobacco Company PLC	Our Standards of Business Conduct 2020 pg. 13	"All aspects of harassment and bullying are completely unacceptable. We are committed to removing any such actions or attitudes from the workplace. Harassment and bullying includes, but is not limited to, any form of sexual, verbal, non-verbal and physical behaviour, which is abusive, humiliating or intimidating."
	Citizens Development Business Finance PLC	Annual Report 2022/23 pg. 85	"Company has implemented a zero-tolerance policy towards all forms of workplace violation of rights, including sexual harassment"
Does the company have an explicit, publicly stated commitment to non-discrimination based on gender	Hayleys Fabric PLC	Annual Report 2022/23 pg. 96/118/154	"Hayleys Fabric PLC is an equal opportunity employer, and does not discriminate against gender, marital status, religion, race, or disability. " "The Board appreciates the positive impact to productivity and creativity that diverse perspectives lend. Hayleys Fabric PLC is an equal opportunity employer, and does not discriminate against gender, marital status, religion, race, or disability. "
	Hela Apparel Holdings PLC	Annual Report 2022/23 pg. 77/79 /124	"As an equal opportunity employer, the Group does not discriminate on the basis of gender, marital status, religion, race, or disability"
Does the company adopt a gender inclusive/equal opportunity recruitment policy?	Amana Bank PLC	Annual Report 2022 pg. 75	"Amana Bank endorses equal opportunity at every stage of the employment life cycle and maintains a non-discriminatory approach throughout the employment process including recruitment, selection, evaluation, promotion, training and development of all employees. "
Does the company adopt a gender inclusive promotion policy?	Access Engineering PLC	Annual Report 2022/23 pg. 102/39	"Our rewards scheme, promotions, and recruitments are conducted in a highly transparent and non-discriminatory manner."

# Reporting on Procurement related to Government Contracts/Tenders

Introduced for the first time in the TRAC assessment 2022, the current assessment continued to review companies' disclosures regarding their procedures relating to government contracts/tenders. This section encourages companies to be transparent in their dealings with government entities. It is understood that the procurement process may be rife with the risk of corruption, from the offer of bribes and kickbacks to nepotism and favouritism in the awarding of large-scale government contracts. Corruption in procurement not only unfairly impacts the companies bidding for such contracts as it creates an unequal playing field, but it also detrimentally impacts the public as it leads to the mismanagement of public funds. This section allows companies to showcase their transparency in operations, in an area where governments often fall short. The transparent disclosure of a company's contracts with a government and the audited financials of the same, empowers the public to hold not only the company, but also their government accountable for state expenditure. The transparent disclosure of such information reduces the risk of state procurement being used as a vehicle for corruption.

This section comprises of four questions that assess whether companies have policies in place for bidding on government contracts/tenders, if companies disclose that they have ongoing contracts with the government and publish those contracts, and finally, if the company has published audited financials for the contracts it has entered into with the government. The assessment was not limited to contracts with the Sri Lankan government but assessed whether companies had contracts with either the Sri Lankan government and/or any other foreign government as well. When scoring this section, the assessment did not consider transactions with the Government of Sri Lanka and Government related entities that comprised normal day to day operations of

the company. For example, transactions such as investments in government securities, payment of statutory rates and taxes, payment of utilities, payment of employee retirement benefits and other standard rates and charges were not considered as constituting government contracts. Engagement with the government on large projects such as construction contracts and energy agreements, were considered as constituting government contracts and scored accordingly.

It must also be noted that the TRAC assessment does not require audited financials for the entire project to be disclosed. If the company has been contracted to complete only a component of a much larger project, TRAC assesses if the company has disclosed the audited financials of that component. Similarly, it is understood that some contracts may include stringent confidentiality clauses. In such instances, it is recommended that the company disclose that the contract cannot be published due to such confidentiality clauses, or where possible, redact confidential information and then publish the contract.



## Reporting on Procurement related to Government Contracts/Tenders

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
1	Asian Hotels and Properties PLC	10.00
1	Ceylon Cold Stores PLC	10.00
1	Dialog Axiata PLC	10.00
1	John Keells Holdings PLC	10.00
1	John Keells Hotels PLC	10.00
1	Kelani Valley Plantations PLC	10.00
1	Trans Asia Hotels PLC	10.00
8	Agstar PLC	6.67
8	Colombo Fort and Land PLC	6.67
8	Hatton Plantation PLC	6.67
8	Hela Apparel Holdings PLC	6.67
8	hSenid Business Solutions PLC	6.67
8	Printcare PLC	6.67
8	Sri Lanka Telecom PLC	6.67
10	Vallibel Power Erathna PLC	6.67
8	Vidullanka PLC	6.67
8	Watawala Plantations PLC	6.67
8	Windforce PLC	6.67
19	Access Engineering PLC	5.00
20	Aitken Spence PLC	3.75
21	ACL Cables PLC	3.33
21	Brown and Company PLC	3.33
21	Chevron Lubricants Lanka PLC	3.33
21	Lanka IOC PLC	3.33
21	LOLC Holdings PLC	3.33
N/A	Agalawatte Plantations PLC	N/A
N/A	Aitken Spence Hotel Holdings PLC	N/A
N/A	Alumex PLC	N/A
N/A	Amana Bank PLC	N/A
N/A	Ambeon Capital PLC	N/A
N/A	Ambeon Holdings PLC	N/A
N/A	Asiri Hospital Holdings PLC	N/A
N/A	Asiri Surgical Hospital PLC	N/A
N/A	B P P L Holdings PLC	N/A
N/A	Bogala Graphite PLC	N/A
N/A	Browns Investment PLC	N/A

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
N/A	Bukit Darah PLC	N/A
N/A	C T Holdings PLC	N/A
N/A	Capital Alliance PLC	N/A
N/A	Cargills (Ceylon) PLC	N/A
N/A	Carson Cumberbatch PLC	N/A
N/A	Central Finance Company PLC	N/A
N/A	Ceylinco Insurance PLC	N/A
N/A	Ceylon Beverage Holdings PLC	N/A
N/A	Ceylon Grain Elevators PLC	N/A
N/A	Ceylon Guardian Investment Trust PLC	N/A
N/A	Ceylon Tobacco Company PLC	N/A
N/A	CIC Holdings PLC	N/A
N/A	Citizens Development Business Finance PLC	N/A
N/A	Co-operative Insurance PLC	N/A
N/A	Commercial Bank of Ceylon PLC	N/A
N/A	Commercial Credit and Finance PLC	N/A
N/A	DFCC Bank PLC	N/A
N/A	Dialog Finance PLC	N/A
N/A	Dilmah Ceylon Tea Company PLC	N/A
N/A	Dipped Products PLC	N/A
N/A	Distilleries Company of Sri Lanka PLC	N/A
N/A	E B Creasy & Company PLC	N/A
N/A	Eden Hotel Lanka PLC	N/A
N/A	Elpitiya Plantation PLC	N/A
N/A	Ex-Pack Corrugated Cartons PLC	N/A
N/A	Expolanka Holdings PLC	N/A
N/A	First Capital Holdings PLC	N/A
N/A	First Capital Treasuries PLC	N/A
N/A	Galadari Hotels PLC	N/A
N/A	Good Hope PLC	N/A
N/A	Harischandra Mills PLC	N/A
N/A	Hatton National Bank PLC	N/A
N/A	Haycarb PLC	N/A
N/A	Hayleys Fabric PLC	N/A
N/A	Hayleys PLC	N/A

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

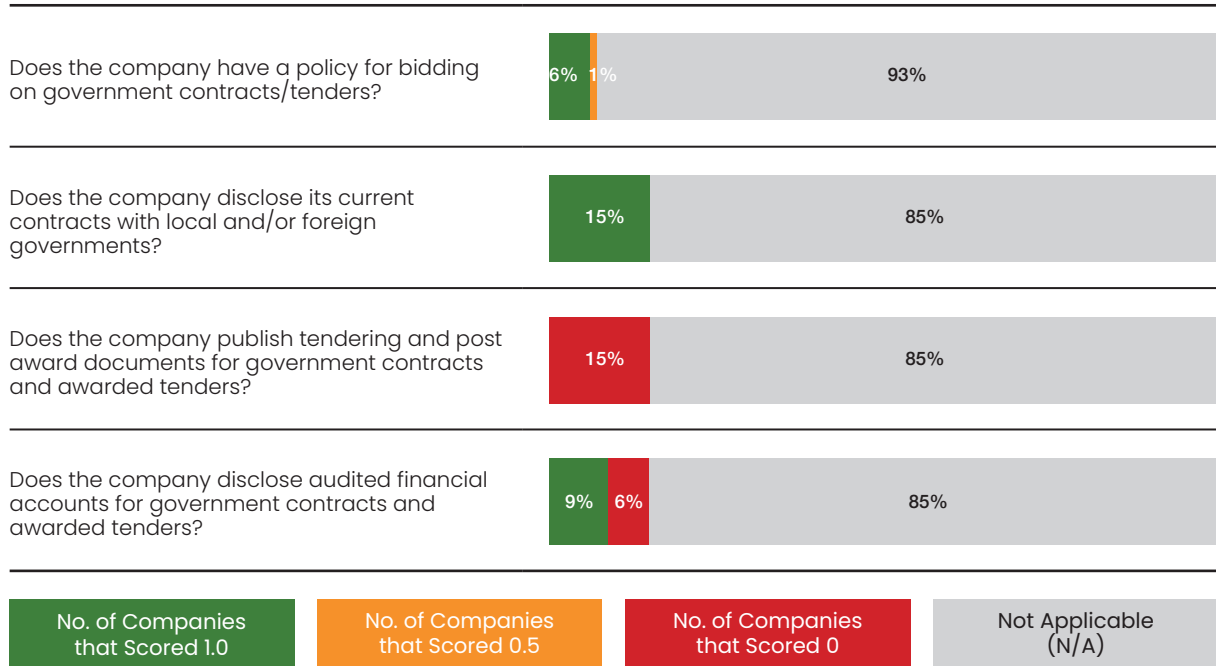
## Reporting on Procurement related to Government Contracts/Tenders

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
N/A	Hemas Holdings PLC	N/A
N/A	HNB Assurance PLC	N/A
N/A	HNB Finance PLC	N/A
N/A	Hunas Holdings PLC	N/A
N/A	Indo - Malay PLC	N/A
N/A	Janashakthi Insurance PLC	N/A
N/A	JAT Holdings PLC	N/A
N/A	Kelani Cables PLC	N/A
N/A	Kelani Tyres PLC	N/A
N/A	Kotmale Holdings PLC	N/A
N/A	L B Finance PLC	N/A
N/A	Lanka Milk Food PLC	N/A
N/A	Lanka Tiles PLC	N/A
N/A	Lanka Walltiles PLC	N/A
N/A	Laugfs Gas PLC	N/A
N/A	Lion Brewery (Ceylon) PLC	N/A
N/A	LOLC Finance PLC	N/A
N/A	LOLC General Insurance PLC	N/A
N/A	Malwatte Valley Plantations PLC	N/A
N/A	Melstacorp PLC	N/A
N/A	Mercantile Investments and Finance PLC	N/A
N/A	Namunukula Plantations PLC	N/A
N/A	National Development Bank PLC	N/A
N/A	Nations Trust Bank PLC	N/A
N/A	Nawaloka Hospitals PLC	N/A
N/A	Nestle Lanka PLC	N/A
N/A	Overseas Realty (Ceylon) PLC	N/A
N/A	Pan Asia Bank PLC	N/A
N/A	People's Leasing & Finance PLC	N/A
N/A	PGP Glass Ceylon PLC	N/A
N/A	Prime Land Residencies PLC	N/A
N/A	Richard Pieris and Company PLC	N/A
N/A	Richard Pieris Exports PLC	N/A
N/A	Royal Ceramics Lanka PLC	N/A
N/A	Sampath Bank PLC	N/A

Rank	Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	TRAC Score
N/A	Sanasa Development Bank PLC	N/A
N/A	Senkadagala Finance PLC	N/A
N/A	Seylan Bank PLC	N/A
N/A	Shalimar (Malay) PLC	N/A
N/A	Singer (Sri Lanka) PLC	N/A
N/A	Softlogic Capital PLC	N/A
N/A	Softlogic Holdings PLC	N/A
N/A	Softlogic Life Insurance PLC	N/A
N/A	Sunshine Holdings PLC	N/A
N/A	Talawakelle Tea Estates PLC	N/A
N/A	Teejay Lanka PLC	N/A
N/A	The Lanka Hospitals Corporation PLC	N/A
N/A	Tokyo Cement Company (Lanka) PLC	N/A
N/A	Union Assurance PLC	N/A
N/A	Union Bank of Colombo PLC	N/A
N/A	United Motors Lanka PLC	N/A
N/A	Vallibel Finance PLC	N/A
N/A	Vallibel One PLC	N/A
Average		6.75

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

## Reporting on Procurement related to Government Contracts/Tenders



## Reporting on Procurement related to Government Contracts/Tenders in Numbers

Of the 124 companies assessed, 25 companies made disclosures in relation to this section. Among these 25 companies, 7 companies do not have contracts with the government, however, they have made disclosures that the company has in place a policy which governs bidding on government contracts and tenders. Such companies received a full score for this section, as the questions pertaining to the disclosure of government contracts and audited financials were scored as "N/A". These were the only companies to receive a full score for this section. On the other hand, only 8 companies in total disclosed that they had a policy for bidding on government contracts which amounts to just 6% of the total number of companies assessed.

Of the other 18 companies that did have contracts with the government, none of the companies had published the contracts that they had signed with the government. 11 companies disclosed the audited financials of their contracts with the government accounting for 61% of the companies that have contracts with the government. Furthermore, of the 18 companies that disclosed that they had current government contracts, 11 companies were Moderately Transparent in their disclosures pertaining to government contracts and tenders.

## Question by question analysis 2022 vs 2023

Questions		No. of Companies that Scored 1.0 or "Yes"			No. of Companies that Scored 0.5			No. of Companies that Scored 0 or "No"			No. of Companies for which the Question is Not Applicable (N/A)		
		2022	2023	Variance	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance
34.	Does the company have a policy for bidding on government contracts/tenders?	1%	6%	5% ↑	2%	1%	-1% ↓	0%	0%	0% →	97%	93%	-4% ↓
35.	Does the company disclose its current contracts with local and/or foreign governments?	95%	100%	5% ↑	N/A	N/A	0% →	5%	0%	-5% ↓	79%	85%	6% ↑
36.	Does the company publish tendering and post award documents for government contracts and awarded tenders?	0%	0%	0% →	0%	0%	0% →	100%	100%	0% →	79%	85%	6% ↑
37.	Does the company disclose audited financial accounts for government contracts and awarded tenders?	29%	61%	33% ↑	N/A	N/A	N/A	71%	39%	-33% ↓	79%	85%	6% ↑

## Suggested Reporting Best Practices for better corporate disclosure on Procurement Related to Government Contract/Tenders

Question	Company	Source	Best Practice Statement
Does the company have a policy for bidding on government contracts/tenders?	Trans Asia Hotels PLC	Annual Report 2022/23 pg. 29	"John Keells Group's policy for bidding on contracts and tenders In November 2022, the Group introduced the Policy for bidding on contracts and tenders, which entails a standardised set of guidelines for bidding, including to those of local and foreign governments and related bodies...the policy also requires the bidding entity within the Group to adhere to all Group policies including the Code of Conduct, anti-corruption, anti-bribery and anti-money laundering and gift policies"
Does the company disclose its current contracts with local and/or foreign governments?	Windforce PLC	Annual Report 2022/23 pg. 77/97/88	"Our business objective is to provide power for the national grid, which is owned and operated by the Ceylon Electricity Board, under the government of Sri Lanka. The CEB is therefore our only local customer. All of our plants are run under 20-year, three tier Power Purchase Agreements with the Ceylon Electricity Board (CEB)."
Does the company disclose audited financial accounts for government contracts and awarded tenders?	Vallibel Erathna PLC	Annual Report 2022/23 pg. 25/66/116	"Trade receivables from CEB - Rs. 1,206.6 Mn" "As a commercial company in the business of generating energy to the national grid, our output is bought by the state- owned Ceylon Electricity Board, who thereafter distributes the electricity to power the nation. This makes the CEB our sole customer as well as the source of our value creation." "Revenue from contracts with customers - 323,544,409 /1,122,569,037"



# Comparing TRAC 2022 with TRAC 2023

On conducting an analysis of the scores obtained in this report in comparison to the previous TRAC report, companies have shown a slight improvement in their scores in the TRAC 2023 assessment.<sup>38</sup> The overall average score of the 98 companies assessed in both reports increased from 5.42 to 6.16. Furthermore, 68 of the companies assessed in the previous report have improved their overall average score. The TRAC 2023 report also showed notable increases in the average score obtained in each section as well. Accordingly, the average score for the Reporting on Anti-Corruption Programmes section increased from 3.46 to 4.49, the section on Organisational Transparency increased from 7.86 to 8.27, the section on Domestic Financial Reporting increased from 9.52 to 9.58, and finally, the section on Reporting on Gender and Non-Discrimination Policies increased from 5.13 to 5.94. The improvements observed for each section assessed, is a testament to the effectiveness of the TRAC report in holding companies to a higher standard of disclosure, as it demonstrates that companies have made a conscious effort to improve their disclosures in all sections in the 2023 TRAC assessment.

Despite the improvement observed in the overall average scores of the 98 companies assessed, a similar improvement cannot definitively be observed in their final overall rank. This is because the TRAC 2023 assessment introduced 26 new companies, which affected the overall ranking of the companies. Furthermore, some companies that ranked high the previous year did not improve in their overall average score, and were, therefore, outranked by companies

that consciously improved their disclosure practices in the present assessment. This was most apparent, when analysing the improvement of three companies<sup>39</sup> which made their disclosures Fully Transparent, causing a five-way tie for the highest rank of Most Transparent Company in corporate reporting in the 2023 TRAC assessment.

Of the companies assessed in both TRAC 2022 and TRAC 2023, The Lanka Hospitals Corporation PLC showed the greatest improvement, with its overall score improving from 3.33 to 7.50, and its rank increasing from 83 the previous year to 37 in TRAC 2023, despite the increased number of companies assessed this year. BPPL Holdings PLC improved from being Slightly Transparent to being Moderately Transparent, with an overall average score increase from 3.52 to 7.50, and with an improved rank from 80 to 37. As such, The Lanka Hospitals Corporation PLC and BPPL Holdings PLC are the most improved companies in the TRAC 2023 assessment.

38. This comparison was relevant only for the 98 companies assessed in both TRAC Reports (TRAC 2022 and TRAC 2023). Of the 100 companies assessed in 2022, LOLC Development Finance PLC amalgamated with LOLC Finance PLC and Property Development PLC was delisted, as such, they were not assessed for TRAC 2023.

39. Ceylon Tobacco PLC, Dialog Axiata PLC and Dilmah Tea Company Ceylon PLC

## Overall Rank 2022 Vs 2023

Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Rank		
	2022	2023	Variance in Ranking
Access Engineering PLC	8	30	↓
ACL Cables PLC	39	48	↓
Aitken Spence Hotel Holdings PLC	33	33	→
Aitken Spence PLC	11	19	↓
Alumex PLC	23	16	↑
Amana Bank PLC	29	20	↑
Ambeon Capital PLC	79	101	↓
Ambeon Holdings PLC	84	117	↓
Asian Hotels and Properties PLC	16	12	↑
Asiri Hospital Holdings PLC	88	111	↓
Asiri Surgical Hospital PLC	82	105	↓
B P P L Holdings PLC	80	37	↑
Brown and Company PLC	65	85	↓
Browns Investment PLC	71	91	↓
Bukit Darah PLC	52	88	↓
C T Holdings PLC	75	98	↓
Cargills (Ceylon) PLC	24	6	↑
Carson Cumberbatch PLC	59	88	↓
Central Finance Company PLC	42	43	↓
Ceylinco Insurance PLC	59	41	↑
Ceylon Beverage Holdings PLC	93	115	↓
Ceylon Cold Stores PLC	40	9	↑
Ceylon Guardian Investment Trust PLC	55	73	↓
Ceylon Tobacco Company PLC	9	1	↑
Chevron Lubricants Lanka PLC	81	100	↓
CIC Holdings PLC	42	57	↓
Citizens Development Business Finance PLC	29	56	↓
Commercial Bank of Ceylon PLC	6	6	→
Commercial Credit and Finance PLC	76	70	↑
DFCC Bank PLC	11	29	↓
Dialog Axiata PLC	4	1	↑
Dialog Finance PLC	25	11	↑
Dilmah Ceylon Tea Company PLC	3	1	↑
Dipped Products PLC	33	45	↓
Distilleries Company of Sri Lanka PLC	92	115	↓

Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Rank		
	2022	2023	Variance in Ranking
Eden Hotel Lanka PLC	86	108	↓
Expolanka Holdings PLC	27	45	↓
First Capital Treasuries PLC	74	92	↓
Good Hope PLC	95	118	↓
Harischandra Mills PLC	76	102	↓
Hatton National Bank PLC	18	32	↓
Haycarb PLC	27	30	↓
Hayleys Fabric PLC	47	54	↓
Hayleys PLC	32	23	↑
Hela Apparel Holdings PLC	18	18	→
Hemas Holdings PLC	11	15	↓
HNB Finance PLC	47	70	↓
hSenid Business Solutions PLC	63	77	↓
Indo - Malay PLC	95	118	↓
JAT Holdings PLC	40	12	↑
John Keells Holdings PLC	1	1	→
John Keells Hotels PLC	10	6	↑
Kotmale Holdings PLC	51	74	↓
L B Finance PLC	7	16	↓
Lanka IOC PLC	37	54	↓
Lanka Tiles PLC	52	57	↓
Lanka Walltiles PLC	54	57	↓
Laugfs Gas PLC	50	65	↓
Lions Brewery (Ceylon) PLC	93	106	↓
LOLC Development Finance PLC	87	N/A	N/A
LOLC Finance PLC	90	86	↑
LOLC General Insurance PLC	91	114	↓
LOLC Holdings PLC	71	83	↓
Malwatte Valley Plantations PLC	69	82	↓
Melstacorp PLC	44	69	↓
Mercantile Investments and Finance PLC	56	67	↓
Namunukula Plantations PLC	56	67	↓
National Development Bank PLC	5	23	↓
Nations Trust Bank PLC	63	65	↓
Nawaloka Hospitals PLC	100	124	↓

Ranking has Improved	Ranking has not Changed	Ranking has Decreased
↑	→	↓

## Overall Rank 2022 Vs 2023

Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Rank		
	2022	2023	Variance in Ranking
Nestle Lanka PLC	15	20	↓
Overseas Realty (Ceylon) PLC	56	77	↓
People's Leasing & Finance PLC	37	25	↑
PGP Glass Ceylon PLC	98	121	↓
Property Development PLC	88	N/A	N/A
Richard Pieris and Company PLC	73	102	↓
Richard Pieris Exports PLC	70	88	↓
Royal Ceramics Lanka PLC	59	48	↑
Sampath Bank PLC	16	12	↑
Senkadagala Finance PLC	76	64	↑
Seylan Bank PLC	26	25	↑
Shalimar (Malay) PLC	95	118	↓
Singer (Sri Lanka) PLC	45	52	↓
Softlogic Holdings PLC	99	123	↓
Softlogic Life Insurance PLC	20	40	↓
Sri Lanka Telecom PLC	36	36	→
Sunshine Holdings PLC	65	75	↓
Teejay Lanka PLC	1	1	→
The Lanka Hospitals Corporation PLC	83	37	↑
Tokyo Cement Company (Lanka) PLC	85	106	↓
Trans Asia Hotels PLC	22	10	↑
Union Assurance PLC	20	25	↓
Union Bank of Colombo PLC	14	22	↓
United Motors Lanka PLC	28	34	↓
Vallibel Finance PLC	47	60	↓
Vallibel One PLC	46	75	↓
Vallibel Power Erathna PLC	68	63	↑
Vidullanka PLC	65	83	↓
Watawala Plantations PLC	33	34	↓
Windforce PLC	59	45	↑

Ranking has Improved	Ranking has not Changed	Ranking has Decreased
↑	→	↓

## All Scores 2022 Vs 2023

Rank			Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Anti-Corruption Programmes			Organisational Transparency		
2022	2023	Variance		2022	2023	Variance	2022	2023	Variance
8	30	↓	Access Engineering PLC	8.00	7.00	↓	10.00	10.00	→
39	48	↓	ACL Cables PLC	2.33	2.33	→	10.00	10.00	→
33	33	→	Aitken Spence Hotel Holdings PLC	4.00	5.67	↑	8.75	10.00	↑
11	19	↓	Aitken Spence PLC	6.67	8.00	↑	10.00	10.00	→
23	16	↑	Alumex PLC	5.67	9.33	↑	10.00	10.00	→
29	20	↑	Amana Bank PLC	5.33	8.33	↑	N/A	N/A	N/A
79	101	↓	Ambeon Capital PLC	0.67	0.67	→	7.50	7.50	→
84	117	↓	Ambeon Holdings PLC	0.00	0.00	→	7.50	7.50	→
16	12	↑	Asian Hotels and Properties PLC	6.33	9.00	↑	10.00	10.00	→
88	111	↓	Asiri Hospital Holdings PLC	1.33	1.33	→	5.00	5.00	→
82	105	↓	Asiri Surgical Hospital PLC	1.33	1.33	→	7.50	7.50	→
80	37	↑	B P P L Holdings PLC	0.67	7.00	↑	3.75	7.50	↑
65	85	↓	Brown and Company PLC	1.33	1.67	↑	6.25	6.25	→
71	91	↓	Browns Investment PLC	1.00	1.00	→	6.25	6.88	↑
52	88	↓	Bukit Darah PLC	0.67	0.67	→	8.75	7.50	↓
75	98	↓	C T Holdings PLC	0.67	0.67	→	5.00	5.00	→
24	6	↑	Cargills (Ceylon) PLC	7.00	9.33	↑	7.50	10.00	↑
59	88	↓	Carson Cumberbatch PLC	0.00	0.67	↑	8.75	7.50	↓
42	43	↓	Central Finance Company PLC	2.33	3.67	↑	10.00	10.00	→
59	41	↑	Ceylinco Insurance PLC	0.00	3.00	↑	10.00	10.00	→
93	115	↓	Ceylon Beverage Holdings PLC	0.00	0.67	↑	5.00	6.25	↑
40	9	↑	Ceylon Cold Stores PLC	3.67	10.00	↑	7.50	10.00	↑
55	73	↓	Ceylon Guardian Investment Trust PLC	1.33	2.00	↑	10.00	10.00	→
9	1	↑	Ceylon Tobacco Company PLC	8.67	10.00	↑	N/A	N/A	N/A
81	100	↓	Chevron Lubricants Lanka PLC	2.67	3.00	↑	N/A	N/A	N/A
42	57	↓	CIC Holdings PLC	2.67	3.33	↑	7.50	6.88	↓
29	56	↓	Citizens Development Business Finance PLC	4.67	3.33	↓	N/A	N/A	N/A
6	6	→	Commercial Bank of Ceylon PLC	9.33	10.00	↑	10.00	10.00	→
76	70	↑	Commercial Credit and Finance PLC	1.00	1.67	↑	10.00	10.00	→
11	29	↓	DFCC Bank PLC	8.33	9.00	↑	7.50	7.50	→
4	1	↑	Dialog Axiata PLC	10.00	10.00	→	10.00	10.00	→
25	11	↑	Dialog Finance PLC	7.67	10.00	↑	N/A	N/A	N/A
3	1	↑	Dilmah Ceylon Tea Company PLC	9.67	10.00	↑	10.00	10.00	→
33	45	↓	Dipped Products PLC	3.67	5.00	↑	10.00	10.00	→
92	115	↓	Distilleries Company of Sri Lanka PLC	0.67	1.00	↑	5.00	5.00	→

Ranking has Improved	Ranking has not Changed	Ranking has Decreased
↑	→	↓



	Domestic Financial Reporting			Gender and Non-Discrimination			Average			TRAC Score		
	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance
	10.00	9.00	↓	10.00	10.00	→	91%	84%	↓	9.06	8.44	↓
	9.00	10.00	↑	7.50	7.50	→	59%	61%	↑	5.94	6.09	↑
	10.00	10.00	→	5.00	10.00	↑	63%	80%	↑	6.25	7.97	↑
	10.00	10.00	→	10.00	10.00	→	84%	91%	↑	8.44	9.06	↑
	10.00	10.00	→	10.00	7.50	↓	77%	93%	↑	7.68	9.29	↑
	10.00	10.00	→	7.50	10.00	↑	67%	90%	↑	6.67	8.96	↑
	10.00	10.00	→	0.00	0.00	→	35%	35%	→	3.55	3.55	→
	9.00	9.00	→	0.00	0.00	→	33%	27%	↓	3.28	2.68	↓
	10.00	10.00	→	10.00	10.00	→	80%	95%	↑	8.04	9.46	↑
	10.00	10.00	→	0.00	0.00	→	30%	30%	→	2.96	2.96	→
	9.00	10.00	↑	0.00	0.00	→	34%	33%	↓	3.39	3.33	↓
	10.00	9.00	↓	7.50	7.50	→	35%	75%	↑	3.52	7.50	↑
	9.00	10.00	↑	5.00	5.00	→	42%	44%	↑	4.22	4.35	↑
	10.00	10.00	→	5.00	5.00	→	40%	42%	↑	4.03	4.19	↑
	10.00	9.00	↓	5.00	5.00	→	47%	42%	↓	4.69	4.22	↓
	9.00	10.00	↑	5.00	5.00	→	36%	38%	↑	3.59	3.75	↑
	10.00	10.00	→	7.50	10.00	↑	77%	97%	↑	7.66	9.69	↑
	10.00	9.00	↓	5.00	5.00	→	44%	42%	↓	4.38	4.22	↓
	10.00	10.00	→	5.00	5.00	→	58%	64%	↑	5.78	6.41	↑
	10.00	10.00	→	2.50	10.00	↑	44%	67%	↑	4.38	6.72	↑
	10.00	10.00	→	0.00	0.00	→	22%	28%	↑	2.22	2.78	↑
	10.00	10.00	→	7.50	7.50	→	59%	96%	↑	5.89	9.64	↑
	10.00	10.00	→	0.00	0.00	→	45%	48%	↑	4.52	4.84	↑
	9.00	10.00	↑	10.00	10.00	→	90%	100%	↑	8.96	10.00	↑
	10.00	10.00	→	0.00	0.00	→	35%	37%	↑	3.48	3.70	↑
	9.00	10.00	↑	10.00	7.50	↓	58%	58%	→	5.78	5.78	→
	10.00	10.00	→	10.00	10.00	→	67%	58%	↓	6.67	5.83	↓
	10.00	10.00	→	7.50	7.50	→	94%	97%	↑	9.38	9.69	↑
	9.00	10.00	↑	0.00	2.50	↑	36%	50%	↑	3.57	5.00	↑
	9.00	10.00	↑	10.00	7.50	↓	84%	86%	↑	8.44	8.59	↑
	10.00	10.00	→	7.50	10.00	↑	97%	100%	↑	9.69	10.00	↑
	10.00	10.00	→	5.00	7.50	↑	76%	96%	↑	7.61	9.57	↑
	10.00	10.00	→	10.00	10.00	→	98%	100%	↑	9.82	10.00	↑
	10.00	10.00	→	7.50	2.50	↓	63%	63%	→	6.25	6.25	→
	10.00	10.00	→	0.00	0.00	→	26%	28%	↑	2.59	2.78	↑

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

## All Scores 2022 Vs 2023

Rank			Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Anti-Corruption Programmes			Organisational Transparency			
2022	2023	Variance		2022	2023	Variance	2022	2023	Variance	
86	108	↓	Eden Hotel Lanka PLC	0.67	0.67	→	8.75	8.75	→	
27	45	↓	Expolanka Holdings PLC	5.33	3.33	↓	8.13	8.13	→	
74	92	↓	First Capital Treasuries PLC	1.00	1.67	↑	N/A	N/A	N/A	
95	118	↓	Good Hope PLC	0.67	0.67	→	N/A	N/A	N/A	
76	102	↓	Harischandra Mills PLC	1.33	1.33	→	7.50	7.50	→	
18	32	↓	Hatton National Bank PLC	6.33	8.00	↑	8.75	7.50	↓	
27	30	↓	Haycarb PLC	5.33	7.00	↑	9.38	9.38	→	
47	54	↓	Hayleys Fabric PLC	3.67	3.67	→	5.00	5.00	→	
32	23	↑	Hayleys PLC	3.00	7.67	↑	10.00	10.00	→	
18	18	→	Hela Apparel Holdings PLC	6.00	8.33	↑	10.00	10.00	→	
11	15	↓	Hemas Holdings PLC	8.33	9.33	↑	8.13	10.00	↑	
47	70	↓	HNB Finance PLC	2.67	2.67	→	7.50	N/A	N/A	
63	77	↓	hSenid Business Solutions PLC	0.67	1.33	↑	7.50	7.50	→	
95	118	↓	Indo - Malay PLC	0.67	0.67	→	N/A	N/A	N/A	
40	12	↑	JAT Holdings PLC	3.33	9.00	↑	8.75	10.00	↑	
1	1	→	John Keells Holdings PLC	10.00	10.00	→	10.00	10.00	→	
10	6	↑	John Keells Hotels PLC	7.00	9.33	↑	10.00	10.00	→	
51	74	↓	Kotmale Holdings PLC	5.00	5.00	→	3.75	3.75	→	
7	16	↓	L B Finance PLC	8.67	8.67	→	8.75	10.00	↑	
37	54	↓	Lanka IOC PLC	3.67	3.33	↓	6.25	6.25	→	
52	57	↓	Lanka Tiles PLC	1.00	2.33	↑	10.00	10.00	→	
54	57	↓	Lanka Walltiles PLC	1.33	2.00	↑	6.25	10.00	↑	
50	65	↓	Laugfs Gas PLC	1.67	2.67	↑	8.75	8.75	→	
93	106	↓	Lions Brewery (Ceylon) PLC	0.00	0.67	↑	5.00	8.75	↑	
87	N/A	N/A	LOLC Development Finance PLC	2.00	N/A	N/A	N/A	N/A	N/A	
90	86	↑	LOLC Finance PLC	1.67	3.00	↑	N/A	6.25	N/A	
91	114	↓	LOLC General Insurance PLC	1.33	1.67	↑	N/A	N/A	N/A	
71	83	↓	LOLC Holdings PLC	2.00	1.00	↓	6.88	10.00	↑	
69	82	↓	Malwatte Valley Plantations PLC	1.33	1.67	↑	7.50	7.50	→	
44	69	↓	Melstacorp PLC	2.67	2.67	→	8.75	7.50	↓	
56	67	↓	Mercantile Investments and Finance PLC	3.67	4.33	↑	5.00	7.50	↑	
56	67	↓	Namunukula Plantations PLC	1.67	2.33	↑	5.00	7.50	↑	
5	23	↓	National Development Bank PLC	9.67	8.33	↓	8.75	8.75	→	

Ranking has Improved	Ranking has not Changed	Ranking has Decreased
↑	→	↓

	Domestic Financial Reporting			Gender and Non-Discrimination			Average			TRAC Score		
	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance
	10.00	10.00	→	0.00	0.00	→	31%	31%	→	3.15	3.15	→
	10.00	9.00	↓	10.00	10.00	→	73%	63%	↓	7.34	6.25	↓
	9.00	9.00	→	7.50	7.50	→	38%	42%	↑	3.75	4.17	↑
	10.00	10.00	→	0.00	0.00	→	22%	22%	→	2.17	2.17	→
	10.00	9.00	↓	0.00	0.00	→	36%	34%	↓	3.57	3.39	↓
	10.00	10.00	→	10.00	7.50	↓	80%	81%	↑	7.97	8.13	↑
	10.00	10.00	→	7.50	10.00	↑	73%	84%	↑	7.34	8.44	↑
	10.00	10.00	→	5.00	10.00	↑	52%	59%	↑	5.18	5.89	↑
	10.00	10.00	→	7.50	10.00	↑	64%	89%	↑	6.41	8.91	↑
	9.00	10.00	↑	10.00	10.00	→	80%	92%	↑	7.97	9.22	↑
	10.00	10.00	→	7.50	7.50	→	84%	94%	↑	8.44	9.38	↑
	9.00	10.00	↑	7.50	7.50	→	52%	50%	↓	5.18	5.00	↓
	10.00	10.00	→	7.50	7.50	→	43%	46%	↑	4.29	4.64	↑
	10.00	10.00	→	0.00	0.00	→	22%	22%	→	2.17	2.17	→
	10.00	10.00	→	7.50	10.00	↑	59%	95%	↑	5.89	9.46	↑
	10.00	10.00	→	10.00	10.00	→	100%	100%	→	10.00	10.00	→
	10.00	10.00	→	10.00	10.00	→	86%	97%	↑	8.59	9.69	↑
	10.00	10.00	→	0.00	0.00	→	48%	48%	→	4.81	4.81	→
	10.00	10.00	→	10.00	10.00	→	91%	93%	↑	9.11	9.29	↑
	10.00	10.00	→	10.00	10.00	→	61%	59%	↓	6.07	5.89	↓
	9.00	10.00	↑	2.50	5.00	↑	47%	58%	↑	4.69	5.78	↑
	9.00	9.00	→	7.50	7.50	→	45%	58%	↑	4.53	5.78	↑
	10.00	9.00	↓	7.50	7.50	→	50%	54%	↑	5.00	5.36	↑
	10.00	9.00	↓	0.00	0.00	→	22%	32%	↑	2.22	3.21	↑
	10.00	N/A	→	0.00	N/A	→	30%	N/A	→	3.04	N/A	→
	9.00	10.00	↑	0.00	0.00	→	29%	43%	↑	2.92	4.29	↑
	10.00	10.00	→	0.00	0.00	→	26%	28%	↑	2.61	2.83	↑
	10.00	9.00	↓	0.00	0.00	→	40%	44%	↑	4.03	4.38	↑
	10.00	10.00	→	5.00	5.00	→	41%	45%	↑	4.07	4.46	↑
	10.00	9.00	↓	5.00	5.00	→	55%	52%	↓	5.48	5.16	↓
	10.00	10.00	→	0.00	0.00	→	45%	52%	↑	4.46	5.18	↑
	10.00	10.00	→	7.50	7.50	→	45%	52%	↑	4.46	5.18	↑
	10.00	10.00	→	10.00	10.00	→	95%	89%	↓	9.53	8.91	↓

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

## All Scores 2022 Vs 2023

Rank			Fully to Least Transparent in Corporate Disclosure (Companies with equal index scores are ranked equally and ordered alphabetically)	Anti-Corruption Programmes			Organisational Transparency		
2022	2023	Variance		2022	2023	Variance	2022	2023	Variance
63	65	↓	Nations Trust Bank PLC	1.33	2.67	↑	7.50	7.50	→
100	124	↓	Nawaloka Hospitals PLC	0.00	0.00	→	N/A	N/A	N/A
15	20	↓	Nestle Lanka PLC	8.33	9.00	↑	N/A	N/A	N/A
56	77	↓	Overseas Realty (Ceylon) PLC	2.00	1.67	↓	7.50	7.50	→
37	25	↑	People's Leasing & Finance PLC	3.67	8.33	↑	8.75	10.00	↑
98	121	↓	PGP Glass Ceylon PLC	0.00	0.00	→	N/A	N/A	N/A
88	N/A	N/A	Property Development PLC	0.67	N/A	N/A	7.50	N/A	N/A
73	102	↓	Richard Pieris and Company PLC	0.67	0.67	→	6.25	7.50	↑
70	88	↓	Richard Pieris Exports PLC	0.67	0.67	→	6.25	6.25	→
59	48	↑	Royal Ceramics Lanka PLC	0.67	3.00	↑	7.50	7.50	→
16	12	↑	Sampath Bank PLC	8.00	9.33	↑	8.75	8.75	→
76	64	↑	Senkadagala Finance PLC	1.33	3.67	↑	7.50	7.50	→
26	25	↑	Seylan Bank PLC	6.00	7.67	↑	10.00	10.00	→
95	118	↓	Shalimar (Malay) PLC	0.67	0.67	→	N/A	N/A	N/A
45	52	↓	Singer (Sri Lanka) PLC	2.67	3.33	↑	6.88	8.75	↑
99	123	↓	Softlogic Holdings PLC	0.67	0.67	→	2.50	2.50	→
20	40	↓	Softlogic Life Insurance PLC	7.33	6.00	↓	N/A	N/A	N/A
36	36	→	Sri Lanka Telecom PLC	3.67	6.33	↑	8.75	7.50	↓
65	75	↓	Sunshine Holdings PLC	1.33	2.00	↑	5.00	5.00	→
1	1	→	Teejay Lanka PLC	10.00	10.00	→	10.00	10.00	→
83	37	↑	The Lanka Hospitals Corporation PLC	1.33	5.67	↑	7.50	10.00	↑
85	106	↓	Tokyo Cement Company (Lanka) PLC	0.67	0.67	→	7.50	7.50	→
22	10	↑	Trans Asia Hotels PLC	6.33	9.33	↑	N/A	N/A	N/A
20	25	↓	Union Assurance PLC	7.33	8.67	↑	N/A	N/A	N/A
14	22	↓	Union Bank of Colombo PLC	9.00	9.67	↑	10.00	8.75	↓
28	34	↓	United Motors Lanka PLC	5.67	6.67	↑	10.00	10.00	→
47	60	↓	Vallibel Finance PLC	3.67	4.00	↑	5.00	5.00	→
46	75	↓	Vallibel One PLC	2.00	1.33	↓	7.50	7.50	→
68	63	↑	Vallibel Power Erathna PLC	1.00	2.33	↑	10.00	10.00	→
65	83	↓	Vidullanka PLC	0.67	0.67	→	10.00	10.00	→
33	34	↓	Watawala Plantations PLC	4.33	6.67	↑	5.00	7.50	↑
59	45	↑	Windforce PLC	2.00	4.67	↑	6.25	7.50	↑
Average				3.46	4.49	↑	7.86	8.27	↑

Ranking has Improved	Ranking has not Changed	Ranking has Decreased
↑	→	↓

	Domestic Financial Reporting			Gender and Non-Discrimination			Average			TRAC Score		
	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance	2022	2023	Variance
	10.00	10.00	→	5.00	7.50	↑	43%	54%	↑	4.29	5.36	↑
	0.00	0.00	→	0.00	0.00	→	0%	0%	→	0.00	0.00	→
	10.00	10.00	→	5.00	7.50	↑	81%	90%	↑	8.13	8.96	↑
	9.00	9.00	→	5.00	7.50	↑	45%	46%	↑	4.46	4.64	↑
	10.00	10.00	→	7.50	7.50	→	61%	88%	↑	6.07	8.75	↑
	10.00	10.00	→	0.00	0.00	→	17%	17%	→	1.74	1.74	→
	10.00	N/A	→	0.00	N/A	→	30%	N/A	→	2.96	N/A	→
	9.00	9.00	→	5.00	2.50	↓	39%	34%	↓	3.91	3.39	↓
	10.00	9.00	↓	5.00	7.50	↑	41%	42%	↑	4.06	4.22	↑
	10.00	10.00	→	5.00	10.00	↑	44%	61%	↑	4.38	6.09	↑
	10.00	10.00	→	5.00	10.00	↑	80%	95%	↑	8.04	9.46	↑
	8.00	8.00	→	2.50	5.00	↑	36%	55%	↑	3.57	5.47	↑
	10.00	10.00	→	7.50	10.00	↑	75%	88%	↑	7.50	8.75	↑
	10.00	10.00	→	0.00	0.00	→	22%	22%	→	2.17	2.17	→
	10.00	10.00	→	7.50	5.00	↓	55%	59%	↑	5.47	5.94	↑
	0.00	0.00	→	0.00	0.00	→	7%	7%	→	0.74	0.74	→
	10.00	10.00	→	7.50	7.50	→	79%	71%	↓	7.92	7.08	↓
	10.00	10.00	→	5.00	10.00	↑	61%	77%	↑	6.09	7.66	↑
	9.00	10.00	↑	7.50	7.50	→	42%	47%	↑	4.22	4.69	↑
	10.00	10.00	→	10.00	10.00	→	100%	100%	→	10.00	10.00	→
	10.00	9.00	↓	0.00	10.00	↑	33%	75%	↑	3.33	7.50	↑
	10.00	10.00	→	0.00	0.00	→	32%	32%	→	3.21	3.21	→
	10.00	10.00	→	10.00	10.00	→	77%	96%	↑	7.71	9.58	↑
	10.00	10.00	→	7.50	7.50	→	79%	88%	↑	7.92	8.75	↑
	8.00	8.00	→	5.00	7.50	↑	84%	89%	↑	8.39	8.93	↑
	10.00	10.00	→	7.50	7.50	→	73%	79%	↑	7.32	7.86	↑
	10.00	10.00	→	5.00	7.50	↑	52%	57%	↑	5.18	5.71	↑
	10.00	10.00	→	7.50	5.00	↓	53%	47%	↓	5.31	4.69	↓
	10.00	10.00	→	2.50	7.50	↑	41%	55%	↑	4.11	5.54	↑
	9.00	10.00	↑	0.00	0.00	→	42%	44%	↑	4.22	4.38	↑
	10.00	10.00	→	10.00	10.00	→	63%	79%	↑	6.25	7.86	↑
	10.00	10.00	→	2.50	5.00	↑	44%	63%	↑	4.38	6.25	↑
	9.52	9.58	↑	5.13	5.94	↑	54%	62%	↑	5.42	6.16	↑

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



# Industry-wise Comparison

As with previous TRAC assessments, each company was categorized into industries as per the Global Industry Classification Standard used by the Colombo Stock Exchange.<sup>40</sup> The following observations are based on this categorisation.

The 124 companies assessed belong to 25<sup>41</sup> different industries of which the most representative industries are Food, Beverage and Tobacco (24 companies), Diversified Financials (17 companies), Capital Goods (15 companies), Materials (12 companies) and Banks (11 companies). No industry was Fully Transparent in their corporate disclosures. For the third consecutive year, the highest ranked industry was the Telecommunication Services industry which was Significantly Transparent with an average score of 8.83. This indicates improved performance as the industry has improved from Moderately to Significantly Transparent. However, it must be noted that this score might be skewed as there are only 2 companies that belong to the Telecommunications industry in the current assessment, as was the case with the previous assessment. The Banking industry ranked second, the same rank as the previous assessment, with a Moderately Transparent score of 7.64 indicative of a marginal dip from the 7.80 recorded last year. The Household & Personal Products, Retailing, Food & Staples Retailing, Consumer Services, Commercial & Professional Services, Consumer Durables & Apparel, Independent Power Producers & Energy Traders, Transportation, and Insurance industries were also Moderately Transparent in their disclosures in the current assessment.

As the sample size of each industry varies with some industries having just one company whilst others have as many as twenty-four companies belonging to the industry, the rankings in this regard cannot be considered as conclusive representations of each industry's corporate disclosure. Likewise, because of the varying sub-sample size, broader conclusions cannot be drawn either.

It is concerning to note that the Diversified Financials industry which comprises 17 companies, is only Partially Transparent in its corporate disclosures. This is concerning as the Central Bank of Sri Lanka issued a circular to such companies under the Finance Business Act Directions No. 05 of 2021, which requires such companies to make key corporate governance disclosures. These disclosures include statements attesting the establishment of a whistleblowing policy, which allows for confidential whistleblowing and protects the whistleblower from reprisals, commitment to the adherence of the legal framework, and the adoption of a code of conduct for directors, senior management, and employees etc. The Direction further mandates that companies should disclose such information in their Annual Report as well.

40. <https://www.cse.lk/pages/gics-classification/gics-classification.component.html>

41. Application Software, Automobiles & Components, Banks, Capital Goods, Commercial & Professional Services, Consumer Durables & Apparel, Consumer Services, Diversified Financials, Energy, Food & Staples Retailing, Food Beverage and Tobacco, Healthcare Equipment & Services, Household & Personal Products, Independent Power Producers & Energy Traders, Insurance, Investment Banking & Brokerage, Materials, Multi-line Insurance, Power and Energy, Property & Casualty Insurance, Real Estate, Retailing, Telecommunication Services, Transportation, Utilities

## Industry-wise Ranking

Rank	Fully to Least Transparent in Corporate Disclosure (Industries with equal index scores are ranked equally and ordered alphabetically)	Anti-Corruption Programmes	Organisational Transparency	Domestic Financial Reporting	Gender and Non-Discrimination	Average	TRAC Score
1.	Telecommunication Services	12.25	7.00	5.00	4.00	88%	8.83
2.	Banks	10.41	4.78	4.82	3.09	76%	7.64
3.	Household & Personal Products	10.50	N/A	4.50	3.00	75%	7.50
4.	Retailing	7.50	5.50	5.00	2.50	69%	6.90
5.	Food & Staples Retailing	7.50	6.00	5.00	3.00	67%	6.72
6.	Consumer Services	7.86	5.60	4.57	2.29	65%	6.52
7.	Commercial & Professional Services	5.00	4.00	5.00	4.00	64%	6.43
8.	Consumer Durables & Apparel	6.80	4.60	4.70	2.40	63%	6.27
9.	Independent Power Producers & Energy Traders	7.00	6.00	5.00	2.00	63%	6.25
10.	Transportation	5.00	6.50	4.50	4.00	63%	6.25
11.	Insurance	6.33	3.50	4.92	3.17	62%	6.20
12.	Capital Goods	5.83	5.87	4.33	2.67	60%	5.98
13.	Multi-line Insurance	4.00	4.00	4.00	4.00	59%	5.93
14.	Food Beverage and Tobacco	5.69	4.14	4.67	1.96	57%	5.65
15.	Energy	4.50	3.00	4.75	3.50	56%	5.63
16.	Power and Energy	3.50	4.00	5.00	3.00	55%	5.54
17.	Diversified Financials	5.44	5.23	4.56	1.65	54%	5.43
18.	Real Estate	4.50	3.00	4.75	3.00	53%	5.34
19.	Materials	5.17	4.22	4.67	2.08	53%	5.29
20.	Application Software	2.00	3.00	5.00	3.00	46%	4.64
21.	Utilities	1.50	7.00	5.00	1.00	45%	4.53
22.	Investment Banking & Brokerage	2.50	N/A	4.50	3.00	42%	4.17
23.	Healthcare Equipment & Services	3.13	3.00	3.13	1.00	34%	3.45
24.	Automobiles & Components	1.50	5.00	4.00	0.00	34%	3.39
25.	Property & Casualty Insurance	2.50	N/A	4.00	0.00	28%	2.83

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

## No. of Companies per Industry

Rank	Industry	No. of Companies
1	Telecommunication Services	2
2	Banks	11
3	Household & Personal Products	1
4	Retailing	2
5	Food & Staples Retailing	2
6	Consumer Services	7
7	Commercial & Professional Services	1
8	Consumer Durables & Apparel	5
9	Independent Power Producers & Energy Traders	1
9	Transportation	1
11	Insurance	6
12	Capital Goods	15
13	Multi-line Insurance	1
14	Food Beverage and Tobacco	24
15	Energy	2
16	Power and Energy	1
17	Diversified Financials	17
18	Real Estate	2
19	Materials	12
20	Application Software	1
21	Utilities	2
22	Investment Banking & Brokerage	2
23	Healthcare Equipment & Services	4
24	Automobiles & Components	1
25	Property & Casualty Insurance	1

## Industry Wise Comparison: 2021–2023

A comparison of the year-on-year overall average score of each industry demonstrates a declining trend, wherein the corporate disclosures of each industry seem to be reducing each year. However, this may be attributable to the yearly expansion of the number of companies assessed, which affect the size of each industry. Therefore, while the table below does not represent an accurate comparison of each industries' performance year-on-year, it provides an informative insight into how the industries have performed over the past three years of TRAC assessments.

Industry	2021	2022	2023
Application Software	N/A	4.29	4.64
Automobiles & Components	N/A	N/A	3.39
Banks	8.06	7.80	7.64
Capital Goods	6.65	5.89	5.98
Commercial & Professional Services	N/A	N/A	6.09
Consumer Durables & Apparel	8.00	6.00	6.27
Consumer Services	7.30	6.75	6.52
Diversified Financials	6.79	4.60	5.43
Energy	7.95	5.54	5.63
Food & Staples Retailing	6.07	5.63	6.72
Food Beverage and Tobacco	6.70	5.05	5.65
Healthcare Equipment & Services	6.27	2.42	3.45
Household & Personal Products	N/A	4.29	8.75
Independent Power Producers & Energy Traders	N/A	4.38	6.25
Insurance	8.38	6.74	6.20
Investment Banking & Brokerage	N/A	3.75	4.17
Materials	6.62	5.05	5.29
Multi-line Insurance	N/A	N/A	5.93
Power and Energy	N/A	4.11	5.54
Property & Casualty Insurance	N/A	2.61	2.83
Real Estate	5.82	3.71	5.34
Retailing	7.27	6.40	6.90
Telecommunication Services	8.68	7.89	8.83
Transportation	6.40	7.34	6.25
Utilities	7.23	4.77	4.53

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

# TRAC over the years

TISL carried out the first TRAC assessment in 2020 and has continued to do so annually for the past four years. The 2023 TRAC assessment looks at the overall performance of companies in TRAC assessments over the years. When analysing the overall TRAC score, there is an increasing trend of greater/improved disclosure observable year on year. The only exception being the 2022 TRAC assessment, which displayed in a significant decline in the score, potentially due to the amendments made to the scoring criteria and the inclusion of the "Reporting on Gender and Non-Discrimination Policies" section towards the calculation of the final score.

As with the overall TRAC score, the Reporting on Anti-Corruption Programmes section has improved over the years, with the current assessment demonstrating an overall high average score of 41%. A marginal dip was observed in 2022 of just 1% which may be due to the same reasons provided above.

After achieving an all-time high of 86% in its very first year, the average score for Organisational Transparency decreased marginally to 80% in 2021 and 2022, possibly due to the increase in the number of companies assessed. The current assessment saw a 2% increase compared to the previous two years.

There has been consistent improvement in companies' corporate disclosures on Domestic Financial Reporting, with an overall 4% increase from the first year to the current assessment. However, the disclosure level seems to have plateaued this year at 96%, which was also recorded last year.

Assessing company disclosures of the two newer sections of the TRAC report on Gender and Non-Discrimination Policies, and the section on Procurement of Government Contracts/Tenders, makes it clear that there has been consistent improvement in company disclosure practices. The overall average score for Reporting on Gender and Non-Discrimination Policies increased from 51% last year, to 58% and the overall average score for Reporting on Procurement related to Government Contracts/Tenders improved from 4.43 to 6.75.

It is acknowledged that these comparisons are limited in nature, as the number of companies assessed increased each year, and as the codebook with the marking criteria was amended in 2022. However, it provides a general overview of how the TRAC assessment has impacted the corporate disclosure practices of companies in Sri Lanka.

## Overall Scores Trends

Section	2020	2021	2022	2023
TRAC Score	6.73	6.93	5.42	5.85
Reporting on Anti- Corruption Programmes	27%	36%	35%	41%
Organisational Transparency	86%	80%	80%	82%
Domestic Financial Reporting	92%	94%	96%	96%
Reporting on Gender and Non-Discrimination	N/A	N/A	51%	58%
Reporting on Procurement Related to Government Contracts/Tenders	N/A	N/A	4.43	6.75
Country by Country Reporting	-	3.40	2.76	3.17



## The First 50 Companies: Where They Are Now

To obtain a slightly more accurate understanding of the impact that TRAC has had on the corporate disclosure practices of Sri Lankan companies, this next section, analyses the performance of the first 50 companies over the past 4 years. Whilst this analysis cannot address the discrepancies in comparison caused by the amendment to the codebook last year, it does address the discrepancies in comparisons due to the increase in the number of companies each year.

Of the first 50 companies that were assessed in the TRAC assessment two companies<sup>42</sup> are no longer listed on the CSE. When assessing the remaining 48 companies, the overall average score received by 26 of these companies in the current assessment indicates a clear improvement compared to their overall average score in 2020, whilst other companies have either deteriorated in their overall average score or remained the same. As such, 54% of the companies assessed in the first TRAC assessment have improved their overall score in the current assessment. Furthermore, all five of the companies that are Fully Transparent in their corporate reporting this year, are companies that were first assessed in 2020.

When assessing the disclosures of only the first 50 companies, the overall TRAC score has increased from 6.73 in 2020 to 7.04 in the current assessment. Although the

highest ever overall score was recorded in 2021 at 7.25, the score decreased with the amendment to the codebook last year. The yearly increase observed in the average score received by the first 50 companies for the Reporting on Anti-Corruption Programmes section is testament to the effectiveness of TRAC in encouraging companies to improve their corporate disclosures. Starting at just 27% in the first year, the average score for Reporting on Anti-Corruption Programmes has risen year on year and is now 58%, indicating a remarkable improvement over the past four years. The average score for Organisational Transparency has fluctuated over the years between 81% and 86% with this year setting out a marginal decrease to 85% compared to the first year of TRAC. Finally, there has been consistent improvement in the Domestic Financial Reporting section of the first 50 companies, as the average score of 92% obtained in the first assessment has now increased to 96%.

The consistent improvement in the average scores and the individual company scores over the past four years, highlights the greater focus companies have paid to enhanced their corporate disclosures. It also demonstrates the relevance and necessity of such an assessment to serve as a motivator and guide for companies to improve upon their corporate disclosure practices.

42. AIA Insurance PLC and Commercial Leasing and Finance PLC

## First 50 Companies Trends

Section	2020	2021	2022	2023
TRAC Score with Gender	6.73	7.25	6.34	7.04
TRAC Score without Gender	6.73	7.25	6.40	7.08
Reporting on Anti- Corruption Programmes	27%	43%	48%	58%
Organisational Transparency	86%	81%	83%	85%
Domestic Financial Reporting	92%	95%	96%	96%
Reporting on Gender and Non-Discrimination	N/A	N/A	60%	68%

## First 50 Companies Overall Score

Company	2020	2021	2022 with gender	2022 without gender	2023 with gender	2023 without gender	Variance 2020 vs. 2023	
Access Engineering PLC	7.30	8.97	9.06	8.93	8.44	8.21	0.91	↑
AIA Insurance Lanka PLC*	6.50	N/A	N/A	N/A			(6.50)	↓
Aitken Spence PLC	7.93	8.60	8.44	8.21	9.06	8.93	1.00	↑
Asian Hotels and Properties PLC	6.60	6.80	8.04	7.71	9.46	9.38	2.78	↑
Asiri Hospital Holdings PLC	5.63	5.03	2.96	3.48	2.96	3.48	(2.16)	↓
Brown and Company PLC	5.80	5.47	4.22	4.11	4.35	4.26	(1.54)	↓
Bukit Darah PLC	6.00	6.27	4.69	4.64	4.22	4.11	(1.89)	↓
Cargills (Ceylon) PLC	7.10	6.87	7.66	7.68	9.69	9.64	2.54	↑
Carson Cumberbatch PLC	6.00	7.30	4.38	4.29	4.22	4.11	(1.89)	↓
Central Finance Company PLC	6.63	7.57	5.78	5.89	6.41	6.61	(0.03)	↓
Ceylinco Insurance PLC	6.93	6.93	4.38	4.64	6.72	6.25	(0.68)	↓
Ceylon Beverages Holdings PLC	4.33	5.00	2.22	2.61	2.78	3.26	(1.07)	↓
Ceylon Cold Stores PLC	6.27	8.33	5.89	5.63	9.64	10.00	3.73	↑
Ceylon Tobacco Company PLC	7.70	9.40	8.96	8.75	10.00	10.00	2.30	↑
Chevron Lubricants Lanka PLC	5.15	6.55	3.48	4.21	3.70	4.47	(0.68)	↓
Commercial Bank of Ceylon PLC	7.83	9.73	9.38	9.64	9.69	10.00	2.17	↑
Commercial Leasing & Finance PLC	5.67	4.97	N/A	N/A			(5.67)	↓
CT Holdings PLC	4.77	5.27	3.59	3.39	3.75	3.57	(1.20)	↓
DFCC Bank PLC	6.20	7.33	8.44	8.21	8.59	8.75	2.55	↑
Dialog Axiata PLC	7.77	9.73	9.69	10.00	10.00	10.00	2.23	↑
Dilmah Ceylon Tea Company PLC	7.70	9.37	9.82	9.79	10.00	10.00	2.30	↑
Distilleries Company of Sri Lanka PLC	4.83	4.40	2.59	3.04	2.78	3.26	(1.57)	↓
Hatton National Bank PLC	7.43	6.83	7.97	7.68	8.13	8.21	0.78	↑
Hayleys PLC	7.57	6.20	6.41	6.25	8.91	8.75	1.18	↑
Hemas Holdings PLC	8.20	8.20	8.44	8.57	9.38	9.64	1.44	↑
John Keells Holdings PLC	8.83	10.00	10.00	10.00	10.00	10.00	1.17	↑
John Keells Hotels PLC	7.43	7.57	8.59	8.39	9.69	9.64	2.21	↑
L B Finance PLC	7.70	8.60	9.11	8.96	9.29	9.17	1.47	↑
Lanka IOC PLC	6.33	7.30	6.07	5.42	5.89	5.21	(1.13)	↓
Lion Brewery (Ceylon) PLC	4.33	5.00	2.22	2.61	3.21	3.75	(0.58)	↓
LOLC Finance PLC	5.35	6.55	2.92	3.50	4.29	5.00	(0.35)	↓
LOLC PLC	7.17	5.03	4.03	4.63	4.38	5.00	(2.17)	↓

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

## First 50 Companies Overall Score

Company	2020	2021	2022 with gender	2022 without gender	2023 with gender	2023 without gender	Variance 2020 vs. 2023	
Melstacorp PLC	7.27	6.87	5.48	5.56	5.16	5.18	(2.09)	↓
National Development Bank PLC	8.20	9.37	9.53	9.46	8.91	8.75	0.55	↑
Nations Trust Bank PLC	7.30	7.17	4.29	4.17	5.36	5.00	(2.30)	↓
Nestle Lanka PLC	5.40	8.85	8.13	8.75	8.96	9.25	3.85	↑
Overseas Realty (Ceylon) PLC	5.93	5.53	4.46	4.38	4.64	4.17	(1.77)	↓
People's Leasing & Finance PLC	8.20	7.77	6.07	5.83	8.75	8.96	0.76	↑
Richard Pieris & Company PLC	4.73	4.60	3.91	3.75	3.39	3.54	(1.19)	↓
Sampath Bank PLC	7.53	8.47	8.04	8.54	9.46	9.38	1.84	↑
Seylan Bank PLC	8.73	7.37	7.50	7.50	8.75	8.54	(0.19)	↓
Softlogic Holdings PLC	6.30	6.33	0.74	0.87	0.74	0.87	(5.43)	↓
Softlogic Life Insurance PLC	7.90	8.85	7.92	8.00	7.08	7.00	(0.90)	↓
Sri Lanka Telecom PLC	7.17	7.63	6.09	6.25	7.66	7.32	0.15	↑
Teejay Lanka PLC	7.47	8.00	10.00	10.00	10.00	10.00	2.53	↑
The Lanka Hospital Corporation PLC	7.07	6.40	3.33	3.91	7.50	7.08	0.02	↑
Trans Asia Hotels PLC	6.15	6.90	7.71	7.25	9.58	9.50	3.35	↑
Union Assurance PLC	7.43	8.97	7.92	8.00	8.75	9.00	1.57	↑
Union Bank of Colombo PLC	6.63	9.20	8.39	8.96	8.93	9.17	2.53	↑
Vallibel One PLC	6.03	6.03	5.31	5.00	4.69	4.64	(1.39)	↓
Average	6.73	7.25	6.34	6.40	7.04	7.08	0.35	↑

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



An artistic illustration of a desk. At the top, a stack of books with various colored spines (green, yellow, brown, black) is shown. A fountain pen with a pink nib and a red barrel lies on the left. A pencil with a red barrel and a sharp lead tip is positioned diagonally across the bottom right. In the center, a white sheet of paper with horizontal lines is laid out. On the left side of the paper, there are four small, square color swatches: blue, grey, yellow, and red. A paintbrush with a blue handle is shown dipping into the blue swatch. The background is a soft, warm gradient of colors, suggesting a desk surface.

# Recommendations

With a view to improving corporate reporting in Sri Lanka, the TRAC 2023 results lead to the following recommendations;



## To Companies

### 1. Adopting the Revised Listing Rules of the Colombo Stock Exchange

The CSE has revised its Listing Rules on corporate governance to align with global best practices. Companies should adopt the rules set out, particularly through the adoption and disclosure of policies as required by section 9.2 of the revised rules.

### 2. Developing Holistic Anti-Corruption Policies and Report on them Publicly

Companies should develop best-in-class Anti-Corruption policies and report on them publicly. Policies should be regularly reviewed and revised to meet changing standards.

### 3. Make all Policies Publicly Available

Companies should take steps to publish their policy documents online. The publication of such documents sends a strong message to the public that the company is transparent in its dealings and is willing to abide by its policies. It further reiterates that policies are not mere paper documents, but enforceable rights and obligations.

### 4. Carrying out Due Diligence of Non-Controlled Entities

Companies should ensure that their anti-corruption programmes or code of conduct which includes anti-corruption provisions, should apply to non-controlled entities as well. Companies should also carry out regular due diligence of such entities, not only as a vetting process when selecting such entities, but throughout the working relationship to ensure that they continue to abide by the company's anti-corruption programme or code of conduct.

### 5. Regular Trainings on Anti-Corruption or the Code of Conduct

Policy documents are only as strong as the extent to which they are implemented. To ensure that internal policy documents do not become mere rubber-stamped papers, companies should ensure that they carry out regular trainings on such policies, thereby ensuring that all staff are aware of their rights and obligations to the company. Such trainings should also focus on policy elements such as gender, sexual harassment, public procurement etc. Regular review sessions will ensure that such policies are meaningful to both the staff and the Board of Directors.

### 6. Prohibiting Facilitation Payments

Companies should step up efforts to be more transparent and prohibit facilitation payments. Conflation of bribery and facilitation payments<sup>43</sup> must be addressed in policy documents as well as public disclosures.

### 7. Establishing a Robust Whistleblowing Policy

Companies should publish their whistleblowing policy on the company website to instil confidence in whistleblowers. The policy should clearly articulate that whistle-blowers may remain anonymous, will be protected from any form of reprisal, and that the company will follow up with the whistleblower after an independent investigation is conducted. Companies in the Diversified Financials industry in particular, must take measures to establish and disclose such a mechanisms, to ensure compliance with the circular issued by the Central Bank under the Finance Business Act Directions No. 05 of 2021, which requires such companies to establish a whistleblowing policy, which allows for confidential whistleblowing and protects the whistleblower from reprisals.

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43. Facilitation payments are payments made to expedite or to secure the performance of a routine governmental action, by an official, political party, or party official. "Facilitation payments are different from bribes in that they are offered or solicited in return for a service a person or a company is entitled to receive. In contrast, bribes are offered in return for undue and illegal advantage."



## 8. Disclosing Beneficial Ownership

Where companies do have natural persons who are the ultimate beneficial owners of the company, it is recommended that the company disclose such persons. In instances where company structures are too diffused to identify a single beneficial owner, it is recommended that the company disclose the structure of the company, and specifically mention that it does not have a beneficial owner who is a natural person.

## 9. Disclosing Community Contributions

Companies should ensure that they not only describe their community contributions, but also disclose the amount contributed. Furthermore, companies are encouraged to provide as much clarity as possible when making such disclosures, rather than relying solely on social media posts or pictures alone, which may easily be misconstrued.

## 10. Publishing Financial Accounts for Each Country of Operation

While the disclosure of financial accounts for overseas operations is not regulatorily required, TISL encourages companies to disclose financial accounts for each country of operation, regardless of materiality. Therefore, regardless of materiality, companies should publish data on operating profit/loss, investments, tax payments and charitable contributions on a country-by-country basis.

## 11. Establishing and Disclosing Policies on Sexual Harassment and Non Discrimination

It is recommended that companies disclose that they adopt a zero-tolerance approach to sexual harassment and discrimination on the basis of gender. Companies should also highlight that such commitments continue throughout the employee lifecycle with the company from recruitment to promotion.

## 12. Disclosing Government Contracts/Tenders and Audited Accounts of the Same

Companies should take steps to publish the contracts that they enter into with government entities. Confidential sections may be redacted or at the very least, the company must disclose that the contract cannot be disclosed due to strict confidentiality clauses. Similarly, companies should take steps to disclose audited financials of government contracts that they have worked on.

## 13. Engaging in Direct Disclosures

Companies are encouraged to make their own disclosures as independent entities regardless of group affiliations, if any. Whilst it is acknowledged that subsidiaries may adopt the policies of the parent company, TISL encourages all companies to provide links to such policies on their website or in their Annual Report.

## 14. Inculcating a Culture of Voluntary Disclosure

Companies are not regulatorily mandated to make disclosures on several areas that are assessed in the TRAC assessment. Whilst acknowledging that such disclosures are not regulatorily required, TISL encourages companies to adopt a culture of voluntary disclosure, which goes beyond the scope of mandatory disclosure, and strive for global best practices in corporate disclosures. This is particularly relevant for companies that have cross-border operations and for multi-national companies.

## To the Government

### 1. Introducing Regulations on Public Disclosure for Public Limited Companies

Regulations on public disclosure relevant for Public Limited Companies should be introduced, covering both financial and non-financial information such as Anti-Corruption policies and programmes. This would place a mandatory reporting obligation on companies to disclose such vital information.

### 2. Introducing Regulations on Country-by-Country Reporting

Government regulatory bodies should set a requirement for companies to supplement their accounting with country-by-country reporting on the company's sales, investments, tax payments, profit and charitable contributions. TISL recommends that the requirements for country-by-country reporting should be introduced for all multinational companies, regardless of materiality.

### 3. Allow Companies to Disclose Contracts Signed with the Government

Companies engaged in contracts with the government should be given the liberty to disclose the nature of such contracts and publish the contracts itself. Similarly, state entities should encourage companies to publish the audited financials of any contracts held with the government.

### 4. Require Companies to Publicly Disclose their Corporate Structures and Beneficial Owners

Companies should be mandated to disclose information relating to all their subsidiaries regardless of materiality. This should include clear information on corporate structures. Furthermore, companies should also be encouraged to disclose their ultimate beneficial owner. In this regard, the government should take steps to enact the proposed amendments to the Companies Act which will mandatorily require companies to disclose their beneficial owners.

## To Investors

### 1. Call for and Monitor the Implementation of the Revised Listing Rules

Investors and shareholders should call on their companies to adopt the Revised Listing Rules with immediate effect. Particular attention should be paid to ensure that companies adopt robust and holistic anti-bribery and corruption policies amongst other policies. Once such rules come into effect, shareholders should act as a watchdog to ensure that companies continue to abide by the rules. Shareholders should call for the publication of such policies on company websites and call for necessary amendments to policies if they are seen to be lacking in any way.

### 2. Shareholders Should Use their Rights to request access to Policy Documents

Shareholders should use the rights granted to them under the Revised Listing Rules to request access to policy documents and assess the effectiveness of such documents. In the event companies fail to voluntarily publish such documents, shareholders, should call for disclosure of the same, and ensure that they hold companies accountable to the standards set out in their policies.

### 3. Investors Should Lobby for Greater Transparency

Institutional and private investors should require that the company report on Anti-Corruption Programmes, Organisational Transparency, Domestic Financial Reporting, and Gender and Non-Discrimination policies in addition to Country –by-Country reporting and reporting on Procurement related to Government Contracts/Tenders. Investors should promote the public disclosure of such information to better facilitate more informed investment decisions.

## **To the Colombo Stock Exchange (CSE), Securities and Exchange Commission (SEC) and the Institute of Chartered Accountants of Sri Lanka (ICASL)**

### **1. Requiring All Companies to Publish Financial Accounts on a Country-By-Country Basis**

The CSE and ICASL should call on companies to disclose their financial information for each country in which they operate, as a recommended standard, regardless of materiality.

### **2. Require all Companies to Disclose their Ultimate Beneficial Owner**

The CSE and ICASL should call upon companies to publicly disclose their ultimate beneficial owner who has controlling power of the entity. Towards this, the CSE should also facilitate the infrastructure required to trace and identify the ultimate beneficial owner for companies which have a majority of its shares traded on the stock exchange.

### **3. Updating Schedule J of the Code of Best Practice on Corporate Governance**

It is recommended that Schedule J of the Code of Best Practice on Corporate Governance be amended to include the following;

- i. It is recommended that the contents set out in Schedule J must extend beyond Directors, Key Management Personnel, and employees and be equally binding upon agents and other representatives of the company as well.
- ii. The requirement for fair and transparent procurement practices should also include measures to conduct due diligence on anti-corruption and continued monitoring of suppliers to ensure that they continue to meet the required standards.
- iii. All Directors, Key Management Personnel, and employees receive regular refresher trainings on the Code and the contents set out in Schedule J.
- iv. The section on “encouraging the reporting of any illegal or unethical behaviour” should be updated to allow for anonymous and confidential reporting of illegal or unethical behaviour. It should also provide for two-way communication with the reporting party.

### **4. Requiring All Companies to adopt Schedule J**

All companies listed on the Colombo Stock Exchange should be required to adopt Schedule J of the Code of Best Practice on Corporate Governance which sets out strong anti-corruption and anti-bribery controls, as a minimum standard.





# Annexures



## Annex 01

### List of Top 125 Public Limited Companies by Market Capitalisation as of 5th July 2023

No.	2022 ASSESSED COMPANIES
1	EXPOLANKA HOLDINGS PLC
2	JOHN KEELLS HOLDINGS PLC
3	L O L C HOLDINGS PLC
4	LOLC FINANCE PLC
5	SRI LANKA TELECOM PLC
6	CEYLON TOBACCO COMPANY PLC
7	DISTILLERIES COMPANY OF SRI LANKA PLC
8	COMMERCIAL BANK OF CEYLON PLC
9	BROWNS INVESTMENTS PLC
10	DIALOG AXIATA PLC
11	SAMPATH BANK PLC
12	MELSTACORP PLC
13	LANKA IOC PLC
14	HATTON NATIONAL BANK PLC
15	CARGILLS (CEYLON) PLC
16	HAYLEYS PLC
17	LION BREWERY (CEYLON) PLC
18	CARSON CUMBERBATCH PLC
19	VALLIBEL ONE PLC
20	AITKEN SPENCE PLC
21	CEYLINCO INSURANCE PLC
22	CEYLON COLD STORES PLC
23	RICHARD PIERIS AND COMPANY PLC
24	HEMAS HOLDINGS PLC
25	BUKIT DARAH PLC
26	C T HOLDINGS PLC
27	ROYAL CERAMICS LANKA PLC
28	LB FINANCE PLC
29	SOFTLOGIC LIFE INSURANCE PLC
30	ASIRI HOSPITAL HOLDINGS PLC
31	CEYLON BEVERAGE HOLDINGS PLC
32	JOHN KEELLS HOTELS PLC
33	BROWN & COMPANY PLC
34	SENKADAGALA FINANCE COMPANY PLC
35	THE LANKA HOSPITALS CORPORATION PLC
36	NATIONAL DEVELOPMENT BANK PLC
37	PGP GLASS CEYLON PLC
38	WINDFORCE PLC
39	SUNSHINE HOLDINGS PLC
40	NATIONS TRUST BANK PLC

No.	2022 ASSESSED COMPANIES
41	TEEJAY LANKA PLC
42	DFCC BANK PLC
43	CHEVRON LUBRICANTS LANKA PLC
44	DILMAH CEYLON TEA COMPANY PLC
45	UNION ASSURANCE PLC
46	AITKEN SPENCE HOTEL HOLDINGS PLC
47	ACL CABLES PLC
48	First Capital Treasuries PLC
49	C I C HOLDINGS PLC
50	OVERSEAS REALTY (CEYLON) PLC
51	HAYCARB PLC
52	DIPPED PRODUCTS PLC
53	CENTRAL FINANCE COMPANY PLC
54	SINGER (SRI LANKA) PLC
55	PEOPLE'S LEASING & FINANCE PLC
56	ACCESS ENGINEERING PLC
57	ASIAN HOTELS AND PROPERTIES PLC
58	WATAWALA PLANTATIONS PLC
59	LANKA WALLTILE PLC
60	TOKYO CEMENT COMPANY (LANKA) PLC
61	MALWATTE VALLEY PLANTATION PLC
62	LANKA TILES PLC
63	AMBEON HOLDINGS PLC
64	KOTMALE HOLDINGS PLC
65	SEYLAN BANK PLC
66	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC
67	UNION BANK OF COLOMBO PLC
68	AMBEON CAPITAL PLC
69	HAYLEYS FABRIC PLC
70	HELA APPAREL HOLDINGS PLC
71	COMMERCIAL CREDIT AND FINANCE PLC
72	TRANS ASIA HOTELS PLC
73	VALLIBEL FINANCE PLC
74	NAMUNUKULA PLANTATIONS PLC
75	HNB FINANCE PLC
76	LAUGFS GAS PLC
77	LOLC GENERAL INSURANCE PLC
78	JAT HOLDINGS PLC
79	MERCANTILE INVESTMENTS AND FINANCE PLC
80	DIALOG FINANCE PLC



No.	2022 ASSESSED COMPANIES
81	HARISCHANDRA MILLS PLC
82	AMANA BANK PLC
83	CEYLON GUARDIAN INVESTMENT TRUST PLC
84	ASIRI SURGICAL HOSPITAL PLC
85	RICHARD PIERIS EXPORTS PLC
86	SIERRA CABLES PLC
87	B P P L HOLDINGS PLC
88	ALUMEX PLC
89	EDEN HOTEL LANKA PLC
90	UNITED MOTORS LANKA PLC
91	VIDULLANKA PLC
92	VALLIBEL POWER ERATHNA PLC
93	hSenid Business Solutions PLC
94	GOOD HOPE PLC
95	INDO-MALAY PLC
96	NAWALOKA HOSPITALS PLC
97	NESTLE LANKA PLC
98	SHALIMAR (MALAY) PLC.
99	SOFTLOGIC HOLDINGS PLC

No.	NEW COMPANIES FOR 2023 TRAC REPORT
1	HUNAS HOLDINGS PLC
2	FIRST CAPITAL HOLDINGS PLC
3	CAPITAL ALLIANCE PLC
4	SOFTLOGIC CAPITAL PLC
5	HNB ASSURANCE PLC
6	PRIME LANDS RESIDENCIES PLC
7	JANASHAKTHI INSURANCE PLC
8	PAN ASIA BANKING CORPORATION PLC
9	KELANI CABLES PLC
10	THE COLOMBO FORT LAND AND BUILDING PLC
11	ELPITIYA PLANTATIONS PLC
12	GALADARI HOTELS (LANKA) PLC
13	HATTON PLANTATIONS PLC
14	LANKA MILK FOODS (CWE) PLC
15	Co-operative Insurance Company PLC
16	E B CREASY & COMPANY PLC
17	CEYLON GRAIN ELEVATORS PLC
18	BOGALA GRAPHITE LANKA PLC
19	SANASA DEVELOPMENT BANK PLC
20	AGALAWATTE PLANTATIONS PLC
21	AGSTAR PLC
22	KELANI VALLEY PLANTATIONS PLC
23	KELANI TYRES PLC
24	Ex-pack Corrugated Cartons PLC
25	PRINTCARE PLC
26	TALAWAKELLE TEA ESTATES PLC

## Annex 02

### Codebook for Scoring

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

REPORTING ON ANTI-CORRUPTION PROGRAMMES			COMPANY NAME		
			SRI LANKA		
No.	Questions	Max. points	Score	Source	Explanation
6	Does the company require external entities that provide goods or services under contract (for example: contractors, subcontractors, suppliers) to abide by the company's anti-corruption programme or supplier code?	1.0			
	1.0 point	If both of the following two elements are fulfilled: 1) Such persons/entities are required to comply with the company's anti-corruption programme, its equivalent or with a supplier code issued by the company; and 2) The company performs anti-corruption due diligence on such persons/entities or if a general due diligence is conducted and we can infer, that it includes anti-corruption policies, prior to engaging with them			
	0.5 point	If such persons/entities are only 'encouraged' to comply with the policy If only one of the two elements above are present			
	0 point	If there is no reference to such persons/entities; or they are not specifically required to comply with the company's policy or equivalent			
7	Does the company have in place an anti-corruption training programme for its employees and directors?	1.0			
	1.0 point	If the company states in public documents that such a programme is in place for employees and directors (the reference to the training programme may focus explicitly on training on the anti-corruption policies, but it can also refer to training on the code of conduct, if it includes anti-corruption provisions)			
	0.5 point	If the company states in public documents that such a training programme is in place for employees, but not for directors If the company states in public documents that such a training programme is in place for directors, but not for employees If there is public information about a training programme for employees and directors on all ethical/integrity issues, and we can infer, that it includes anti-corruption policies			
	0 point	If there is no public reference to such a training programme			
8	Does the company have a policy on gifts, hospitality and expenses?	1.0			
	The exact guidance for employees does not have to be publicly available. There must be publicly available information that such guidance exists and that it includes all required elements.				
	1.0 point	If the company has a policy regulating gifts, hospitality or expenses, and the policy includes both the following elements: 1. Either the offer or giving of such items 2. Receipt of such items			
	0.5 point	If the company has a policy, but only one of the two elements above are present			
	0 point	If a policy is mentioned, but there are no details about the policy If the company does not disclose that it has such policy			
9	Does the policy on gifts, hospitality or expenses include a definition of thresholds (descriptive or quoted as amounts) as well as procedures and reporting requirements?	1.0			
	1.0 point	The policy sets out a definition of thresholds (descriptive or quoted as amounts) and includes procedures and reporting requirements			
	0.5 point	The policy only sets out a definition of thresholds (descriptive or quoted as amounts) The policy only sets out procedures and reporting requirements			
	0 point	The policy does not define any threshold or procedures and reporting requirements If the policy on gifts is vague and states that gifts may not be accepted that could lead to decisions being influenced etc. If there is no mention of such policy			
	N/A	If the company prohibits the offer, giving and/or receipt of such items			

REPORTING ON ANTI-CORRUPTION PROGRAMMES			COMPANY NAME		
			SRI LANKA		
No.	Questions	Max. points	Score	Source	Explanation
10	Is there a policy that explicitly prohibits facilitation payments?	1.0			
	'Facilitation payments' are payments made to expedite or to secure the performance of a routine governmental action, by an official, political party, or party official. "Facilitation payments are different from bribes in that they're offered or solicited in return for a service a person or a company is entitled to receive. In contrast, bribes are offered in return for undue and illegal advantage."				
	1.0 point	If there is an explicit prohibition and not only simple discouragement of such payments (recognising that exceptions may be made for life or health threatening situations)			
	0 point	If such payments are discouraged or regulated internally (i.e., allowed after being approved by the manager) If such payments are "allowed if permitted by local law" If there is no reference to facilitation payments or they are specifically permitted			
11	Does the company provide a mechanism/channel through which employees can report suspected acts of corruption or breaches of anti-corruption policies, and does the mechanism/channel allow for confidential and/or anonymous reporting (whistle-blowing)?	1.0			
	1.0 point	If there is public provision of such a mechanism/channel in a form that assures full confidentiality and/or anonymity			
	0.5 point	If there is public provision of such a mechanism/channel, but there is no assurance of confidentiality and/or anonymity			
	0 point	If there is no mention of such mechanism/channel			
12	Does the whistle-blowing mechanism/channel enable employees and others to raise concerns and report suspected acts of corruption or breaches of anti-corruption policies without risk of reprisal?	1.0			
	1.0 point	If there is public provision that the mechanism/channel specifies that no employee will suffer demotion, penalty or any other form of reprisal for raising concerns or reporting violations (whistle-blowing)			
	0 point	If there is no explicit policy prohibiting such retaliation or reprisal			
13	Does the mechanism/channel provide for two-way communication with the whistle-blower for any needed follow-up on the concern/s raised?	1.0			
	1.0 point	If there is public provision that the mechanism/channel specifies that there is two-way communication with the whistle-blower for any needed follow-up on the concern/s raised			
	0 point	If two-way communication with the whistle-blower is not mentioned or assured			
14	Does the company carry out regular or continuous monitoring of its anti-corruption programme/policy to review its suitability, adequacy and effectiveness, and implement improvements as appropriate?	1.0			
	If the company reviews and monitors its anti-corruption programme/policy at least once a year, it would be considered as regular or continuous monitoring.				
	1.0 point	If there is public information on regular or continuous monitoring of the anti-corruption programme/policy, with specific reference to the review of its suitability, adequacy and effectiveness			
	0.5 point	If there is information on monitoring of the anti-corruption programme/policy, with specific reference to the review of its suitability, adequacy and effectiveness, but it is not a regular or continuous process If there is public information on regular or continuous monitoring of the anti-corruption programme/policy, without specific reference to the review of its suitability, adequacy and effectiveness			
	0 point	If there is only compliance-related monitoring in place without specific reference to the review of the programme/policy's suitability, adequacy and effectiveness If there is no mention of monitoring			



REPORTING ON ANTI-CORRUPTION PROGRAMMES			COMPANY NAME		
			SRI LANKA		
No.	Questions	Max. points	Score	Source	Explanation
15	Does the company have a policy on political contributions that either prohibits such contributions or if it does not, requires such contributions to be publicly disclosed?	1.0			
	‘Political contributions’ refers to contributions of cash or in-kind support for a political party, cause or candidacy. Companies are not required to prohibit political contributions, but transparency in this field is required. Such transparency can be achieved by either publicly disclosing all contributions or by prohibiting them.				
	1.0 point	If a company either prohibits or publicly discloses its political contributions			
0 point	If political contributions are regulated, but not disclosed or prohibited (e.g., there is a special internal approval procedure and internal reporting system for such contributions, but the actual payments and amounts are not made public) If a company’s policy refers only to contributions by employees, but not to contributions by the company If political contributions are not regulated and/or disclosed				
<b>TOTAL SCORE</b>		<b>15.0</b>			
		<b>100%</b>			

ORGANISATIONAL TRANSPARENCY			COMPANY NAME		
			SRI LANKA		
No.	Questions	Max. points	Score	Source	Explanation
16	Does the company disclose its ultimate beneficial owner/s? *	YES			
	The "beneficial owner" is a natural person who ultimately has controlling ownership or effective control of the company. The ultimate beneficial owner must be a natural person and cannot be a company, an organization or a legal arrangement.				
	*The score received for this question will not be considered towards the overall scoring and ranking of the companies				
	Yes	If the company discloses its ultimate beneficial owner/s			
	No	If the company has not disclosed or mentioned its ultimate beneficial owner/s If the company has only disclosed the ultimate parent company			
	N/A	If the company does not have an identifiable beneficial owner			
17	Which of the following information does the company disclose for all of its fully consolidated subsidiaries?	the full list with names	1.0		
18		percentages owned in each of them	1.0		
19		countries of incorporation (for each entity) The place of incorporation is the principal address of the corporation in the state where it's incorporated/ registered.	1.0		
20		countries of operations (for each entity) A multinational corporation (MNC) is a company that has business operations in at least one country other than its home country. Countries in which it conducts business aside from the home country are considered to be countries of operations.	1.0		
		Materiality is an accounting term – it allows to select certain items for companies' reports on the basis of their relative significance for the overall company business (usually measured as percentage of total revenues, or investment, or profit). The usage of materiality criterion considerably limits disclosure of company's holdings. TI recommends companies to disclose ALL of their holdings (subsidiaries, associates and joint-ventures), without limiting disclosure to the material entities.			
	1.0 point	If there is a full list of such subsidiaries/percentages/countries/ beneficial owners			
	0.5 point	If there is a list of only material, principal, significant or main subsidiaries/percentages/ countries/beneficial owners			
	0 point	If there is only a list of domestic of subsidiaries/ percentages/countries/beneficial owners If there is no list of subsidiaries/ percentages/countries/beneficial owners			
	N/A	If a company does not have any fully consolidated subsidiaries (the question will not be used to calculate the scores)			

ORGANISATIONAL TRANSPARENCY			COMPANY NAME			
			SRI LANKA			
No.	Questions	Max. points	Score	Source	Explanation	
21	Which of the following information does the company disclose for all of its non-fully consolidated holdings (consolidated by equity method or proportionally), such as associates, joint-ventures?	the full list with names	1.0			
22		percentages owned in each of them	1.0			
23		countries of incorporation (for each entity)  The place of incorporation is the principal address of the corporation in the state where it's incorporated/ registered.	1.0			
24		countries of operations (for each entity)  A multinational corporation (MNC) is a company that has business operations in at least one country other than its home country. Countries in which it conducts business aside from the home country are considered to be countries of operations.	1.0			
<p>Materiality is an accounting term – it allows to select certain items for companies' reports on the basis of their relative significance for the overall company business (usually measured as percentage of total revenues, or investment, or profit). The usage of materiality criterion considerably limits disclosure of company's holdings. TI recommends companies to disclose ALL of their holdings (subsidiaries, associates and joint-ventures), without limiting disclosure to the material entities.</p>						
	1.0 point	If there is a full list of such companies/ percentages/countries				
	0.5 point	If there is a list of material, principal, significant or main companies/ percentages/countries				
	0 point	If there is no list of such companies / percentages/countries If there is only a list of domestic entities or other incomplete information				
	N/A	If a company does not have any non-fully consolidated entities (the question will not be used to calculate the scores)				
<b>TOTAL SCORE</b>		<b>8.0</b>				
		<b>100%</b>				

DOMESTIC FINANCIAL REPORTING / COUNTRY BY COUNTRY REPORTING (IF APPLICABLE)			COMPANY NAME		
			Sri Lanka / Country X		
No.	Questions	Country	Score	Source	Explanation
25	Does the company disclose its revenue/sales in Sri Lanka?	Sri Lanka			
	1.0 point	If the company has disclosed its revenue/sales in Country X			
	0 point	If the company has not disclosed its revenue/sales in Country X			
26	Does the company disclose its capital expenditure in Country X?	Sri Lanka			
	1.0 point	If the company has disclosed its capital expenditure in Country X			
	0 point	If the company has not disclosed its capital expenditure in Country X			
27	Does the company disclose its pre-tax income in Country X?	Sri Lanka			
	1.0 point	If the company has disclosed its pre-tax income in Country X			
	0 point	If the company has not disclosed its pre-tax income in Country X			
28	Does the company disclose its income tax in Country X?	Sri Lanka			
	1.0 point	If the company has disclosed its income tax in Country X			
	0 point	If the company has not disclosed its income tax in Country X			
29	Does the Company disclose its community contribution (Corporate Social Responsibility programmes) in Country X?	Sri Lanka			
	1.0 point	If there is both the amount of community contributions/ Corporate Social Responsibility programmes in country X and there is a description of how this money was spent (e.g., a list of beneficiaries or description of financed community projects) If the company has stated that it has made no monetary contributions, but has provided a description of community contributions in the form of services or kind			
	0.5 point	If there is either only the amount of community contributions/ Corporate Social Responsibility programmes in country X or only a description of how money was spent in country X			
	0 point	If community contributions/Corporate Social Responsibility programmes are disclosed as total spending of the company, or if the company has mentioned that it conducted community contributions/corporate social responsibility programmes has not disclosed the description or amount of such contributions.			
	N/A	If a company declares that it makes no community contributions in Country X If there is no mention of community contributions or Corporate Social Responsibility programmes			
<b>TOTAL SCORE</b>			<b>5.0</b>		
			<b>100%</b>		

REPORTING ON GENDER AND NON-DISCRIMINATION			COMPANY NAME		
			SRI LANKA		
No.	Questions	Max. points	Score	Source	Explanation
30	Does the company have an explicit publicly stated commitment against sexual harassment?		1.0		
	1.0 point	If there is an explicit statement of "zero tolerance towards sexual harassment or harassment" or equivalent (i.e., the commitment to fight any form of harassment in the workplace)			
	0 point	If there is no explicit statement against sexual harassment and there is no general statement against harassment			
31	Does the company have an explicit, publicly stated commitment to non-discrimination based on gender?		1.0		
	1.0 point	If there is an explicit commitment to non-discrimination on the basis of gender.			
	0 point	If there is no explicit commitment to non-discrimination on the basis of gender.			
32	Does the company adopt a gender inclusive/equal opportunity recruitment policy?		1.0		
	1.0 point	If there is an explicit commitment to non-discrimination on the basis of gender when recruiting new employees. If there is a general commitment to non-discrimination when recruiting new employees. If there is a general statement that the company is an "equal opportunity employer".  (A general reference to "non-discrimination/equal opportunity" shall be deemed to include non-discrimination on the basis of gender, even if it is not specifically mentioned.)			
	0 point	If there is no explicit reference to non-discrimination on the basis of gender at the time of recruiting new employees and there is no reference to non-discrimination at the time of recruiting new employees If there is a general commitment to non-discrimination but no specific mention of non-discrimination at the time of recruitment If there is no mention that the company is an "equal opportunity employer"			
33	Does the company adopt a gender inclusive promotion policy?		1.0		
	1.0 point	If there is an explicit commitment to non-discrimination on the basis of gender when promoting employees. If there is a general commitment to non-discrimination when promoting employees.  (A general reference to "non-discrimination" shall be deemed to include non-discrimination on the basis of gender, even if it is not specifically mentioned.)			
	0 point	If there is no explicit reference to non-discrimination on the basis of gender when promoting employees and there is no reference to non-discrimination when promoting employees. If there is a general commitment to non-discrimination but no specific mention of non-discrimination at the time of promotion If there is a general statement that the company is an equal opportunity employer, but there is no specific mention of equal opportunity at the time of promotion			
<b>TOTAL SCORE</b>		<b>4.0</b>			
		<b>100%</b>			



REPORTING ON PROCUREMENT RELATED TO GOVERNMENT CONTRACTS/ TENDERS			COMPANY NAME		
			SRI LANKA		
No.	Questions	Max. points	Score	Source	Explanation
34	Does the company have a policy for bidding on government contracts/tenders?		1.0		
	1.0 point	If there is public provision of a policy for bidding on government contracts/tenders			
	0.5 point	If there is a general policy for bidding on contracts and tenders but there is no specific mention of government contracts/tenders			
	0 point	If the company has stated that it does not have a policy for bidding on government contracts/tenders			
	N/A	If there is no mention of a policy for bidding on government contracts/tenders If the company has stated that it does not bid on government contracts/tenders			
35	Does the company disclose its current contracts with local and/or foreign governments?		1.0		
	1.0 point	If the company has publicly disclosed that it has contracts with local and/or foreign governments If the company has stated that it does not have any contracts with any local and/or foreign government			
	0 point	If the company has stated that it does not disclose its contracts with local and/or foreign governments			
	N/A	If there is no mention of the company having any contracts with local and/or foreign governments			
36	Does the company publish tendering and post award documents for government contracts and awarded tenders?		1.0		
	Tendering (including invitation and award): bidding/tender documents, technical specifications, qualification criteria, evaluation criteria, questions, award notice, evaluation reports, decisions on appeals, etc. Post-award (including contract and implementation): contract notice, information on litigations, progress reports, etc.				
	1.0 point	If the company has published tendering and post award documents for government contracts/tenders			
	0.5 point	If the company has published only tendering documents for government contracts/tenders If the company has published only post award documents for government contracts/tenders			
	0 point	If the company has stated that it has government contracts, but has not published tendering and post award documents			
N/A	If the company has stated that it does not have any government contracts/tenders If the company has not mentioned whether it has any government contracts/tenders				
37	Does the company disclose audited financial accounts for government contracts and awarded tenders?		1.0		
	1.0 point	If the company has published audited financial accounts for government contracts and awarded tenders			
	0.5 point	If the company has stated that it has government contracts, but has not published audited financial accounts for government contracts and awarded tenders			
	0 point	If the company has stated that it has government contracts, but has not published audited financial accounts for government contracts and awarded tenders			
	N/A	If the company has stated that it has no government contracts/tenders If the company has not mentioned whether it has any government contracts/tenders			
<b>TOTAL SCORE</b>		<b>4.0</b>			
		<b>100%</b>			

## Annex 03 Standard TRAC Methodology



# TRANSPARENCY IN CORPORATE REPORTING: ASSESSING THE WORLD’S LARGEST COMPANIES METHODOLOGY

Transparency International’s 2014 report, *Transparency in Corporate Reporting: Assessing the World’s Largest Companies* aims to encourage greater levels of transparency in international business. This report assesses the transparency of corporate reporting by the world’s 124 largest multinational publicly listed companies, drawn from the Forbes list “The World’s Biggest Public Companies” and selected by market value calculated in May 2013. It builds on Transparency International’s existing work in combating corruption in the private sector. The methodology for this study has been used previously by Transparency International, notably in 2012 in our assessment of the top 105 global companies and most recently for the October 2013 report *Transparency in Corporate Reporting: Assessing Emerging Market Multinationals*.

The same methodology was also used for several country reports prepared by Transparency International Chapters in countries such as Argentina, Belgium, Greece, Hungary, Italy, Kuwait, Norway, Denmark and Sweden. The table below compares various corporate reporting studies undertaken by Transparency International.

**Table:** Comparison of Transparency International cross-country studies on Transparency in Corporate Reporting conducted in the years 2008-2014

	TRANSPARENCY IN CORPORATE REPORTING: Assessing the World's Largest Companies	9 COUNTRY REPORTS (TI National Chapters)	TRANSPARENCY IN CORPORATE REPORTING: Assessing Emerging Market Multinationals	TRANSPARENCY IN CORPORATE REPORTING: Assessing the World's Largest Companies	PROMOTING REVENUE TRANSPARENCY	TRANSPARENCY IN REPORTING ON ANTI-CORRUPTION	PROMOTING REVENUE TRANSPARENCY
	2014	2013	2013	2012	2011	2009	2008
<u>EVALUATED AREAS:</u>							
reporting on anti-corruption programmes (ACP)	✓	✓	✓	✓	✓	✓	✓
organisational transparency (OT)	✓	✓	✓	✓	✓		✓
country-by-country reporting (CBC)	✓	✓	✓	✓	✓		✓

<b>SAMPLE:</b>							
INDUSTRIES	various	various	various	various	oil and gas	various	oil and gas
# OF COMPANIES	124	various	100	105	44	500	42
OWNERSHIP	publicly listed	various	various	publicly listed	various	publicly listed	various
DATA REVIEW BY COMPANIES	✓	✓	✓	✓	✓		✓
RANKING BY COMPANY	✓	✓	✓	✓	✓		

Any comparison between the results of these reports must take into consideration changes in the questionnaire used for the reports over the years as a result of an ongoing methodology review and update process.

## Company selection

The selection of companies was based on the 2013 Forbes ranking of the World's Largest Public Companies. The 100 largest multinational companies by market value were chosen (market value as calculated by Forbes in May 2013). Companies operating in only one country (three Chinese companies: China Mobile, Sinopec Corp. and China Life Insurance) were eliminated from the sample because they could not be assessed on the country-by-country reporting dimension. Therefore, the list of 100 multinationals draws from the world's 103 largest companies. Additionally, 24 companies were added to the list – these are the companies, which were evaluated in the previous edition of the report, but which were not among the 100 largest in the 2013 Forbes list.

The final list of 124 evaluated companies and the structure of the sample are presented in the data tables of the report (see pp. 34-36).

The companies were not selected with a view to reaching geographic or industry-wide conclusions. Analysis of sample company performance by industry refers to the Industry Classification Benchmark.

All companies were contacted in August 2013 and informed of the planned research and report.

## Data collection and verification

All data were collected by desk research conducted in August 2013 by a team of Transparency International researchers. The sources included company websites and the relevant links and documents directly accessible through them. Only sources available in one of the six UN languages: Arabic, Chinese, English, French, Russian and Spanish were taken into consideration. Data for each question was recorded and the exact sources documented (e.g. corporate documents with page numbers or websites with dates of when the data were downloaded). The research was based on the latest available documentation. The reporting periods covered in these documents may differ among the selected companies. In September 2013 all collected data was verified by the Transparency International researchers.

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

It is important to note that it is beyond the scope of this research to judge levels of integrity within companies. Rather, the report focuses on public reporting by companies on anti-corruption policies

and procedures and other disclosures with respect to company holdings and key financial data, which Transparency International believes are crucial elements in ensuring good corporate governance and mitigating the risk of corruption.

## Data sharing and reviewing

On September 30<sup>th</sup>, 2013 preliminary data sets were shared with the target companies, and each company was given the opportunity to review its own data and to provide feedback or propose corrections. Feedback was accepted until October 28<sup>th</sup>, 2013.

Each data set consisted of four elements:

1. Scores and data sources for questions 1–13 on anti-corruption programmes
2. Scores and data sources for questions 14–21 on organisational transparency
3. Country-by-country data (questions 22-26)
4. List of countries of operations

The companies were asked to review the collected data in order to verify their completeness and accuracy. Of the 124 companies, 84 responded with feedback.

All requests for corrections were carefully analysed and discussed by the research team. Whenever necessary, further information, substantiation or documentation was requested and obtained from companies. This process resulted in a number of data point adjustments and in the updating of some data sources. The resulting average change in the index score was 0.26 points (in a 0-10 scale). For adjustments and/or updates resulting from the publication of new sources or updated documents, all sources published on corporate websites on or before October 28<sup>th</sup>, 2013 were taken into account.

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

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

All 84 companies which provided feedback during the data review process are marked in the last column of the table included in the data tables annexed to the report (see pp. 34-36).

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

## Questionnaire structure and scoring

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

1. Reporting on anti-corruption programmes
2. Organisational transparency
3. Country-by-country reporting

The first dimension, **reporting on anti-corruption programmes**, is derived from the Transparency International – UN Global Compact Reporting Guidance on the 10th Principle against Corruption which is based on the Business Principles for Countering Bribery developed by Transparency International with the co-operation of a multi-stakeholder group involving business. It includes 13

questions. Each one is allocated a score of 0, 0.5 or 1. The maximum score for this dimension is 13 points. The final score for this dimension for each company is expressed as a percentage of the maximum possible score (between 0 and 100 per cent).

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

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

The third dimension, **country-by-country reporting**, includes five questions that evaluate the extent to which the following data is disaggregated to the country-level: revenues, capital expenditure, income before tax, income tax and community/ charitable contributions.

Scores for this dimension are calculated differently than for the first and the second dimensions. First, all five questions are scored (0, 0.5 or 1 point.) for each country where a company operates. For each question, the sum of points for all **foreign countries** of operations is calculated and then divided by the number of such countries. Scores for q.26 are calculated after excluding all N/A from the number of countries of operations.

#### Example:

<b>INDIVIDUAL SCORES - QUESTION / COUNTRY</b>						
<b>COUNTRIES OF OPERATIONS</b>	<b>Q.22 REVENUES</b>	<b>Q.23 CAPITAL EXPENDITURE</b>	<b>Q.24 INCOME BEFORE TAX</b>	<b>Q.25 INCOME TAX</b>	<b>Q.26 COMMUNITY CONTRIBUTION</b>	
1 Home country	1.0	0.0	1.0	1.0	0.5	
2 A	1.0	0.0	0.0	0.0	0.5	
3 B	1.0	0.0	0.0	1.0	0.5	
4 C	1.0	0.0	1.0	1.0	0.5	
5 D	1.0	0.0	1.0	1.0	0.5	
6 E	1.0	0.0	0.0	0.0	N/A	
7 F	1.0	0.0	0.0	1.0	N/A	
8 G	1.0	0.0	1.0	1.0	N/A	
9 H	1.0	0.0	1.0	1.0	N/A	
10 I	1.0	0.0	0.0	0.0	1.0	
11 J	1.0	0.0	0.0	1.0	1.0	
<b>CALCULATION OF RESULTS FOR COUNTRY-BY-COUNTRY REPORTING</b>						
# of points	10.0	0.0	4.0	7.0	4.0	
# of (foreign) countries excluding n/a	10	10	10	10	6	
<b>RESULT PER QUESTION</b>	<b>1.00</b>	<b>0.00</b>	<b>0.40</b>	<b>0.70</b>	<b>0.67</b>	



Finally the scores for all five questions are added, divided into 5 (the maximum possible score) and expressed as percentage. i.e., in the above example:  $2.77 / 5 = 0.55 = 55\%$ .

Points awarded for the home country are not included in the score for the third dimension or in the overall index. They are added up separately and the “domestic disclosure” score is calculated. i.e., in the above example:  $3.5p, 3.5 / 5 = 70\%$ .

The overall index is derived from taking a simple un-weighted average of the results achieved from each dimension, rescaled from 0 to 1, where 0 is the worst score and 10 is the best. Scores achieved by companies in each dimension are presented in the index as rounded values but the overall index results are calculated based on unrounded scores in each dimension.





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