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Tax transparency and sustainability reporting in 2023

A study on tax reporting by 269 companies listed in Austria, Brazil, Germany, Ireland, South Africa, Spain, Switzerland and the UK based on the GRI 207: Tax 2019 standard, the S&P Global Corporate Sustainability Assessment and other OECD and WEF specifications

Greetings

Tax. One word, that opens up a sea of complexity. One word that provokes not only technical and policy debates, but also triggers many emotional reactions. Tax is an inescapable part of our lives, and is fundamentally vital to supporting the delivery of services that enable citizens, economies, and, if we get it right, our planet, to thrive.

At PwC we have been at the forefront of tax transparency developments for many years, from the development of the Total Tax Contribution (TTC) framework over the last two decades to our contribution to the development of the environmental, social and governance (ESG) tax metrics for the International Business Council (IBC) of the World Economic Forum (WEF). We continue this work with this important report. A significant focus in the world has been on corporations and their tax payments, processes and behaviours. At times this has generated, and continues to generate, some of the emotional debates I referred to. Through our work on tax transparency, we want to support the development of clear and robust reporting that allows progressive debate based on facts. That debate may not always be easy, as different policy choices and perspectives abound, but to find the choices relevant for the future we will miss the mark without the ability to base these debates on facts.

We face a climate crisis. The world is experiencing increasing levels of inequality. It is a time for action, for our planet and all of us who live on it. The tax system will play a significant role in that action. While acknowledging that corporations are not the only actors in a tax system, this report helps to demonstrate not only the tax contributions of corporations, but also the role they play in enabling the broader tax system to work. While not without its pitfalls, increasing transparency can and should help to build trust in that role. Transparency and trust are vital to making smart tax policy choices for a sustainable future. I hope this report contributes to that transparency and trust.

This study on tax transparency, in the context of sustainability reporting, compares the public tax disclosures of leading companies in Austria, Brazil, Germany, Ireland, South Africa, Spain, Switzerland and the United Kingdom (UK). By outlining progress, similarities and differences between the various reports, we hope to contribute to the further development of, and discussions surrounding, tax transparency.

Barry Murphy
PwC ESG Tax & Legal Services Leader

Foreword

Tax is more than a financial issue. It is a vital way for companies to contribute to society, public services, economic development and social welfare. The tax reporting landscape has been evolving for many years, through country-by-country disclosures contained in the European Capital Requirements Directive IV (CRD IV) for the financial sector[1], and in the EU Accounting Directive for companies in the extractive sector[2]. We have also seen country-level requirements such as the need for UK companies to publish, and Spanish companies to develop, a tax strategy.

More recently, tax has been incorporated into wider sustainability reporting frameworks by initiatives such as the Corporate Sustainability Reporting Directive (CSRD), the Global Reporting Initiative (GRI), the Organization for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct and the WEF's metrics for measuring stakeholder capitalism. Companies increasingly need to demonstrate how their tax strategy and practices align with their ESG goals and the global agenda for sustainable development. This requires close collaboration across tax and sustainability, as well as clear and consistent communication with stakeholders.

This study shows how the leading listed companies from Austria, Brazil, Germany, Ireland, South Africa, Spain, Switzerland, and the UK are reporting on tax and sustainability. We focus on four main topics:

- tax strategy and its links with sustainable development goals
- tax compliance management systems (TCMS)
- public country-by-country reporting (public CbCR), and
- Total Tax Contribution (TTC).

We assess the quality and completeness of the reporting against four frameworks:

- the GRI 207: Tax 2019 standard,
- the tax section of the S&P Global Corporate Sustainability Assessment (CSA),
- the OECD Guidelines for Multinational Enterprises, and
- the WEF's white paper on measuring stakeholder capitalism.

We also highlight the regional differences, focal points and trends in tax transparency reporting.

As sustainability reporting frameworks continue to be embedded, and with the implementation of the EU Directive on public CbCR, more and more companies will be affected by increased mandatory tax reporting requirements. It is essential that companies take the time to understand how they will be affected by the changing reporting landscape, and to consider their response.

We believe that this study will be a valuable resource for companies that want to improve their reporting on tax and sustainability issues. Companies can use the information in the study, including the country- and sector-specific comparisons as inspiration for enhancing their disclosures. We also hope that this study will stimulate a constructive dialogue among companies, regulators, investors, civil society and other stakeholders on the role and impact of tax in achieving a more sustainable and inclusive future.

We would like to thank Vinícius Antunes, Mamta Baid, Matthias Bascheck, Nicolas Bieri, Patricia Caamano Novales, María del Carmen González de Luis, Helin Güney, Deep Gupta, Laura Harney, Lucas Kloster, Madeleine Kockrow, Jasper Ohler, Anna Kraus, Abhishek Kumar Kumar, Rajat Kumar, Kristina Kutseva, Guillermo Marin Morell, Pramod Mundra, Kerneesha Naidoo, Opeyemi Osunsan, Priscilla Pessaia, Clemente Polo Vozmediano, Anjali Raut, Bruna Rezende, Cristina Ayús Sánchez, Manuel Serrano Delacuerda, and Corina Wüest, who helped collect over 40,000 individual pieces of data from 269 companies across nearly 160 individual datapoints.

[1] Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC Text with EEA relevance.

[2] Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC Text with EEA relevance.

We are very pleased that in 2023, compared to our previous year's study on the German, Austrian and Swiss region (DACH region), we have been able to include Brazil, Ireland, South Africa, Spain and the UK to provide broader European and global perspectives.

We look forward to your questions and feedback.

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A Executive summary

269 listed companies

8 countries

4 frameworks studied

This study examines the current state of tax transparency and sustainability reporting by 269 listed companies from eight countries across four frameworks. It aims to provide a comprehensive overview of the extent to which companies disclose their tax strategy, tax compliance management system, country-by-country reporting and total tax contribution, and how these relate to their sustainability goals and stakeholder expectations.

The study reveals significant variation in tax transparency and sustainability reporting across countries, industries, and frameworks. The most significant differences are explained below:

1. Tax transparency and sustainability reporting vary significantly – here is what we observed the at country and sector levels:

   a. Companies in South Africa and the UK tend to use a Total Tax Contribution approach, while EU companies are more likely to publish public country-by-country reports. When we consider all four ESG frameworks, Spain and South Africa have the most companies that meet at least 75% of each framework's requirements.

   b. However, when we examine each framework separately, we see that Spain leads in the S&P Global Corporate Sustainability Assessment (CSA), while Brazil, South Africa and UK have similar overall scores for the GRI. In Germany, Switzerland and Austria, where we have more than one year of data, tax transparency has improved slightly since last year, especially for GRI and S&P Global CSA.

   c. By sector, the financial services, energy, utilities and resources, and technology, media and telecommunications sectors have the most advanced reporting practices, while the health industries, industrial manufacturing and automotive, and consumer markets sectors lag behind. A possible explanation for the sectoral differences is the existing regulatory requirements for the financial services and extractives sectors, which have been in place for several years. The study suggests that other sectors can benefit from the best practices of these more mature sectors.

2. The GRI 207: Tax 2019 standard and the S&P Global Corporate Sustainability Assessment are the most widely used frameworks, while the OECD Guidelines and the WEF White Paper are less prevalent. The results show that the variety of criteria and approaches to sustainability reporting creates complexity and there is no consistency in the requirements. Standardisation is necessary and, with forthcoming new regulation such as the CSRD and public CbCR, companies are being asked to do more with less or sometimes the same number of human resources.

3. Qualitative reporting on tax strategy and tax compliance management system is more common than quantitative reporting on country-by-country reporting and total tax contribution. However, with the upcoming implementation of the public CbCR directive in the EU, a significant increase in quantitative reporting is expected.

4. Tax transparency and sustainability reporting are subject to dynamic and evolving regulatory and voluntary frameworks. Notwithstanding the pressure on tax reporting teams, the EU is leading the way with the introduction of the public country-by-country reporting directive, the corporate sustainability reporting directive, the European sustainability reporting standards, and the minimum safeguards in the EU taxonomy. These initiatives will have a significant impact on the scope, quality, and comparability of tax and sustainability reporting by companies operating in the EU. Other jurisdictions and frameworks may follow suit or develop their own approaches to enhance tax transparency and sustainability reporting in the future.

Figure 1 shows the main trends in each country regarding voluntary reporting frameworks and obligations, both current and future. It compares whether, at a country level, more companies met at least 75% of the criteria of the GRI 207 or the S&P Global CSA, two leading standards for tax disclosure. Except for Spain, which has a strong performance in both standards, most countries have a clear preference for one of these standards. Similarly, it compares whether companies' reporting was more in line with the OECD Guidelines or the WEF framework, two other influential benchmarks for tax transparency. The trends are also significant in this case, with Brazil being the only country with a balanced distribution. The overview reveals the emphasis on qualitative reporting in the DACH-countries (Germany, Austria, Switzerland) and the advancement of quantitative reporting in countries like Spain and UK.

Fig. 1 Summary of the country-specific similarities

Current focus on …	AT	BR	CH	DE	ES	IE	UK	ZA
GRI 207	✓	✓		✓			✓	✓
S&P Global CSA			✓		✓	✓		
OECD Guidelines	✓	✓	✓	✓				
WEF		✓			✓	✓	✓	✓
Mandatory qualitative disclosures such as a tax strategy							✓	
EU public CbCR to be implemented	✓			✓	✓	✓		
Mandatory TCFD							✓	

(Country)

- Shows whether more companies met at least 75% of the GRI 207 criteria or the S&P Global CSA criteria
- Shows whether more companies met at least 75% of the OECD Guidelines or the WEF standard
- Shows current and future legal requirements

B Scope

This study compares the tax disclosures made by large companies in eight countries in line with the requirements of the following four sustainability reporting frameworks:

- The GRI 207: Tax 2019 standard (GRI Tax Standard)
- The S&P Global Corporate Sustainability Assessments (S&P Global CSA)
- The OECD's Guidelines for Multinational Enterprises (OECD Guidelines)
- The World Economic Forum's Measuring Stakeholder Capitalism White Paper (WEF White Paper)

We scored each company against the reporting requirements of the frameworks and assigned a ranking from G to A+++ as explained in the methodology (Section F).

For this study we selected the largest listed companies in each country based on the relevant stock market index. For some countries, we included all the companies in the index, while for others, we took only the top ones. (see methodology in Section F for more details).

C Results by subject

We identified five areas that are common to the four frameworks that we considered:

- Tax strategy
- Linking tax, sustainability and trust
- Tax compliance management
- Public country-by-country reporting (pCbCR)
- Total Tax Contribution (TTC)

In this section, we examine each of these areas to identify trends across the companies and countries included in the study. This analysis will help us assess the current state of tax transparency and accountability among leading businesses as well as the potential gaps and opportunities for improvement.

The remaining sections of this report present our findings by framework and by country.

74%

On average 74% of the companies reviewed have provided a description of their approach to tax.

1 Tax strategy

A tax strategy is at the core of how companies approach their tax affairs. It describes the roles and responsibilities relating to tax within the group and addresses how tax risks are handled. While all companies will automatically apply certain principles and behaviours to their day-to-day tax work, not all will have actively determined and formalised their group's approach to tax. Even fewer will have wholly or partially published their group's tax strategy.

Among the companies we reviewed, the UK (100% of companies) and Spain (97% of companies) had the highest rates of publishing or mentioning a tax strategy. This contrasts with Austria, Switzerland, and Ireland, where only about half the companies evaluated published some form of tax strategy.

The high levels of reporting in the UK and Spain are driven by legislative requirements. The UK Finance Act 2016 requires companies to publish a tax strategy, while the Spanish Capital Companies Act, introduced in 2015, imposes certain non-delegable powers on the board of directors of Spanish listed companies. These include setting up a tax strategy at the board level and approving the creation or acquisition of shares in special purpose entities located in countries or territories considered non-cooperative (the so-called 'tax havens'). Although the Capital Companies Act does not actually require Spanish companies to publish their tax strategy, almost all of the largest do so due to their high commitment to the best practices in tax transparency. This tax transparency commitment is a response to the increased level of scrutiny on corporate tax affairs by stakeholders.

Developing a company's tax strategy can help generate a clear understanding of the group's objectives and processes for tax that is available to all staff and management, and that is applied in all countries. It can also be a cornerstone in the management of tax risk.

Both S&P Global CSA and GRI 207-1 require businesses to state who is responsible for a company's tax strategy including its review and approval. Specifically, companies should commit to approval of the tax policy by the board of directors (S&P Global CSA). In Germany and Austria, company law provides for a two-tier system consisting of a board of management and a supervisory board. The strategic management of a company is the responsibility of the former and its supervision is the responsibility of the latter.

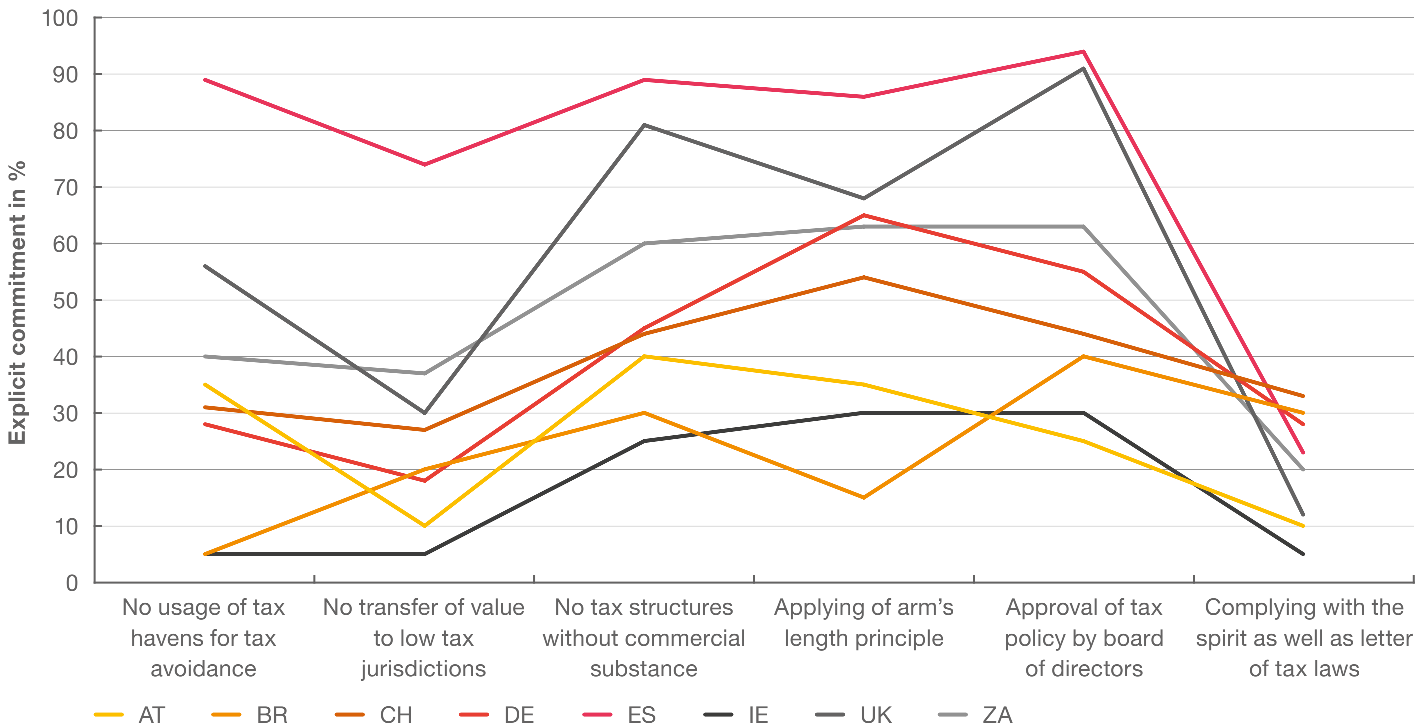
Figure 2 shows how frequently the companies in this study have made the commitments on tax included in Question 1 of the S&P Global CSA in each territory (for further details on Question 1, see Chapter E 2.1). Commitments regarding compliance with the arm's length principle, the commitment not to use tax structure without commercial substance and the approval of the tax policy by the board are most often included in tax reporting.

Compliance with the arm's length principle is also required by the OECD Guidelines, but the wording used by the OECD is less onerous than that used by the S&P Global CSA. The OECD Guidelines use this principle as one indicator of general compliance with tax regulations, in addition to the timely submission of information to tax authorities, but they do not require a clear commitment to the arm's length principle.

Figure 2 shows that some commitments requested by S&P Global CSA, such as avoiding tax havens and not transferring value to low tax jurisdictions are less frequently reported by the companies evaluated. The rarest commitment is to comply with both the letter and spirit of the tax law, a principle that GRI 207 and the OECD Guidelines also endorse (see Section 3 of this chapter for more details).

The lack of certain disclosures does not imply that companies disregard these practices. It may reflect the different approaches and levels of detail that companies adopt for their tax reporting.

Fig. 2 Commitments in accordance with Question 1 of S&P Global CSA by country



2 Linking tax, sustainability and trust

Business strategy and sustainability are no longer separate questions, but intertwined challenges. As a result, various non-governmental actors, such as the Global Reporting Initiative (GRI) and other standard-setting organizations, have launched transparency initiatives that also affect capital markets. Linking tax and sustainability rests on the premise that tax transparency is a precondition for further sustainability and increased trust.

Tax transparency can boost public confidence in business in several ways:

- Cooperation between companies and tax administrations, for example, timely submission of tax information on time for compliance with tax laws; exchanging information in line with OECD Guidelines; using Cooperative Compliance Agreements, timely tax audits, and Advance Pricing Agreements (APA). Most of the companies reviewed in this study mention good cooperation with the tax authorities.

- Engagement with external stakeholders. While most, if not all, of the companies evaluated in Spain (100%) and the UK (70%) state that they consider external views and concerns, other countries make these statements far less frequently: only 55% of the German and 50% of the South African companies that we reviewed make similar statements and even fewer do in the other countries.

- Reporting on advocacy on tax policy, positions taken on key tax issues and membership of representative associations. Reporting in this area was less common than for cooperation with tax administrations and engagement with external stakeholders. While half of the companies from South Africa, Spain, and the UK report on their public policy advocacy on tax, only around a third of the companies in the other countries did so.[3]

This does not imply that the other companies do not consult with stakeholders or actively participate in tax debates. Rather, it reflects the current level and scope of tax reporting by most of the companies reviewed.

Building Public Trust

Businesses need to demonstrate transparency through internal and external reports to gain and maintain stakeholder confidence. For many, merely complying with the disclosure obligations imposed by commercial law, accounting standards and product regulations is not enough, partly because reporting influences investment decisions in capital markets. Companies can enhance the credibility of their reporting by disclosing information and explanations that exceed the statutory minimum. The same applies to trust in a company's tax policy. Tax transparency is a core principle of several global and multilateral institutions.

However, increased disclosure also entails potential risks that need to be balanced against the value it can create. Nevertheless, more and more companies are deciding that the benefits outweigh the risks. These benefits include:

- Better communication about taxes can build trust with stakeholders, especially for companies in sectors where tax issues attract more scrutiny.
- Greater stakeholder comprehension of the often complex tax concepts affecting a company's tax position. This is especially important when tax losses or tax incentives reduce a company's tax contribution.
- Relationships with tax authorities that are based on enhanced trust and credibility. Tax disclosures can facilitate a more open and streamlined dialogue.

For country specific insights, please refer to the long running publications in Canada; Austria, Germany and Switzerland; Denmark; Ireland; Netherlands; South Africa; Switzerland and UK on Building Public Trust through Tax Reporting.

[3] 25% of the AT, 45% of the BR, 27% of the CH, 30% of the DE, 54% of the ES, 5% of the IE, 54% of the UK and 60% of the ZA companies.

Explaining how tax, business and sustainability strategies are connected is not easy. One challenge is that, besides committing to sustainable development goals and to a responsible business and tax policy, companies must also manage their tax costs to maintain shareholder value. Balancing these potentially conflicting aims is hard and companies will adopt different approaches depending on their individual circumstances. Communicating this balance publicly can also carry reputational risks. Therefore, it is not surprising that generally less than half of the companies in this study reported on the links between their tax strategy and either their business or sustainability strategy. Spain, with 94% of companies reporting on this topic, is the notable exception.

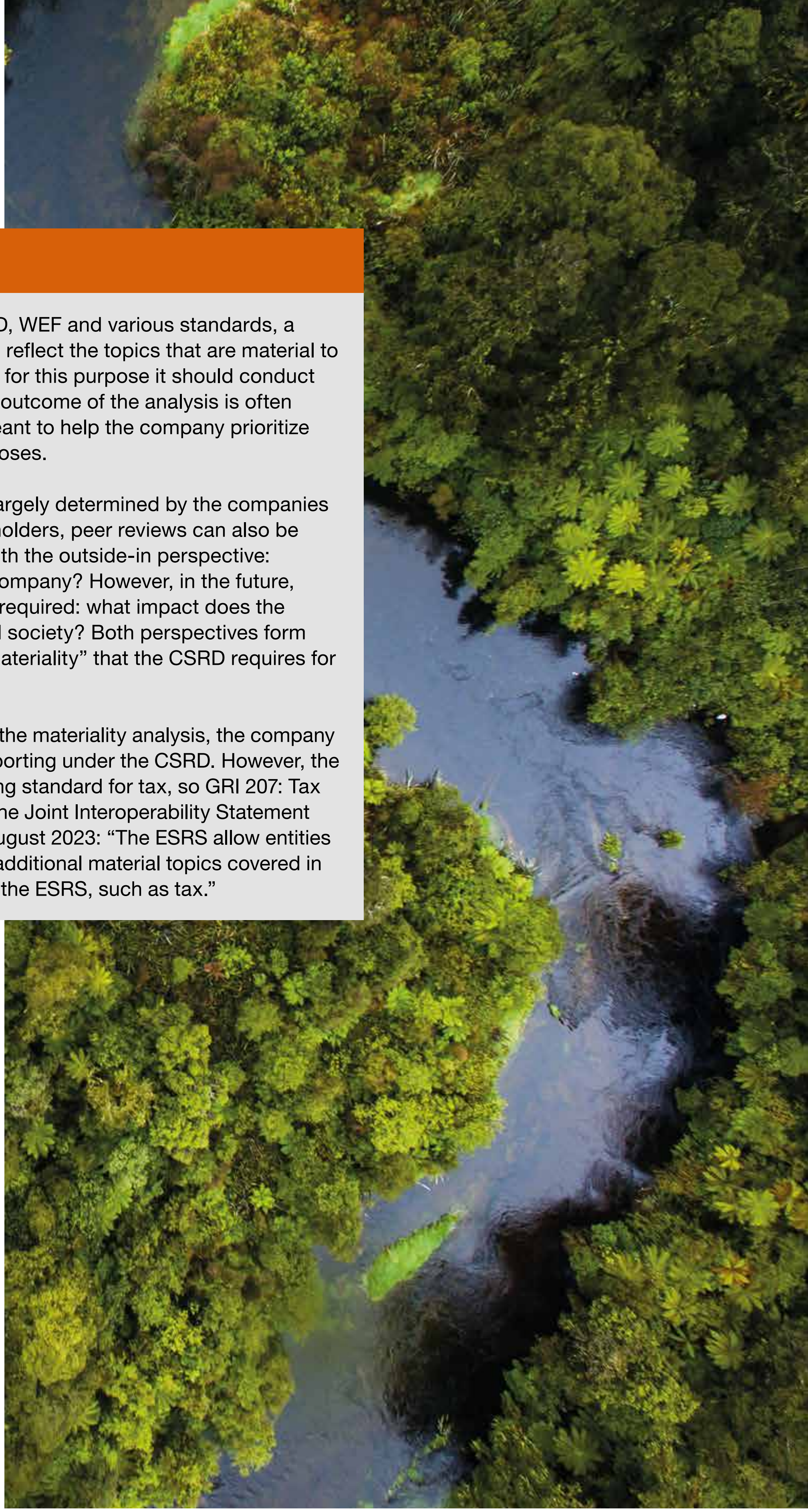
In Spain, the main ESG disclosure obligations are set out in Law 11/2018. These relate to the non-financial information and diversity aspects that companies must include in their non-financial information report (e.g., profits and corporate taxes paid by country must be disclosed). In addition, companies commonly make broader voluntary ESG disclosures in Spain. For tax, they often extend their CbC report to also include their TTC and use this opportunity to link tax to their overall sustainability goals.

Tax and the UN Sustainable Development Goals

How do taxes, sustainability and transparency relate to each other? One way to answer this question is to look at how tax payments provide government revenue that can fund sustainable development initiatives.[4] Companies and their business activities are crucial in this process. At the World Economic Forum 2020, 140 chief executive officers (CEOs) pledged to align their companies with the UN Sustainable Development Goals (UN SDGs), which were adopted by the UN member states on 25 September 2015 in Paris as part of the Agenda 2030. For governments, one of the targets of the 2030 Agenda is to enhance domestic resource mobilization through international support for developing countries, which involves taxation. For the GRI, the use of GRI 207: Tax 2019 is especially relevant to UN SDG 1 (No Poverty), SDG 10 (Reduced Inequalities), and SDG 17 (Partnerships for the Goals).[5]

[4] UN, General Assembly, Resolution adopted by the General Assembly on 25 September 2015, Transforming our world: the Agenda 2030 for Sustainable Development, A/RES/70/1, available under: https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf, Target 17.1; ICC, Position Paper on Tax and the United Nations' Sustainable Development Goals, available under: https://iccwbo.org/news-publications/policies-reports/tax-united-nations-sustainable-development-goals/, pp. 2 f.

[5] Global Reporting Initiative (GRI), Linking the SDGs and the GRI Standards. Last updated March 2020, available under: https://www.globalreporting.org/media/lbvnxb15/mapping-sdgs-gri-update-march.pdf.



Tax in the materiality assessments

According to the CSRD, the GRI, OECD, WEF and various standards, a company's sustainability report should reflect the topics that are material to the business and its stakeholders, and for this purpose it should conduct and publish a materiality analysis. The outcome of the analysis is often shown in a materiality matrix and is meant to help the company prioritize sustainability issues for reporting purposes.

The process of materiality analysis is largely determined by the companies themselves. Besides consulting stakeholders, peer reviews can also be useful. Many companies are familiar with the outside-in perspective: how does the environment affect the company? However, in the future, the inside-out perspective will also be required: what impact does the company have on the environment and society? Both perspectives form the basis for the principle of "double materiality" that the CSRD requires for companies in the EU.

If tax is identified as a material topic in the materiality analysis, the company must include tax in its sustainability reporting under the CSRD. However, the ESRS do not provide a specific reporting standard for tax, so GRI 207: Tax 2019 should be used. This aligns with the Joint Interoperability Statement signed by EFRAG and the GRI on 23 August 2023: "The ESRS allow entities to use the GRI Standards to report on additional material topics covered in GRI Standards that are not covered by the ESRS, such as tax."

Tax may not appear frequently as a material topic in sustainability reports because it is often subsumed under other topics such as compliance, corporate governance or business ethics. Another reason could be a lack of awareness of how tax connects to other sustainability issues. Tax is sometimes still viewed narrowly as a financial issue that is governed by complex legislation and disclosed in financial statements. However, taxes have a wider impact on society, as they fund public services, support economic development and promote social welfare. Therefore, tax and sustainability experts need to collaborate on developing a shared understanding of tax in the context of ESG and the goals for sustainable development.

Tax in ESG

Here are some examples of how tax interacts with the main elements of ESG:

Environmental

- CO_2 and energy taxes as well as the Carbon Border Adjustment Mechanism (CBAM)
- Other environmental taxes like plastic tax and recycling levies
- Government subsidies and support programs for Net Zero initiatives offer tax benefits or relief for green investments
- Green bonds as a financing option

Social

- Taxes are a positive contribution to society ('fair share' tax debate)
- Taxes and social security benefits, as well as remuneration regulations, influence the social impact and reputation of a company (e.g., equal pay, gender pay gap)
- Supply chain due diligence and human rights considerations may have tax implications for cross-border transactions and transfer pricing
- Total tax contribution measures the broader economic and social value of a company's tax payments

Governance

- Tax strategy should be consistent with ESG objectives and values, and communicated to stakeholders
- Transfer pricing policies should account for ESG-related projects and changes within the company due to the transition to net zero
- Reporting on tax matters, such as in Tax Transparency Reports
- Sustainability ratings and indices often include tax-related criteria, including on governance, controls and tax risks

Green Taxes and climate-related disclosures

To achieve the Paris Agreement goals of limiting global warming to 1.5°C above pre-industrial levels and reducing carbon dioxide emissions to net zero, governments and businesses are required to act further and faster. One way to succeed might be the so-called green taxes: taxes levied on products and services to promote environmental conservation which can be based on transport, energy, waste or pollution. Forthcoming green taxes can affect the TCFD disclosure and the outcome of the double materiality assessment introduced by CSRD.

You can find out more about environmental taxes and value chain analysis at the following links:

3 Tax Compliance Management

A common view in the business world is that economic activity should not only comply with legal requirements, but also take account of broader social and reputational factors. This view is increasingly being applied to tax considerations as well. Companies are therefore facing more pressure to consider the underlying intentions of legislators in tax matters, i.e., to comply with both the letter and the spirit of the law. This fundamental principle is reflected in three of the standards we considered, namely GRI 207-1, S&P Global CSA, and the OECD Guidelines. These standards cover the principle, albeit with different emphases, in their provisions on qualitative statements about a company's taxes:

- GRI 207-1 gives complying with the letter and spirit of the law as an example of how a company can describe its approach to applying tax law in the jurisdictions in which it operates. S&P Global CSA, on the other hand, asks companies to commit themselves to complying with the spirit as well as the letter of tax law. Moreover, it states that a general statement about the intention to comply with all tax laws is not sufficient. The OECD Guidelines state that enterprises "should" comply with the letter and spirit of tax laws and regulations. Its wording is therefore not as stringent as that of S&P Global CSA, but more specific than that of GRI 207-1.
- More than half[6] of the companies evaluated refer to their general approach to tax compliance. However, less than one third commit to complying with the letter and spirit of the tax law as requested by S&P Global CSA.[7]

According to the OECD, a commitment to cooperation, transparency and complying with the letter and spirit of the law principle should also be reflected in a company's Tax Compliance Management System (TCMS) or its Tax Control System (TCS). To this end, the following points should be defined:

- determination of responsibilities in line with the dual control principle,
- internal reporting and control processes, and
- a code of conduct for group tax departments that covers internal and external (e.g., with tax authorities) dealings on tax matters.

Due to statutory country-specific disclosure requirements, almost all the Spanish (97%) and UK (96%) companies in our sample, as well as most of the South African companies (70%), state which governance body or executive is accountable for compliance with their tax strategy. In countries without such disclosure requirements, between one and two thirds of the companies publish such information.[8] Slightly more companies[9] reviewed describe how the approach to tax is embedded within the organisation.

Listed companies in South Africa are required to comply with governance principles as set out in King IV Code on Corporate Governance[10] (the King Code), which places the oversight of tax squarely on the shoulders of the governing body. Many companies then choose to disclose certain details of their internal application of those principles.

[6] More precisely, 50% of the AT, 65% of the BR, 54% of the CH, 80% of the DE, 97% of the ES, 50% of the IE, 93% of the UK and 67% of the ZA companies.
[7] 10% of the AT, 30% of the BR, 33% of the CH, 28% of the DE, 23% of the ES, 5% of the IE, 12% of the UK and 20% of the ZA companies.
[8] 35% of the AT, 60% of the BR, 33% of the CH, 63% of the DE and 50% of the IE companies.
[9] In more detail, 40% of the AT, 55% of the BR, 44% of the CH, 68% of the DE, 74% of the ES, 15% of the IE, 84% of the UK and 57% of the ZA companies.
[10] "The King IV Report on Corporate Governance for South Africa 2016, Copyright and trade marks are owned by the Institute of Directors in Southern Africa" and the IoDSA website link is: http://www.iodsa.co.za/?page=AboutKingIV PwC South Africa, Publications and insights, King IV – Corporate Governance. A summary of the King IV Report on Corporate Governance for South Africa, 2016, available under: https://www.pwc.co.za/en/publications/king4.html.

Tax risk management encompasses all tax risks, both potential and actual, that a company needs to identify, measure, control, and monitor. On average, around half to two thirds[11] of the companies in this study report on their approach to tax risks, and how these are identified and monitored. A special focus on risk-related reporting can be observed in the reports of the German companies (85%) and, due to legal requirements, in the reports of UK companies (98%).

Tax risks are not limited to the financial impacts of uncertain tax positions, but also include reputational risks. For the majority of countries, however, only around half of the companies evaluated describe their "risk appetite" or their tolerance threshold for tax-related risks: Spain (66%) and the UK (81%) are the outliers due to local legal requirements.

Under the Spanish Capital Companies Law (2015), in addition to setting up a tax strategy, the board of directors has a specific obligation to determine tax risk management and control policies as well as to supervise their effectiveness through the audit committee. While the law does not require publication of the information, many Spanish companies choose to publicly share it with their stakeholders.

Digitalisation and automation of the tax function

The tax function faces increasing challenges in managing tax risk, compliance, and reporting in a dynamic and complex environment. New and evolving requirements (e.g. CbCR, and Pillar 2) have tested the capabilities of companies and their data management systems in recent years. With more transparency expected in many aspects of business and further reporting obligations, such as the Foreign Subsidies Regulation, on the horizon, companies need clear strategies to collect, validate and report all this new (tax) data.

Digitalisation and automation can enhance the efficiency and effectiveness of the tax function, by reducing the manual effort and time spent on data collection and preparation, and by detecting and correcting errors in tax data. These technological tax solutions not only enable faster and more accurate handling of large volumes of data, but also increase the confidence in the quality of internal and external reporting. Moreover, digital tax solutions can help the tax function analyse trends in their tax data and monitor deadlines, thus supporting better tax risk management.

[11] More precisely, 60% of the AT, 65% of the BR, 46% of the CH, 69% of the ES, 50% of the IE, and 70% of the ZA companies.

4 Public CbCR

The European public CbCR Directive has been in force since 21 December 2021 and EU Member States were due to implement it into national law by 22 June 2023. It will apply to financial years beginning on or after 22 June 2024. However, in Romania, the public CbCR requirement will apply to some companies from 1 January 2023. In addition, the OECD updated its guidance on CbCR in October 2022 and there is a proposal for public CbCR in Australia. Figure 3 compares the different CbCR frameworks.

Fig. 3 Public CbCR: comparison of requirements

Comparison of CbCR requirements	GRI 207: Tax 2019	OECD BEPS Action 13	EU Public CbCR
Total revenue	✗	✓	✓
Revenue of third parties	✓	✓	✗
Revenue from related parties	Between jurisdictions only	✓	✗
Profit/loss before tax	✓	✓	✓
Cash tax paid	✓	✓	✓
Tax accrued	✓	✓	✓
Tangible assets other than cash and cash equivalents	✓	✓	✗
Number of employees	✓	✓	✓ in FTE
Reasons for the differences between accrued CIT and statutory rate	✓	✗	✗
Total accumulated earnings	✗	✓	✓
Stated capital	✗	✓	✗
Approach to tax	✓	✗	✗

Statement: Australian public CbCR

In April 2023, the Australian Government released an exposure draft of legislation for a new public CbCR requirement. The draft rules would have required the disclosure of tax and financial information that is not currently included in the confidential CbC reports filed with tax authorities. The proposed requirements featured a description of the group's "approach to tax", the group's effective tax rate in each jurisdiction, expenses from related party transactions in each jurisdiction, and a list of intangible assets (and their book value) held by the group in each jurisdiction. This additional information would have been unique and is not required by the voluntary Global Reporting Initiative on Tax (GRI 207), Australia's existing confidential CbCR regime, or similar public CbC and public tax strategy reporting in the EU and the UK.

The Australian government has summarised[12] the findings from the consultation process on the draft legislation and indicated that its preferred option is to remove these extra data points from public disclosure. The preferred option also involves disclosing the "book value of tangible assets" on a CbC basis, but it is unclear whether there will still be a requirement to provide a list of tangible assets on a CbC basis as set out in the original draft.

The Australian Government has also publicly committed to "align [the legislation] more closely with the European Union's public country-by-country regime"[13] and has not set a new deadline to pass the new rules after missing the previous one, June 2023. Moreover, the Government has announced a 12-month delay in the implementation of public CbCR to income years starting on or after 1 July 2024 (originally 1 July 2023) to better align with the start of the EU's public CbCR directive.

[12] https://treasury.gov.au/sites/default/files/2023-06/410898-mne-sum-oc.pdf.
[13] As shown in https://ministers.treasury.gov.au/ministers/andrew-leigh-2022/media-releases/treasury-laws-amendment-making-multinationals-pay-their.

Implementation of the public CbCR Directive

The European public CbCR Directive was agreed on 1 June 2021 and published in the Official Journal on 1 December 2021 as Directive 2021/2101/EU. EU Member States had to transpose it into local legislation by 22 June 2023.[14]

Of the EU Member States represented in this study, Germany, Ireland and Spain have already implemented the CbCR Directive into local law. While the regulation will take effect for financial years starting on or after 22 June 2024 in all three countries, some details differ between them.

Examples of these differences are:
- Only Germany allows the publication of commercially sensitive information to be delayed for a limited period of four years.
- In Spain, the CbCR must be published within six months of the balance sheet date to which the report relates. In Germany and Ireland, companies have up to 12 months from the balance sheet date to publish their CbCR, in line with the EU Directive.
- The CbCR must be filed with the Commercial Register in Spain along with the annual accounts. In Ireland, it should be posted on the company's website, unless the company makes it publicly available on the Companies' Registration Office website.

Companies that already publish a CbCR in accordance with GRI 207-4 and Question 2 of the S&P Global Corporate Sustainability Assessment are well prepared for mandatory public CbCR, but may have to carry out some additional reconciliations. For European companies that have not yet published a complete public CbCR, regulatory pressure is now increasing. Multinational businesses operating in the EU but headquartered elsewhere, for example in Switzerland, the US or the UK, fall within the scope of the Directive and are therefore obliged to publish a CbCR for at least part of their operations, provided they reach the group revenue threshold of EUR 750m. We therefore expect that the proportion of companies publishing a complete public CbCR will increase. One of the biggest challenges for companies when compiling their CbCR is obtaining the relevant data from their IT systems accurately and efficiently. They will also need to consider how this CbCR data could be interpreted and whether they will need to add context to their raw numbers when publishing.

Certain individual CbCR requirements under GRI 207-4 are, in theory, more straightforward to meet than others. A list of resident entities in each jurisdiction, in accordance with GRI 207-4 and with Question 2 of S&P Global CSA, is published by the majority[15] of the companies we evaluated. As shown in Figure 4, Brazil is the outlier with only 15% of Brazilian companies disclosing such information. This may be explained by the cautious attitude adopted by many taxpayers towards the Brazilian tax authorities due to the country's complex tax system and high levels of tax litigation. This scenario may be changing with a tax reform in Brazil expected in 2023, the main purpose of which is to simplify the system. In addition, local authorities are seeking to reduce disputes through cooperative tax compliance programs.

There are other differences between the various CbCR regimes which add to the challenges for businesses trying to navigate the reporting landscape. For example, while the number of employees can be reported either as a headcount or full-time equivalent figure (FTE) under GRI 207-4, Question 2 of S&P Global CSA requires disclosure of the FTE.

[14] Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches, OJ of 01.12.2021, L 429/1, available under: https://eur-lex.europa.eu/legal-content/DE/TXT/PDF/?uri=CELEX:32021L2101&qid=1685006329176.

[15] More precisely, 85% of the AT, 92% of the CH, 100% of the DE, 100% of the ES, 65% of the IE, 86% of the UK and 70% of the ZA companies.

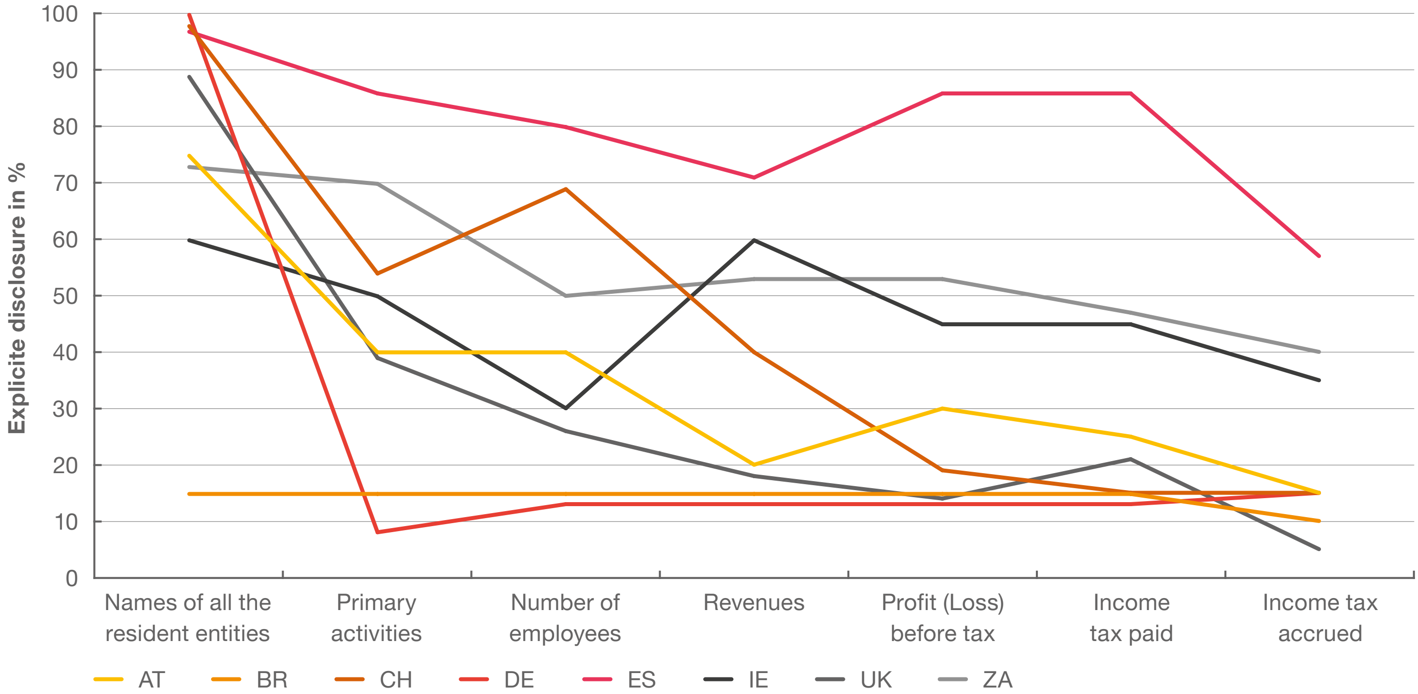
Figure 4 shows the extent to which the companies reviewed in each country disclose CbCR-related information in accordance with S&P Global CSA Questions 2. About one in five[16] of the companies we reviewed reported their profit before tax per country. The average is significantly higher in Spain (86%), South Africa (47%) and Ireland (45%). The income tax paid/accrued is published by about a quarter[17] of the companies evaluated. In Spain, the averages are far higher with 89% of the companies reviewed publishing their income tax paid, and 63% their income tax accrued. This is due to the Spanish legal requirement under Law 11/2018 to disclose certain tax information on a country-by-country basis, including profit before tax by country as well as corporate tax paid by country.

Although there is no legislative requirement for public country-by-country reporting in South Africa, many of the top performers are guided by GRI 207-4 and have elected to provide such information, including information related to profit before tax by country.

A similar distribution of reporting frequency is found for GRI 207-4-b-x which recommends providing a description of the reasons for the difference between the income tax accrued and the income tax due if the statutory tax rate is applied. It seems likely that in future more companies will provide narrative for their disclosures to support and explain their CbCR numbers and to mitigate the risk that their public CbCR could be misinterpreted by the public and other stakeholders.

Regarding the disclosure of revenues, there is a difference between public CbCR under GRI 207-4 and under Question 2 of the S&P Global CSA. According to GRI 207-4-b-iv and v, revenues from transactions with third parties and from intra-group transactions with other tax jurisdictions are to be disclosed separately. Question 2 of the S&P Global does not make such a distinction and covers revenues in total. From our sample of companies, more companies report in line with this requirement than the GRI requirement, suggesting that it may be easier to follow.[18] To receive credit for CbCR under the S&P Global CSA, country-level reporting must cover 90% of the relevant total value of a metric, such as revenues. We did not verify the published values for our study, which might result in different scores from those awarded by S&P.

Fig. 4 Country-specific information according to S&P Global CSA Question 2 by country



[16] More precisely, 30% of the AT, 15% of the BR, 17% of the CH, 15% of the DE, 14% of the UK companies.

[17] Regarding the income tax paid by 25% compared to income tax accrued by 15% of the AT, 10% and 20% of the BR, 15% and 17% of the CH, 13% and 15% of the DE, 40% and 35% of the IE, 19% and 5% of the UK and 37% each of the ZA companies.

[18] This reporting requirement is met by 20% of the AT, 15% of the BR, 40% of the CH, 13% of the DE, 71% of the ES, 60% of the IE, 18% of the UK and 53% of the ZA companies.

“

Transfer Pricing

Transfer pricing is at the top of multinational companies’ tax risk management agenda. The reason for this is not just the financial consequences of incorrect transfer prices, but also the high level of transparency affecting transfer pricing. Many countries have implemented rules obliging companies to file transfer pricing documentation with the corresponding tax authorities. Furthermore, the EU public CbCR Directive will require multinational groups from the 22nd of June 2024 to publish data that is central to transfer pricing. This trend of increased transparency is expected to be followed by other tax jurisdictions around the world. The CbCR data is also an integral part of a sustainability report prepared in accordance with the GRI standard 207. This transparency and the output of financial data that follows make it important for companies to prepare a narrative to put the data in context.

Marcus Hammarstrand
PwC Sweden

5 Total Tax Contribution

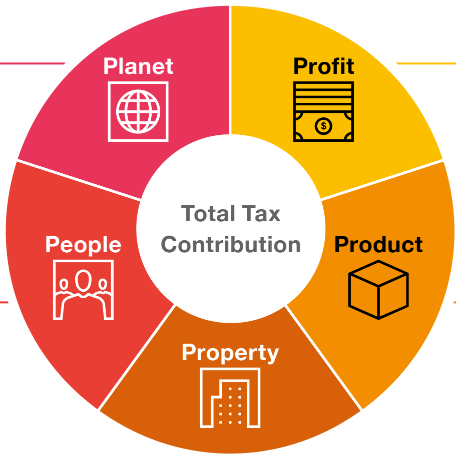
The WEF white paper supports the disclosure of the Total Tax Contribution (TTC) rather than the disclosure of CbCR data, which is favoured by the GRI 207-4. The rationale is that TTC, unlike public CbCR, covers all taxes borne and collected on behalf of third parties by the business. The WEF considers this a more meaningful disclosure for sustainability reporting, as all the taxes borne and collected by businesses are important for financing sustainable development, forming part of the Prosperity Pillar. It should be noted that although GRI 207-4 requires the publication of a CbCR, it also recommends reporting TTC. Specifically, recommendation 2.3.2 ff. of GRI 207-4 includes the disclosure of taxes withheld and paid to tax administrations on behalf of employees, as well as other industry and sector-specific taxes and levies.

Many countries impose dozens, if not hundreds, of different taxes. One advantage of the TTC approach is that it categorizes all taxes into just five groups, as shown in Figure 5, based on the underlying basis on which the tax is levied. This helps to make the data meaningful to audiences who are unfamiliar with the intricacies of taxation.

The frequency of CbCR and TTC disclosure in the reports we reviewed reveals a regional difference. In South Africa, Spain and the UK, two-thirds to three-quarters of the companies reviewed[19] disclosed their TTC, while in the other countries this was much less common.[20] This is not surprising, given that the TTC approach originated in the UK[21] and has been increasingly used in South Africa and Spain for several years.

For more information on the Total Tax Contribution of the largest companies headquartered in Europe, please refer to the European Business Tax Forum Study (EBTF), available here.

Fig. 5 The five tax bases under the Total Tax Contribution framework



Planet taxes include taxes and duties levied on the supply, use or consumption of goods or services which are potentially harmful to the enviroment.

Profit taxes include taxes on company income, profits and capital gains. This also includes withholding taxes.

People taxes include all taxes and social contributions in relation to the employment of staff. Covers both employment taxes and contributions which are borne by the company and those which are the cost of the employee and administrated by the employer by deduction through the payroll.

Product taxes include taxes and duties levied on the production, sale or use of goods and services, including taxes and duties levied on international trade and transactions.

Property taxes include taxes levied on the acquisition, disposal, ownership or use of tangible and intangible property.

[19] Accordingly, 74% of the ES, 61% of the UK and 77% of the ZA companies published a TTC.
[20] In this regard, 0% of the AT, 15% of the BR, 23% of the CH, 13% of the DE, 25% of the IE companies published TTC data.
[21] As of the publication of this study, half of the companies which are part of the FTSE100 publish TTC in one way or another.

The European Business Tax Forum ("EBTF") represents the largest European multi-national enterprises ("MNEs") with a shared belief in the importance of objective public tax transparency. Public tax transparency enhances trust with stakeholders; helps ensure regulatory compliance & risk management, promotes responsible business behaviour and ultimately aligns with an MNE's sustainability goals, enhancing business reputation.

It is also evident from media and other coverage, that certain stakeholder's views towards MNE tax practises can be skewed towards the negative, often rooted in the past and driven by individual prejudices or experiences rather than real world contemporary corporate behaviour. In order to align stakeholder expectations with real world facts, the EBTF seeks to proactively shape the tax transparency debate through the provision of objective tax data. By standing back from any specific political agenda, the EBTF and its members are recognised as having a positive reputational impact with respect to tax.

As sustainability reporting develops, the demands on tax transparency will become more explicit. Companies that actively prioritise tax transparency now are still able to control the narrative and ensure they are seen as contributing positively to society and meeting ESG goals.

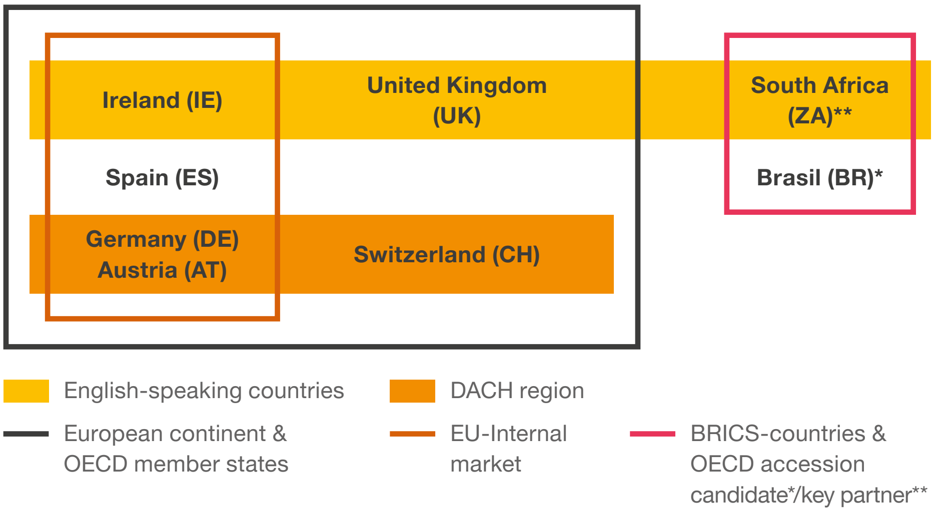
The EBTF will shortly be releasing its 5th annual total tax contribution ("TTC") study, quantifying the full tax contribution made by 60+ of the largest 100 MNEs in Europe. In 2021 the TTC of all study participants was approximately €400bn representing more than the combined tax receipts of the Netherlands, Slovak Republic and Slovenian governments in aggregate for that year. Each year the number of MNEs participating has increased and the TTC data becomes even more impactful.

The EBTF welcomes interest from other large European companies that share the EBTF's views and wish to consider joining the association. If you are interested in finding out more, please visit our website (www.ebtforum.org) or contact us at info@ebtforum.org

Michael Ludlow
Chair of the EBTF

D Results by country

Fig. 6 **Grouping of countries participating in this study**



This year's study expands on last year's focus on the DACH region, comprising Germany, Austria and Switzerland, by also incorporating companies from Brazil, Ireland , South Africa, Spain and the United Kingdom. The study is based on the public reports of 269 listed companies. We have included all the companies from the leading market index of each country for Austria, Germany, Ireland, Spain and Switzerland. For Brazil, South Africa and the UK, we have selected certain listed companies from the relevant leading market index based on the highest economic performance. In future years, we may increase the number of companies and countries examined.

Our work has revealed some regional differences in tax transparency and sustainability reporting among the countries in our study. Many of them stem from local reporting requirements, while others reflect a common understanding and drive towards comprehensive transparency reporting in certain countries, or a nascent movement in that direction in others.

Corporate Sustainability Reporting Directive (CSRD)

The Non-Financial Reporting Directive (NFRD) has required companies in EU Member States to publish non-financial statements since 2015. The EU Corporate Sustainability Reporting Directive (CSRD), which extends this obligation, was adopted in November 2021 and had to be implemented by national legislators within 18 months. The CSRD will apply to large capital market-oriented companies in 2024, followed by a staggered implementation for small and medium-sized companies until 2026. An audit requirement with limited assurance is included to ensure the reliability of the published information.

The CSRD is based on the principle of double materiality, and an expanded catalogue of minimum content and scope. In the public consultation on the CSRD, the topic of "taxes" ranked 5th out of 15 topic areas among respondents when asked what non-financial information companies should be required to disclose.[22] For many companies, tax will be considered a material topic as part of the double materiality assessment, thereby triggering a reporting requirement under CSRD. Although a specific European Sustainability Reporting Standard (ESRS) has not been developed for tax, EFRAG notes that GRI 207 can be used for the purposes of tax disclosures in ESRS sustainability statements.

[22] European Commision, Summary Report of the Public Consultation on the Review of the Non-Financial Reporting Directive, Ref. Ares(2020)2997889-29/07/2020, available under: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12129-Revision-of-Non-Financial-Reporting-Directive/public-consultation_en, Figure 7, p. 10.

European Sustainability Reporting Standards (ESRS)

The CSRD mandated the European Financial Reporting Advisory Group (EFRAG) by way of a delegated act to develop European Sustainability Reporting Standards (ESRS). In addition, the GRI was appointed as a "co-constructor" of this framework. The ESRS will include sector-agnostic, sector-specific and company-specific reporting requirements and are structured according to the three thematic areas of ESG. In July 2023 the first set of ESRS standards was adopted by the EU Commission.

EU-Taxonomy

The European Commission aims to foster sustainable investment by requiring investors to receive sustainability-related information, as defined in the Sustainable Finance Disclosure[23] and the Taxonomy Regulation.[24] These regulations also establish a classification system with indicators for economic activities that are environmentally and socially sustainable. Moreover, they incorporate tax transparency by referring to the OECD Guidelines for Multinational Enterprises in the minimum safeguards of Article 18 of the EU Taxonomy.

1 Austria

More ATX companies are referring to tax in their sustainability reporting than last year, and some of the existing reporters have also improved their disclosures. The pioneers, BAWAG, OMV, Raiffeisen Bank International and Voestalpine, top this year's Austrian ranking. The overall tax transparency of the ATX entities has risen slightly: more of them are addressing tax in their sustainability report, though often only briefly. As a result, this year's study shows more companies in the mid-range with somewhat higher scores for the Austrian market (regarding GRI 207). Moreover, the gap between the pioneers and the mid-field has narrowed significantly, unlike last year's difference of over 25 percentage points between the best in class and the rest.

However, most Austrian companies still shy away from giving the reader a deeper understanding of their approach to tax, and many miss this opportunity altogether. This may partly reflect a historical sense of tax confidentiality in Austria and the absence of public tax reporting obligations. Given the current developments in the EU internal market and especially the upcoming mandatory public CbCR, it is now essential to find a suitable and, where appropriate, gradual reporting approach.

In a country comparison, Austrian companies have some ground to make up in tax reporting and can use the overview of the current reporting status in other countries and the best practices highlighted in this study to guide their future reporting initiatives.

We encourage Austrian companies to explore the potential insights and benefits that can be derived from collecting and analysing their TTC and setting up the necessary – preferably automated – reporting structures. Considering that some Austrian entities already name the different types of taxes and levies they pay (but without quantification) and others provide some quantification of payments to state authorities as part of their value chain analysis (but without disclosing whether this counts as "taxes paid" under the TTC), we are eager to see if and when the first ATX company will disclose its TTC.

[23] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure in the financial services sector, OJEU 9 December 2019, L 317/1.

[24] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 of the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088, OJEU 22 June 2020, L 198/13.

2 Brazil

Brazil is the 12th largest economy in the world, with a population of over 200 million people. Unlike the other countries in this study, whose largest companies operate globally, the 20 biggest firms by market capitalization on the Brazilian Bovespa Index are Brazilian-based multinationals that focus on the local market. The Brazilian Government also plays a significant role in the capital market, either through direct investment in companies (e.g., Petrobras, Banco do Brasil), or through the National Bank for Economic and Social Development (BNDES), which supports national companies (e.g., JBS, Eletrobras). These factors must be considered when analyzing how Brazilian companies have engaged with public CbCR. For companies that are only economically active in Brazil, disclosing financial data by country is not as important. For comparability, in our study we deemed these companies to have disclosed their CbCR if they published key CbCR data for Brazil, which by default covers all countries where they operate.

Brazilian tax legislation is also one of the most complex in the world. Brazil has two corporate income taxes, resulting in a combined 34% tax rate, with various tax incentives affecting the effective tax rates. The multitude of indirect taxes and the high number of tax obligations create uncertainty for taxpayers and increase litigation with the tax authorities. However, this is a changing landscape, as the country is currently discussing a major reform aimed at simplifying VAT.

Brazilian Tax Reform

The House of Deputies' approval of the tax reform on consumption taxes (PEC 45/2019) was a historic milestone for Brazil. This new constitutional text initiated the reform of Brazil's complex and uncompetitive national tax system. PEC 45 is still under debate in the Senate, where it may undergo some changes, but the expectation is that the core of the reform, which replaces the historical cumulative levies with a unified VAT system (with a limited selective tax), will remain intact. Any potential changes proposed by the Senate are expected to improve PEC 45, allowing a more efficient VAT, eliminating the creation of a new state levy, and ensuring the broad and fair participation of the economic sectors in this discussion, without compromising the reform's purpose of fostering the economic development of the country as a whole.

In the area of transfer pricing, the Brazilian Ministry of Economy issued new rules in June 2023 with the Law 14,596/2023, aligning them with the OECD recommendations, facilitating the attraction of investments and the integration of Brazil into global value chains.

South America and the OECD

The OECD is an organization with 38 member countries that aims to set international standards and propose solutions to various social, economic and environmental challenges. Four Latin American countries are currently members of the OECD: Chile, Costa Rica, Colombia and Mexico. Brazil, Argentina and Peru are in talks with the OECD about joining the organization. Brazil has been a strong and active partner of the OECD since 1988.

For more information on the status quo of Tax & ESG in Brazil based on a survey of 120 Brazilian companies, please scan the QR code or visit the link below:

Similar to the Austrian companies in this study, most of the Brazilian companies we surveyed are still at the beginning of their tax transparency reporting journey. In Brazil, sustainability is critical for both companies and the state, as shown by the maturity level of sustainability reports based on frameworks such as the GRI, TCFD and UN SDGs. However, we note that some companies are leading the race by releasing tax transparency reports even before the publication of the standard most widely adopted by Brazilian companies – GRI 207 – in 2019.

In 2023, we have seen a growing wave of companies (not included in our scope, but also listed on the Brazilian stock exchange) that published their tax transparency reports for the first time, with leading companies in their respective industries being pioneers in this movement.

In Brazil, companies that are more transparent about their taxes are notably more mature in their reporting on ESG issues than other companies. The differences between more transparent companies are more noticeable within the BRICS than in countries with an established tax transparency culture and public policies (e.g. EU-CSRD).

In summary, Brazilian companies increasingly understand that the high tax burden they bear can also translate into an opportunity for dialogue with their stakeholders, whether they are their shareholders, the government, civil society or the communities impacted by the collection of taxes by these companies. This is particularly true for tax credits on charitable donations, which have affected several communities within the scope of the ESG agenda. Currently, up to 11% of Brazilian CIT can be allocated to social or environmental projects, which allows companies to use their taxes as a crucial tool for achieving their goals and macro strategies within their sustainability agendas.

3 Germany

On 12 May 2023, Germany passed a national law[25] to implement the public CbCR Directive (EU) 2021/2101 in Sec. 342 ff. of the German Commercial Code (GCC). The law aims to transpose the EU Directive with no changes.

A penalty fee of up to €250,000 applies for violations of the disclosure obligations under Sec. 342o para. 2 GCC. Companies can postpone disclosure for up to four years if the CbCR data contain sensitive information, according to Sec. § 342k GCC.

Additionally, Sec. 317 para. 3b and Sec. 322 para. 1 GCC require the audit of the annual financial statements to verify whether the company had to disclose an EU Public CbCR and, if so, whether it did so. However, the audit does not need to check the accuracy of the published data.

Some of the German companies we reviewed improved slightly from the previous year, continuing the trend from last year. In contrast, those that published essentially the same tax information as before dropped in the ranking.

Regarding the minimum safeguards of the EU Taxonomy, companies that have not yet mentioned tax in their sustainability reports should include initial disclosures in the next reporting season and consider publishing a tax strategy.

Last year, 19 of the DAX40 companies published a tax strategy. Allianz and Munich Re went even further and published a comprehensive tax transparency report, and Allianz had their report audited with limited assurance according to ISAE 3000 this year.

Very few German companies reported their TTC. Concerns about the protection of confidential company and business information might play a role here, or the fact that the TTC is generally less well known in German-speaking countries than public CbCR. We recommend that companies currently setting up a public CbCR reporting system also incorporate the TTC requirements to minimise the effort required for a later expansion. The importance of TTC is likely to continue to increase globally – thus also affecting multinational companies in Germany. This year, the pioneers Allianz, Deutsche Telekom, Munich Re and RWE published an almost complete TTC disclosure.

For more information on PwC's last year's study of the DACH region, please visit:

Regional differences in the DACH region

Our 2022 study focused on the regional differences in the DACH region. Despite the absence of language barriers between Germany (DE), Austria (AT) and Switzerland (CH), we observed that German and Austrian companies are increasingly following the requirements of GRI 207, while Swiss companies tend to prefer the S&P Global CSA.

[25] BGBl. 2023 I Nr. 154 – 21.06.2023

4 Ireland

Tax disclosures, such as publishing tax strategies, are not mandatory in Ireland. However, our analysis for this study and local tax transparency studies that PwC has conducted in Ireland in recent years show that many Irish companies are embracing tax transparency and voluntarily disclosing information on their tax affairs. According to our report “Building stakeholder trust through tax transparency”, 52% of the companies listed on the main market of the Irish stock exchange have published a tax strategy. The report found an increase in the breadth and nature of information disclosed by the companies, indicating a growing awareness of the more meaningful disclosures that stakeholders are interested in. The most widely adopted reporting framework by Irish companies is GRI 207.

In this study, we noted that 45% of companies disclosed some level of information on their TTC either in their tax strategy or in broader ESG reports. Ireland has recently adopted the EU’s public CbCR directive into national legislation, effective from 22 June 2024. With public CbCR focusing on the corporation tax borne by a company, it is not surprising that companies are disclosing information on their TTC to provide visibility of their wider contribution to public finances. Taxes such as irrecoverable VAT, employer’s social security and business rates can also be significant, as well as the fiduciary taxes – such as payroll taxes and VAT – that companies collect on behalf of the exchequer.

Ireland has also introduced specific local measures to drive increased transparency and governance in relation to tax:

- Under the Directors’ Compliance Statement legislation, the directors of most large Irish companies must include a statement in their financial statements to acknowledge responsibility for tax compliance and to confirm that they have arrangements (i.e., processes and controls) in place to ensure tax compliance, and that they have reviewed those arrangements during the year.
- Companies participating in the Irish Tax Authority’s Co-Operative Compliance Framework (a voluntary program designed to create a relationship between the tax authority and large corporates based on trust and transparency) must have a tax control framework in place. They share details of the tax control framework with the tax authority to provide assurance on the robustness of the internal governance, policies and controls underpinning their tax filings.

Scan the QR code or visit the link below to access our report “Building stakeholder trust through tax transparency”:

5 South Africa

South Africa pioneered integrated reporting as a core element of corporate governance. The King IV Code, a global leader in corporate governance standards, outlines principles and recommended practices for organisations to achieve good governance, manifested in four outcomes: ethical culture, good performance, effective control and legitimacy. Some of these practices are embedded in the Johannesburg Stock Exchange (JSE) Listings Requirements, which reinforce the expectations of being a responsible taxpayer. For nearly a decade, PwC has evaluated the tax transparency of large JSE-listed companies, recognising those that excel in insightful tax reporting and distinguish themselves from their peers.

Remarkably, some of the top performers in this study, such as Nedbank, Discovery, Vodacom and Exxaro, are South African companies, even though there is no specific legislation or regulation that mandates tax transparency in the country. Some of these companies have shown a long-standing commitment to public tax transparency and have adopted

King IV Code™ on Corporate Governance

King IV has enhanced the expectations of responsible tax behaviour for JSE listed companies in South Africa. It requires their governing boards to demonstrate corporate citizenship by adopting responsible tax policies and practices. These should consider, among other things, the legal, ethical, social and environmental implications of tax decisions, as well as the potential reputational risks of aggressive tax strategies. King IV also recommends disclosing the board's tax strategy and tax governance structure, and how they align with corporate citizenship and stakeholder interests. According to King IV, the board and the audit committee should oversee the development and implementation of a tax strategy and policy that are not only compliant, but also congruent with the organisation's values and purpose.

Emerging economies and the OECD

The OECD Council at ministerial level resolved on 16 May 2007 to enhance cooperation with Brazil, South Africa, China, India and Indonesia through a program of increased engagement.

The OECD Global Forum on Tax Transparency and Exchange of Information for Tax Purposes works to advance tax transparency and information exchange, and to improve the tax ecosystem and foster greater collaboration and cooperation with and among stakeholders. The Africa Initiative[26] raises awareness of the importance of information exchange for African states and showcases South Africa's commitment to greater transparency.[27] As an emerging economy, South Africa's role in the tax transparency landscape is especially significant. This study compares two emerging economies, South Africa and Brazil, with six developed and OECD member countries.

[26] https://www.oecd.org/tax/transparency/what-we-do/technical-assistance/africa-initiative.htm
[27] South African Revenue Service (SARS), Media Releases, Media statement: Greater focus on taking tax transparency and exchange of information to the next level, 18 November 2022, available under: https://www.sars.gov.za/media-release/greater-focus-on-taking-tax-transparency-and-exchange-of-information-to-the-next-level/.

reporting in line with GRI207 and other frameworks that we examined. South African companies also demonstrate strong governance of tax by their governing bodies (in line with King IV) and a keen awareness of investor expectations regarding tax disclosure.

Consistent with the findings of the 7th edition of PwC's "Building Public Trust through Tax Reporting" report, leading reporters in South Africa effectively communicate their broader impact and the value they create for all their key stakeholders, fostering better open communications rather than mere compliance with regulation. They do so by disclosing and explaining much more than the statutory requirements, such as their tax strategy, their effective tax rate analysis, their total tax contributions in the countries where they operate and voluntary CbCR. However, despite many guidelines and transparency drivers, many large listed South African companies still do not report more information on tax publicly, beyond what accounting standards require.

JSE Sustainability Disclosure Guidance

In June 2022, the JSE published the Sustainability Disclosure Guidance, which contains metrics to enable more useful, consistent and comparable sustainability disclosure, to inform better decision-making and action. The guidance is primarily aimed at JSE-listed companies, but it can also benefit institutional investors and their investees (including non-listed companies and debt issuers), as well as various stakeholder groups interested in sustainability disclosure and performance. The guidance is aligned with the GRI framework, the TCFD recommendations, the IIRC's IR Framework and other international guidelines, and it explicitly addresses the South African context. The guidance indicates that the selection of non-financial data for reporting must be guided by materiality: information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the report users make about the reporting organisation, based on that information.

The guidance includes specific disclosure metrics for tax, especially under the Governance Core and Leadership metrics – G5 on Tax Transparency, which requires companies to provide:

- A description of the organisation's approach to tax, including: i) whether the organisation has a tax strategy and, if so, a link to it if publicly available; ii) the governance body or executive-level position within the organisation that formally reviews and approves the tax strategy, and the frequency of this review; iii) how the approach to tax is linked to the business and sustainability strategies of the organisation.
- For each tax jurisdiction: the total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.
- The extent of exposure to countries and jurisdictions recognised for their corporate tax rate, tax transparency and tax haven status; estimated tax gap (the difference between the estimated effective tax rate and the estimated statutory tax rate).

For more information on tax transparency in South Africa, see:

6 Spain

As a result of Spanish regulatory framework on corporate tax governance and reporting measures, Spanish groups are at the forefront of tax transparency reporting. According to the results of our analysis, seven of the ten best ranked companies under the GRI standard are Spanish multinational groups.

Moreover, more than half of the Spanish companies that we reviewed score in the upper range (rating B or better) in GRI 207-1, GRI 207-2 as well as in the first question of S&P Global CSA for corresponding reporting requirements such as tax strategy and tax risk management.

The following is a summary of the most important corporate tax governance and reporting measures and initiatives in Spain, which are especially relevant for Spanish companies in light of the current developments in the EU Internal market and the requirements of GRI 207.[28]

1. In 2015, the Capital Companies Act introduced a list of non-delegable powers for the Board of Directors of Spanish listed companies, which include:

- Determining tax risk management and control policies.
- Approving investments or operations of any kind that have a special tax risk due to their high amount or special characteristics.
- Approving the creation or acquisition of shares in (special purpose) entities domiciled in countries or territories that are considered tax havens.
- Approving any similar transaction that could undermine the transparency of the company and its group due to its complexity.
- Determining the company's tax strategy.

The audit committee is also expected to supervise the effectiveness of tax risk control systems.

2. Furthermore, Law 11/2018 requires Spanish companies to disclose some country-by-country tax information (profit before tax and corporate tax paid by country) as part of their non-financial reporting. This is mandatory for large companies in Spain.

3. The Code of Good Tax Practices of the Spanish Tax Authorities provides a self-regulatory framework for minimising tax risks and promoting a voluntary cooperative relationship between companies and the tax authorities. Although not strictly required, companies that adhere to the code will generally file an annual fiscal transparency report with the Spanish tax authorities. A list of companies that file such reports is made publicly available.

4. Standard UNE 19602 is a private initiative that sets out guidelines and recommendations for companies on implementing a tax compliance system to identify, evaluate and manage tax risks and to promote good tax practices. Companies can certify their tax compliance framework under this standard.

5. The EU public Country-by-Country Reporting Directive will apply in Spain from 22 June 2024.

In the fourth edition of Contribución Tributaria Total del IBEX 35, we have analysed the tax payments of the largest companies in Spain in 2022 using public data to assess the impact of various economic and regulatory changes on tax collection.

For more information on tax collection in Spain, you can read our study at the following link:

[28] Although the Spanish tax system is centralized, there are some requirements that are particular to the Basque Provinces, Navarra or the Canary Islands.

7 Switzerland

Since 2018, the Swiss tax authorities have automatically exchanged country-by-country reports (CbCR) by multinational companies under the OECD framework. However, Swiss law does not require companies to publish a CbCR for the public. Nevertheless, many Swiss-based multinationals are subject to EU public CbCR rules if they meet the revenue threshold and operate in the EU.

Despite the absence of public tax transparency legislation in Switzerland, some Swiss companies outperform certain competitors from the EU and other countries, especially in selected industries, notably financial services. Last year, over half of the companies in our study published a tax strategy and seven published a standalone tax transparency report. However, there is still room for improvement, for example in CbCR disclosure, as only 15% of the Swiss companies reported their tax paid by jurisdiction. The highest-ranking Swiss companies in our study among all SMI Expanded companies were Adecco, Holcim, Nestle, Partners Group, Richemont, Swiss Re and Zurich Insurance. However, none of them achieved the highest score in all categories examined.

In our "Public Tax Transparency Benchmark Study", we have analysed the tax disclosures of fifty prominent Swiss-based companies annually since 2018. The quantity and quality of the information published has increased every year, showing that this topic has gained importance for Swiss companies in recent years. This year, we adjusted the study by changing the scope to include only those companies that were also part of our previous DACH study for better comparability.

For more information, please visit:

8 UK

The UK left the EU and its internal market on 31 January 2020 and 1 January 2021 respectively. As a result, the reporting requirements of the CSRD and EU Taxonomy, which we describe in more detail in the previous section, do not generally apply to UK-headquartered companies, though they do affect some of their EU-based subsidiaries. However, the UK is a leader in tax transparency and sustainability reporting. Many UK companies have a legal obligation to publish their tax strategy, unlike most of the companies in this study. Moreover, TCFD disclosures are mandatory for premium listed and large private businesses. Therefore, in this study, most UK companies score in the upper range (rating B or better) in GRI 207-1 and in the first question of S&P Global CSA for corresponding reporting requirements such as the tax strategy.

The UK's strong commitment to enhancing tax transparency is exemplified by the concept of TTC. This originated in the UK, has been adopted by many companies for over two decades and the concept is now gaining global relevance beyond the English-speaking countries through the WEF's White Paper.

In the UK, PwC has developed the Building Public Trust Awards, which are awarded annually to companies at the forefront of financial reporting. One of the awards covers tax transparency and as part of determining the award winners each year, we review the tax disclosures of the FTSE 100 against a framework with over 30 questions. The methodology, which has been used in the UK for decades, is increasingly being applied in other countries.

The latest BPTA tax transparency report can be found at the following link:

UK Finance Act 2016

The Finance Act 2016,[29] published on 16 March 2016, requires companies doing business in the UK to publish their tax strategy annually in accordance with Sec. 161 Para. 1 and Schedule 19. This applies to companies and groups of companies whose turnover in the previous financial year exceeded £200 million or whose annual balance sheet total was over £2 billion. The reporting requirements include information on UK taxation, the company's risk and control system, its attitude to tax planning and the level of risk it is willing to take, as well as its relationship with the UK tax authorities.

Why is Tax an important element of TCFD?

The Task Force on Climate-related Financial Disclosures (TCFD) is mandatory for premium listed and large private companies in the UK.[30] Tax is a crucial but often overlooked component of the TCFD framework. Tax is essential to building sustainable business models, enhancing market stability, and ensuring a fair transition to a greener future.

The TCFD framework is not just about narrative disclosures, but also about disclosing and accounting for the financial impacts of climate change on businesses. Climate-related disclosures and the TCFD recommendations help companies assess the impact of climate change and related mitigation efforts on their strategies and operations. A company that communicates its climate resilience to its investors will have a competitive edge over those that do not – and tax is part of this.

One of the outcomes of the TCFD work is a climate impact toolkit, which contains a high-level scenario analysis, identifying material climate-related and transitional risks and opportunities. Companies are adapting rapidly to the transition to a greener economy, and tax is one of the tools that governments can use to influence behaviours. Therefore, the tax function needs to be involved in the implementation of TCFD. Accurate TCFD disclosures will require businesses to consider how tax will affect their model and anticipate changes in tax policy. For more information about the relationship between TCFD and tax, pleasee click here.

[29] https://www.legislation.gov.uk/ukpga/2016/24/pdfs/ukpga_20160024_en.pdf (21.05.2023).

[30] In the UK, through Policy Statement 20/17, the Financial Conduct Authority (FCA) amended the Listing Rules so that premium listed companies (other than investment trusts) must report on a 'comply-or-explain' basis against the TCFD framework for periods beginning on or after 1 January 2021. Additionally, since 6 April 2022, over 1,300 of the largest UK-registered companies and financial institutions also have to disclose in line with the TCFD recommendations – including private companies with over 500 employees and £500 million in turnover (aggregation rules apply).

E Results by framework

1 GRI 207: Tax 2019

The GRI standard is the most widely used reporting framework among the companies reviewed in this study. The GRI 207: Tax 2019 standard,[31] published on 5 December 2019, established a link between tax and sustainability-related corporate disclosures. According to the Non-Financial Reporting Directive (NFRD), companies can use national, European or international frameworks to prepare a non-financial report and must disclose the framework(s) used in their corporate report.[32] If a company considers the topic of taxes to be "material" in the context of its materiality analysis, the application of GRI 207 is quasi-mandatory.

Figure 7 shows the performance of the 269 companies reviewed against the GRI 207: Tax 2019 standard. The values were calculated as percentages based on the reports' compliance with the individual requirements of GRI 207 (x-axis) and the corresponding guidance (y-axis).

The GRI framework

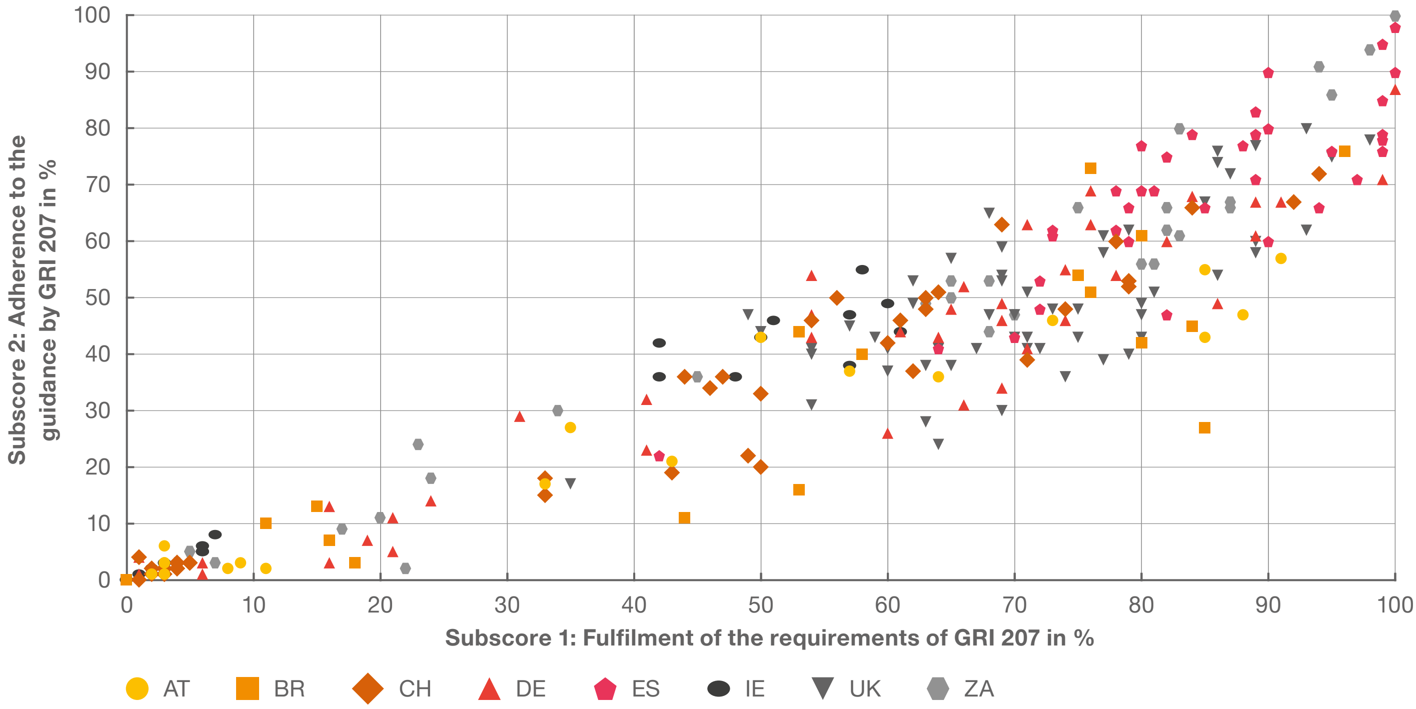
The Global Reporting Initiative (GRI) framework, established in 1997, consists of three Universal Standards: basic principles and materiality analysis; sector standards; and topic standards in economic, environmental, and social categories.

The revised Universal Standards (GRI 1, GRI 2 and GRI 3) took effect from 1 January 2023. They have a stronger focus on human rights and due diligence, and they replace the two report options "Core" and "Comprehensive". A report in accordance with the GRI Standards must now fulfil all the material Topic-Specific Disclosures and Standards (as previously required in the "Comprehensive Option") in addition to the Universal Standards and the Management Approach Disclosures per Standard. Reporting on only one material Topic-specific Disclosure (previously the "Core Option") is no longer sufficient.

Moreover, the GRI was named by the European Financial Reporting Advisory Group (EFRAG) as co-constructor of the framework of the European Sustainability Reporting Standards (ESRS). The GRI's experience will thus remain relevant for companies in the EU.

[31] Global Sustainability Standards Board (Hrsg.), Global Reporting Initiative Standards, GRI 207: Tax 2019, 5. Dezember 2019, available under: www.globalreporting.org/standards/gri-standards-download-center/gri-207-tax-2019/.
[32] Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain larg untertakings and groups, OJ 15.11.2014, L 330/1, Art. 19a Para. 1 Subpara. 2 as well as recital 9.

Fig. 7 Ranking based on GRI 207: Tax 2019



The distribution of the overall rankings received by the companies evaluated can be classified into three country-specific groups.

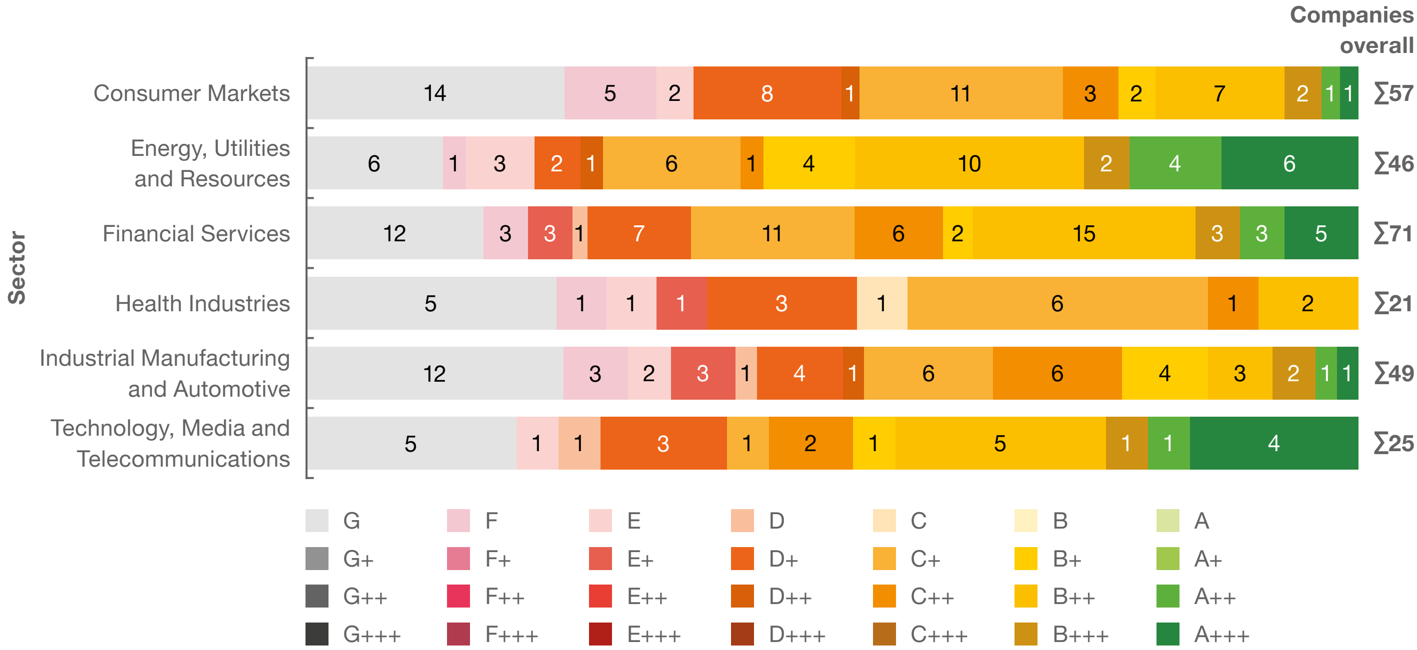
Almost all of the Spanish and UK companies in our sample met at least 60% of the requirements of GRI 207: Tax 2019 and their scores are grouped in the upper right corner of the chart.

This reflects the fact that many of the front-runners are headquartered in these countries, although the top-ranked company is based in South Africa. As mentioned above, this is not surprising, as both countries have introduced legal requirements around tax strategy and tax risk management, including some disclosure requirements.

The German, South African and Swiss companies are distributed linearly in the chart in Figure 7. This reflects the fact that, except for some outliers, most companies are at an early stage in their journey to comprehensive reporting.

Austria, Brazil and Ireland show a similar linear distribution, but with fewer companies on average publishing information on tax.

Fig. 8 Distribution of ratings by sector based on GRI 207: Tax 2019



We have also analysed the reporting trends by sector,[33] as shown in Figure 8. Each company's reporting was given a rating between A+++ and G based on the extent of its alignment with the requirements of GRI 207: Tax 2019. The energy, utilities and resources sector was the most highly rated, with 56.5% of companies receiving a score of B or better. This was followed by technology, media and telecommunications, with 48% of companies in the sector scoring B or higher, and financial services with 39.4% of companies with a score of B or better. Several of the companies with the highest overall scores against GRI 207: Tax 2019 are in these three sectors, such as Allianz, BBVA, Deutsche Telekom, Nedbank, Discovery, Vodacom, Repsol, Telefónica and Vale.

Nearly half[34] of the companies in the consumer markets and health industries sectors scored in the mid-range (D to C+++). These companies complied with 45% to 75% of the GRI requirements (for more details see Section F on Methodology).

Across all sectors, one in five companies has not published any tax information beyond that required by statutory financial reporting standards.

In the following sections, we consider in more detail the extent to which company disclosures align with the four main provisions of GRI-207.

[33] See the annex for the industry classification of the companies.
[34] More precisely, 40.3% of companies in the "Consumer markets" and 52.4% in the "Health Industries" sector.

“

The European Sustainability Reporting Standards (ESRS) have been developed in alignment with existing and widely adopted standards and frameworks such as the GRI Standards. The formal statement of interoperability[35] between EFRAG and GRI, published in early September 2023, represents a significant stride towards fostering co-development and interoperability. Through this strategic partnership, the GRI – as provider of the world’s most extensively used impact standards – aims to reduce the burden on companies by eliminating the need for double reporting, while providing the ability to leverage our accumulated knowledge and expertise to contribute to EFRAG’s efforts. At the same time, GRI is committed to its ongoing collaboration with the IFRS Foundation to form the global comprehensive baseline between GRI and ISSB standards, focused on impact materiality through GRI and financial materiality through the ISSB.

Tax as an ESG metric is an illustrative example of our collaboration with EFRAG. The ESRS allow entities to use the GRI Standards to report on additional material topics covered in GRI Standards that are not covered by the ESRS, where tax is mentioned explicitly.[36] More and more jurisdictions across the globe use the insights garnered through GRI 207: Tax in 2019, which has become a recognised and broadly utilised standard for enhancing tax transparency. Leveraging this well-tested and widely accepted framework will yield comparable tax data that is beneficial to investors and other stakeholders.

Eelco van der Enden
CEO of the GRI

[35] https://www.efrag.org/News/Public-444/EFRAG-GRI-Joint-statement-of-interoperability
[36] https://efrag.sharefile.com/share/view/s459956b01c6841298f78e5031759ca6e/fo8ed338-4c5e-4502-823b-88009818b85a

1

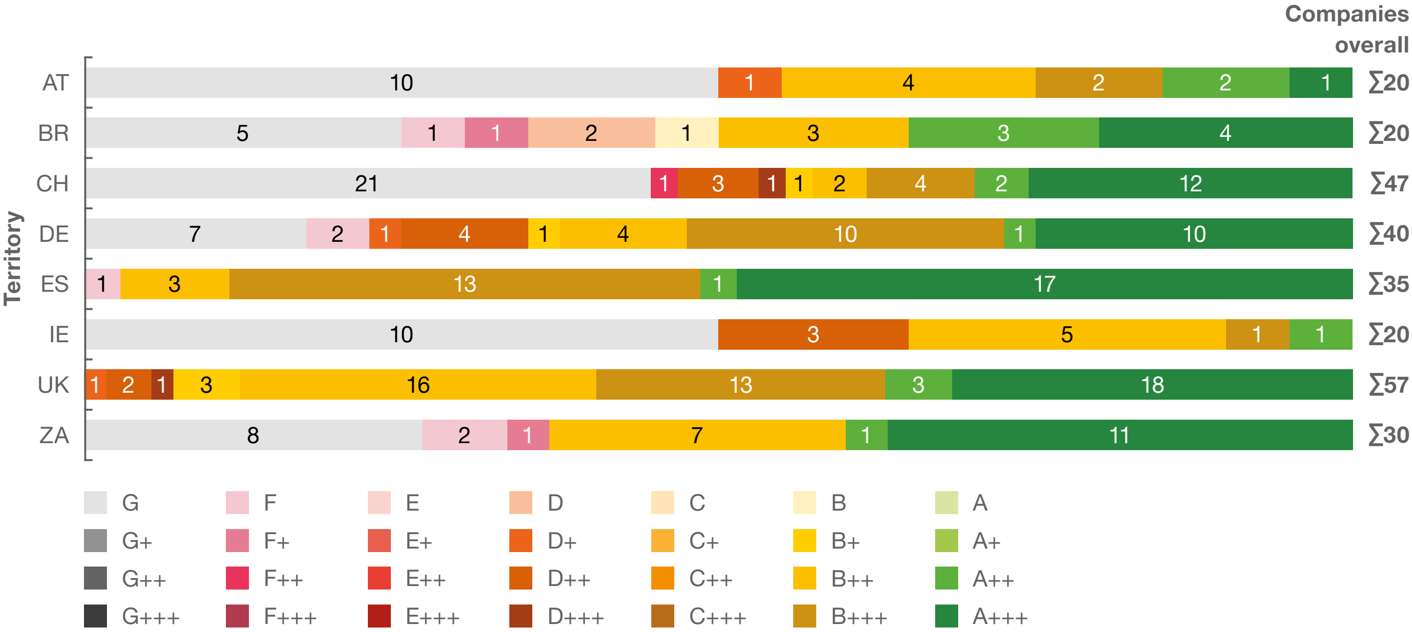
1.1 Disclosure 207-1 – Approach to tax

Disclosure 207-1 – Approach to tax
This disclosure asks for a public tax strategy or a summary of it, as well as who oversees it within the company. It also requires information on how the company complies with tax laws and regulations, and how its tax strategy aligns with its ESG strategy.

Figure 9 shows that almost all the Spanish and UK companies, and between 50% and 67% of the Brazilian, German and South African companies, met at least three of the four requirements of GRI 207-1 and received an upper-range rating of B or better. By contrast, only between 33% and 50% of the Austrian, Swiss and Irish companies achieved this level of disclosure.[37] GRI 207-1 is the section of the GRI 207: Tax 2019 standard with which company disclosures most closely align.

However, it is important to note that nearly half of the Austrian, Swiss and Irish companies and up to a quarter of the Brazilian, German and South African companies did not publish any information that matched the requirements of GRI 207-1 and so received the lowest rating of G.

Fig. 9 Distribution of companies' ratings based on GRI 207-1



[37] Specifically, 45% of the AT, 55% of the BR, 44.7% of the CH, 65% of the DE, 97.1% of the ES, 35% of the IE, 93% of the UK and 63.3% of the ZA companies.

2

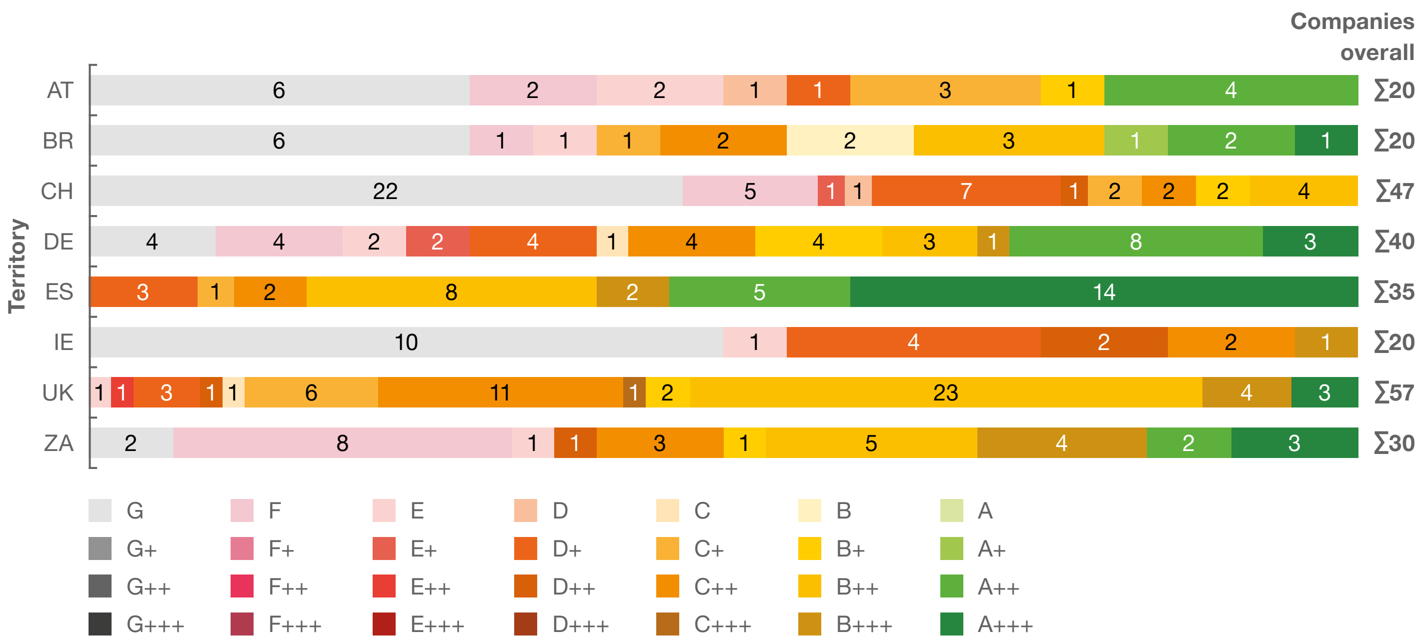
1.2 Disclosure 207-2 – Tax governance, control, and risk management

Disclosure 207-2 – Tax governance, control, and risk management
This disclosure requires companies to explain how they implement and monitor their tax strategy, which reflects their approach to tax governance, control and risk management. Companies should disclose who has the authority and accountability for the tax strategy, how it is aligned with the group's organizational structure and values, and how its effectiveness is assessed. Additionally, companies should report on the mechanisms they use to prevent and address unethical and unlawful tax behavior, and the assurance they have on their reliability.

The alignment of tax reporting with the requirements of GRI 207-2, which covers the approach to tax governance, control and risk management, is generally lower than the alignment with GRI 207-1, which covers the tax strategy and its alignment with the business strategy and sustainability goals. Fewer companies received a rating in the upper range (B or better) for GRI 207-2 than for GRI 207-1. However, nearly all companies that achieved a rating of B or better for GRI 207-2 also did so for GRI 207-1.

Most of the Spanish and half of the UK, South African and Brazilian companies attained a rating in the upper range (B or better) for GRI 207-2 (Figure 10).[38] In contrast, half of the Swiss and Irish and a third of the Austrian companies received the lowest rating of G.[39] On average, the majority of the Spanish, UK and South African companies, and half of the Brazilian and German companies, demonstrated a high level of alignment with the guidance for GRI 207-2,[40] as indicated by a qualifier of ++ or +++.

Fig. 10 Distribution of companies' ratings based on GRI 207-2



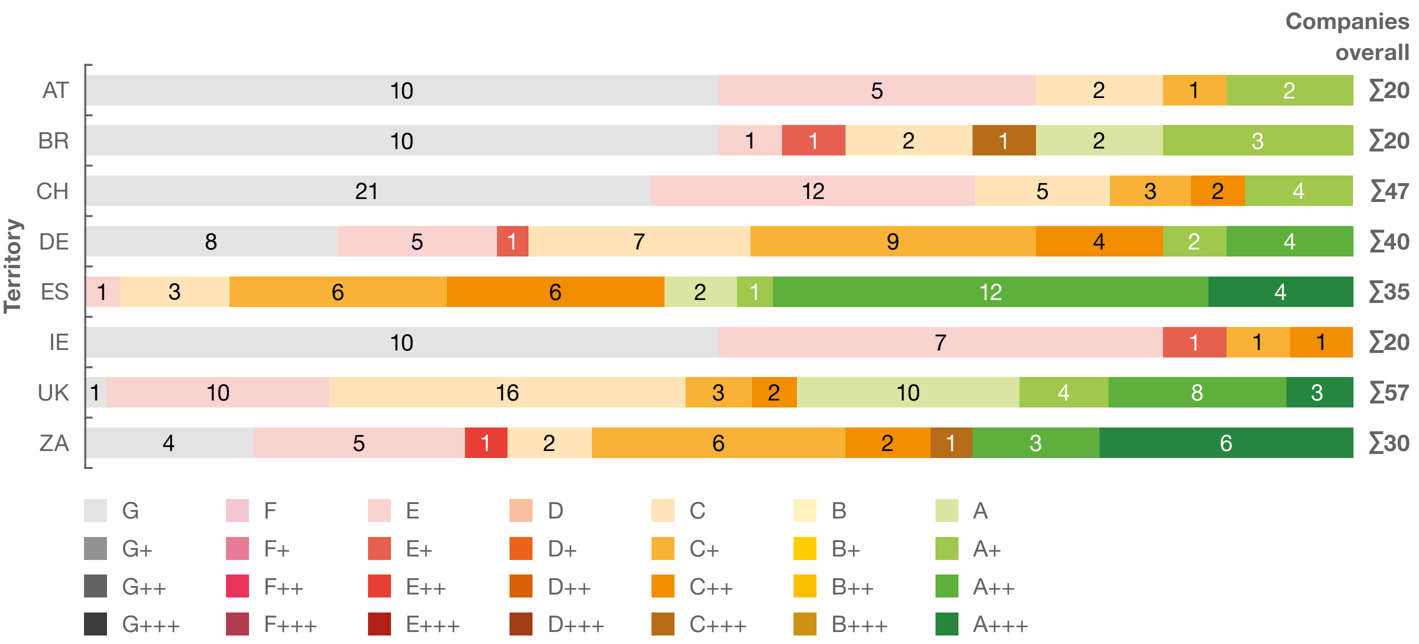
[38] 25% of the AT, 45% of the BR, 10.6% of the CH, 47.5% of the DE, 82.9% of the ES, 5% of the IE, 56.1% of the UK and 50% of the ZA companies.
[39] More precisely, 30% of the AT, 30% of the BR, 46.8% of the CH, 10% of the DE, 0% of the ES, 50% of the IE, 0% of the UK and 6.7% of the ZA companies.
[40] More precisely, 20% of the AT, 40% of the BR, 12.8% of the CH, 47.5% of the DE, 88.6% of the ES, 14.3% of the IE, 73.7% of the UK and 60% of the ZA companies.

1.3 Disclosure 207-3 – Stakeholder engagement and management of concerns related to tax

Disclosure 207-3 – Stakeholder engagement and management of concerns related to tax
This disclosure covers how a company engages with its stakeholders on tax matters. It requires reporting on the company's cooperation with financial administrations and authorities, its lobbying activities and tax policy positions on significant tax issues that it has made public. The disclosure also covers the company's interactions with other stakeholders who have an interest in its tax affairs, such as business partners, customers, suppliers, and employees.

Figure 11 shows the distribution of companies' ratings based on their reporting of the three requirements of GRI 207-3. Half of the Spanish and UK companies and a third of the South African companies reviewed reported on all three GRI 207-3 requirements and received an A rating.[41] Between a third and a half of the German, Spanish, South African and UK companies reported on two of the three requirements and received a C rating.[42] Almost half of the Austrian, Brazilian and Swiss companies did not publish relevant information and received a G rating.[43]

Fig. 11 Distribution of companies' ratings based on GRI 207-3



[41] 10% of the AT, 25% of the BR, 8.5% of the CH, 15% of the DE, 54.3% of the ES, 0% of the IE, 43.9% of the UK and 30% of the ZA companies.
[42] 15% of the AT, 15% of the BR, 21.3% of the CH, 50% of the DE, 42.9% of the ES, 10% of the IE, 36.8% of the UK and 36.7% of the ZA companies.
[43] 50% of the AT, 50% of the BR, 44.7% of the CH, 20% of the DE, 0% of the ES, 28.6% of the IE, 1.8% of the UK and 13.3% of the ZA companies.

1.4 Disclosure 207-4 – Country-by-country reporting

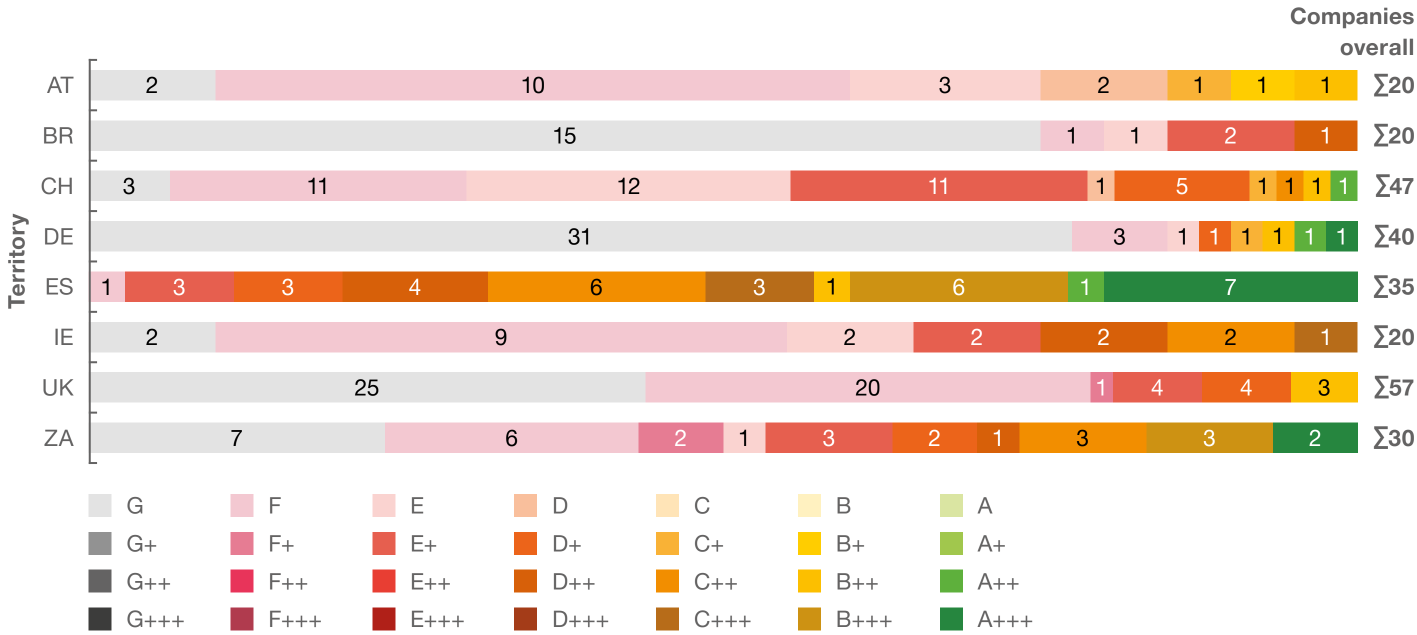
Disclosure 207-4 – Country-by-country reporting
The CbCR disclosures set out in GRI 207-4 are largely consistent with the EU public CbCR Directive and BEPS Action 13. They require reporting the following items for each jurisdiction:
- names of the business entities
- principal activity
- number of employees
- revenue from intercompany transactions with other jurisdictions as well as with third parties
- profit/loss before tax
- corporate income taxes paid and accrued and
- reasons for the difference between the corporate income taxes paid/accrued and the statutory tax rate.

Figure 12 shows the distribution of companies' ratings based on their CbCR disclosures. More than three quarters of the Brazilian, German and UK companies, and between half and two thirds of the Austrian, Irish and South African companies reviewed did not provide any of the information that could be used to assess them against GRI 207-4 and so received an F or G rating.[44] In contrast, 42.9% of the Spanish companies reviewed provided an almost complete public CbCR.

Some companies provided some of the information required by CbCR, such as the number of employees per country or the names and activities of the group's entities in each jurisdiction, but did not provide the key CbCR information, such as the income tax paid per jurisdiction. These companies were rated with F or E (for more information on the methodology, see Section F).

As mentioned above, it will be interesting to see how this disclosure will evolve in future years with the obligation to publish CbCR data due to the EU Directive coming into effect.

Fig. 12 Distribution of companies' ratings based on GRI 207-4



[44] More precisely, 60% of the AT, 80% of the BR, 29.8% of the CH, 85% of the DE, 2.5% of the ES, 55% of the IE, 78.9% of the UK and 50% of the ZA companies.

2 S&P Global Corporate Sustainability Assessment (CSA)

Institutional and private investors are increasingly using ESG ratings and indices to guide their investment decisions. Among the growing number of sustainability-related ratings and indices, many of which incorporate some aspects of tax transparency, we have chosen the S&P Global CSA to assess companies' compliance with ESG tax reporting requirements as perceived by investors. The S&P Global CSA has, compared to other ESG rating frameworks, comprehensive criteria for the disclosure of a tax strategy, governance and reporting by the companies evaluated.

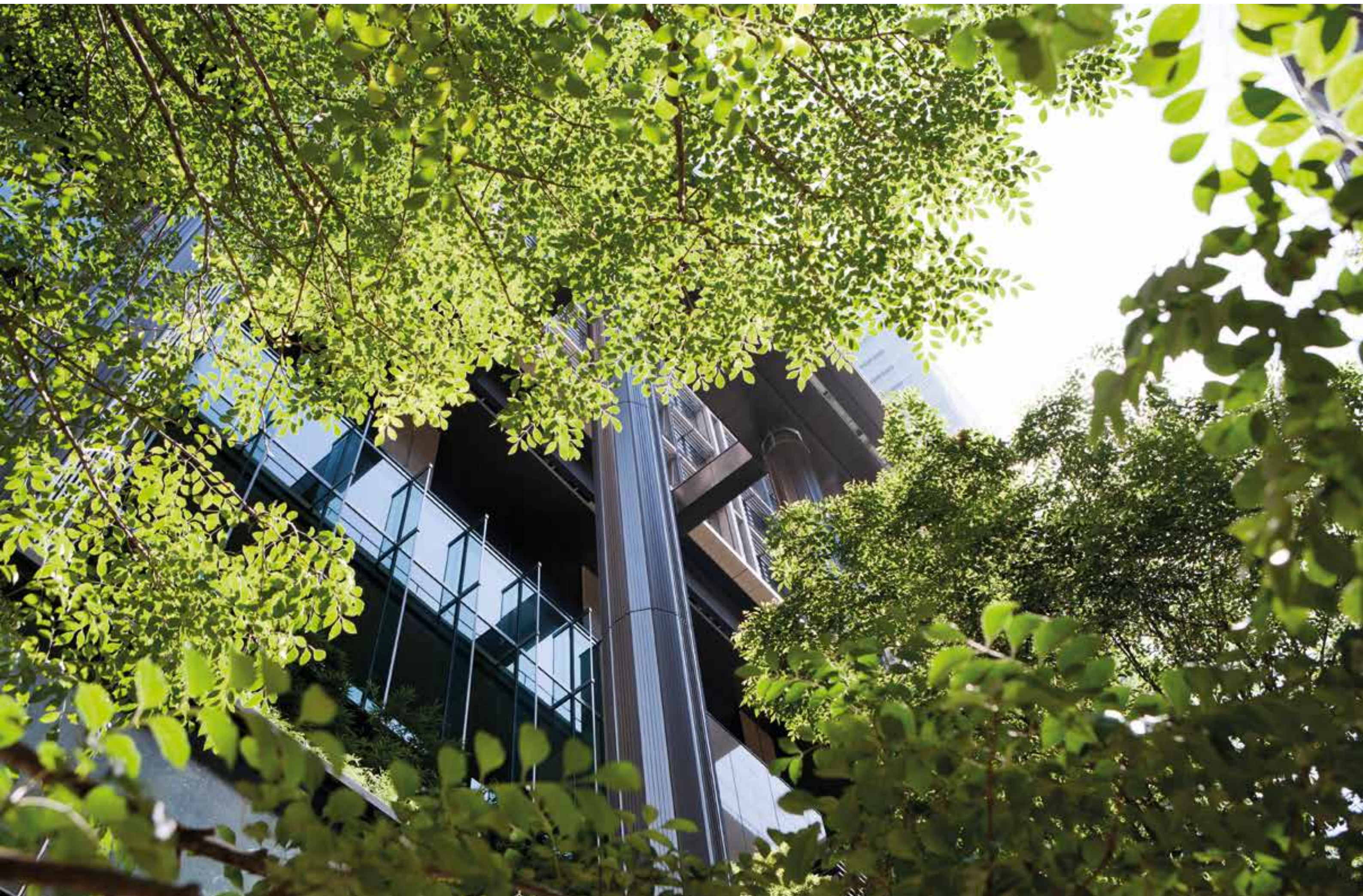
The CSA's tax strategy criteria consist of three questions covering:

1. tax strategy and governance,
2. tax reporting in the different jurisdictions
3. effective tax rate and cash tax rate of the respective companies.

S&P provides additional definitions, guidelines and data requirements for each question, but does not disclose a detailed methodology on how it scores each question. Companies can, however, request their individual results from S&P. Our study, in contrast, simply determines whether information exists that relates to the questions raised in the S&P Global CSA and does not judge the quality of this information. Due to this difference in approach, this study is not intended to replicate the S&P Global CSA and may reach different conclusions in individual cases.

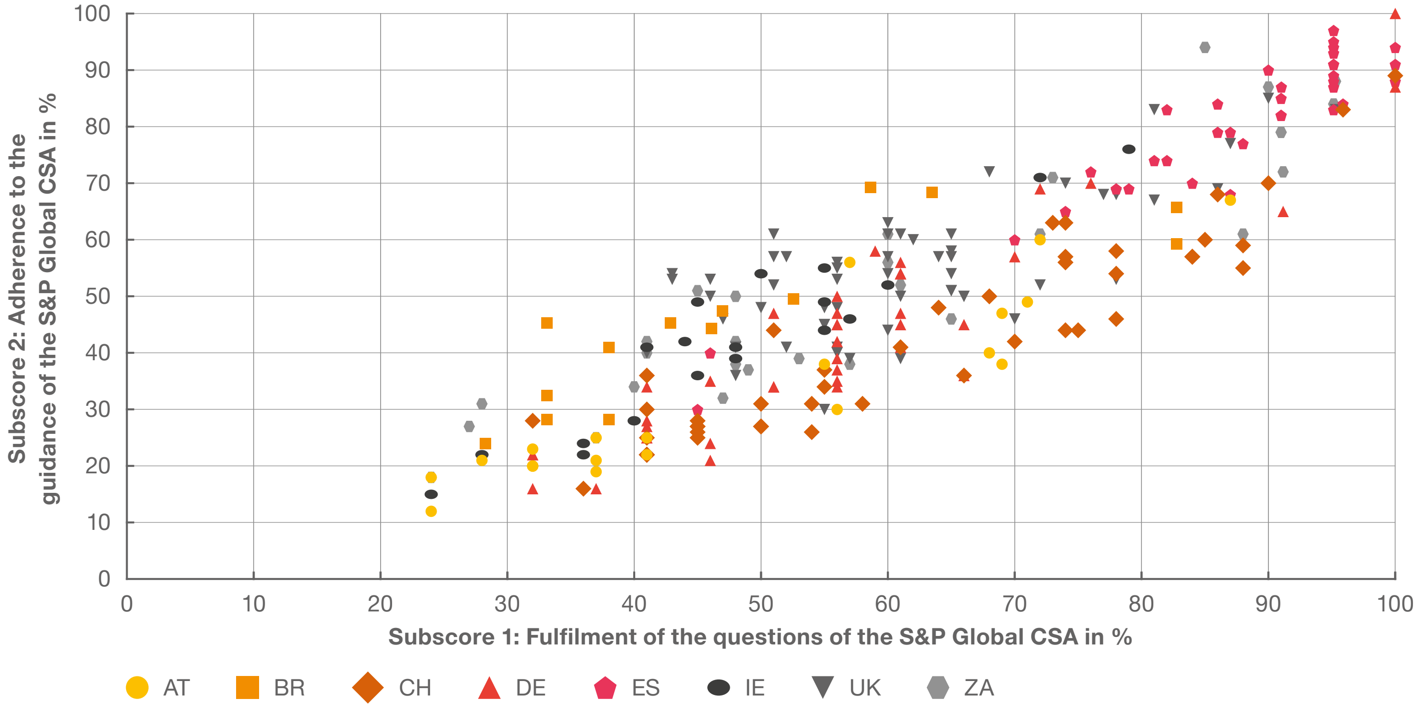
S&P Global Corporate Sustainability Assessment

The Dow Jones Sustainability Indices (DJSI) were launched on 8 September 1999. The components of the DJSI are selected, among other factors, based on the S&P Global ESG Score, which is derived from the annual S&P Global Corporate Sustainability Assessments (CSA). The tax strategy criterion of the S&P Global CSA accounts for up to 3% of the overall score, depending on the industry.



The performance of the 269 companies against the S&P Global CSA questions is shown in Figure 13. The x-axis shows the extent to which the different questions could be answered based on a company's reporting, while the y-axis indicates the degree of compliance with the guidelines.

Fig. 13 Ranking based on S&P Global CSA



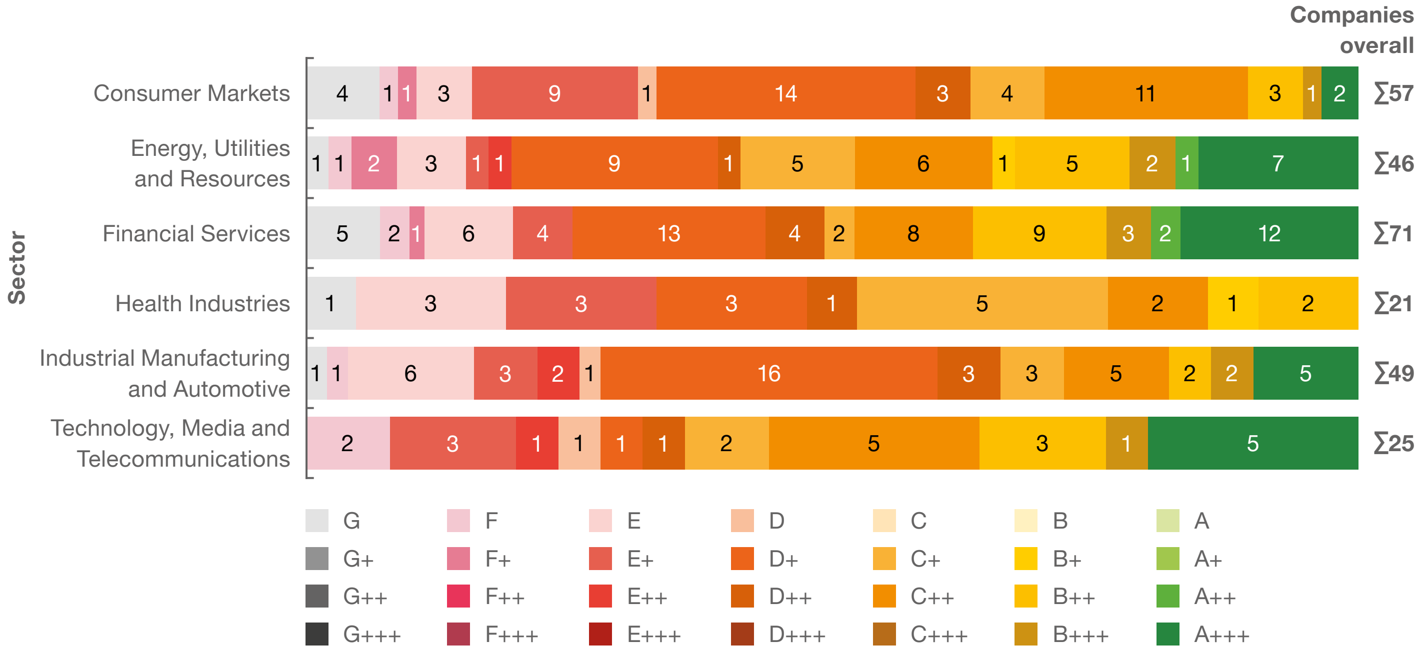
The distribution of company ratings for alignment with the S&P Global CSA is similar to the corresponding ratings for GRI 207: Tax 2019. However, every company fulfils at least 20% of the total requirements of the CSA. This is largely due to companies meeting the requirements of Question 3 of the CSA, which covers a company's effective tax rate. This is also a mandatory requirement of many national and international accounting standards.

Nearly all of the Spanish companies in this study meet 70% or more of the S&P Global CSA requirements. Also noteworthy are nine South African, nine Swiss, six UK, three German, two Brazilian and one Austrian companies that score 80% or more.

Impact on the capital market and investor's view

The expectations of institutional investors and major shareholders are important for many companies. Some examples of how shareholders' expectations are changing include the Principles for Responsible Investment (PRI), which has published an Investor Guide on Tax Transparency; the Danish pension fund, Active Owners, which has published a Tax Code of Conduct; and the Central Bank of Norway and the Ethos Foundation, a Swiss-based investor, which have published their expectations for tax transparency reporting and responsible tax risk management.

Fig. 14 Distribution of ratings by sector based on S&P Global CSA



The companies' scores by industry sector (Figure 14) reveal a similar picture to the corresponding analysis for GRI 207 (Figure 8). One third of companies in the energy, utilities and resources; technology, media and telecommunications; and the financial services sectors received ratings in the upper range (B or better). As with the GRI-207, some of the overall front-runners for alignment with the S&P Global CSA are found in these three industries, including Adecco, Allianz, Banco Santander, BBVA, Deutsche Telekom, Discovery, Nedbank, Repsol, Swiss Re, Telefónica and Vodacom.

These sectors may score well against GRI 207: Tax 2019 and the S&P Global CSA because many of the companies in these sectors are subject to sector-specific reporting requirements. Banks and other financial service providers in the EU are subject to mandatory disclosure obligations under Directive 2013/34/EU,[45] while extractive companies in the European Union are subject to 2013/36/EU.[46] Further reporting regulations are imposed by the Sustainable Finance Disclosure Regulation[47] and the EU Taxonomy Regulation.[48] In addition to this regulatory pressure, we can see a trend towards increased tax transparency within certain sub-industries. This trend will be monitored and explored in future years of this study and additional publications.

[45] Directive 2013/34/EU of the European Parliament and the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, OJEU 26 June 2013, L 182/19.
[46] Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, OJEU 27 June 2013, L 176/338.
[47] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure in the financial services sector, OJEU 9 December 2019, L 317/1.
[48] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 of the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088, OJEU 22 June 2020, L 198/13.

1

2.1 Question 1 – Tax Strategy and Governance

Question 1 – Tax Strategy and Governance
Question 1 of the S&P Global CSA assesses whether companies have a publicly accessible, group-wide tax policy or strategy and disclose information on tax governance. Unlike GRI 207-1, which also accepts a summary of a non-public or non-group-wide tax strategy if the company explains its position in its report, Question 1 of the S&P Global CSA requires explicit voluntary commitments to:

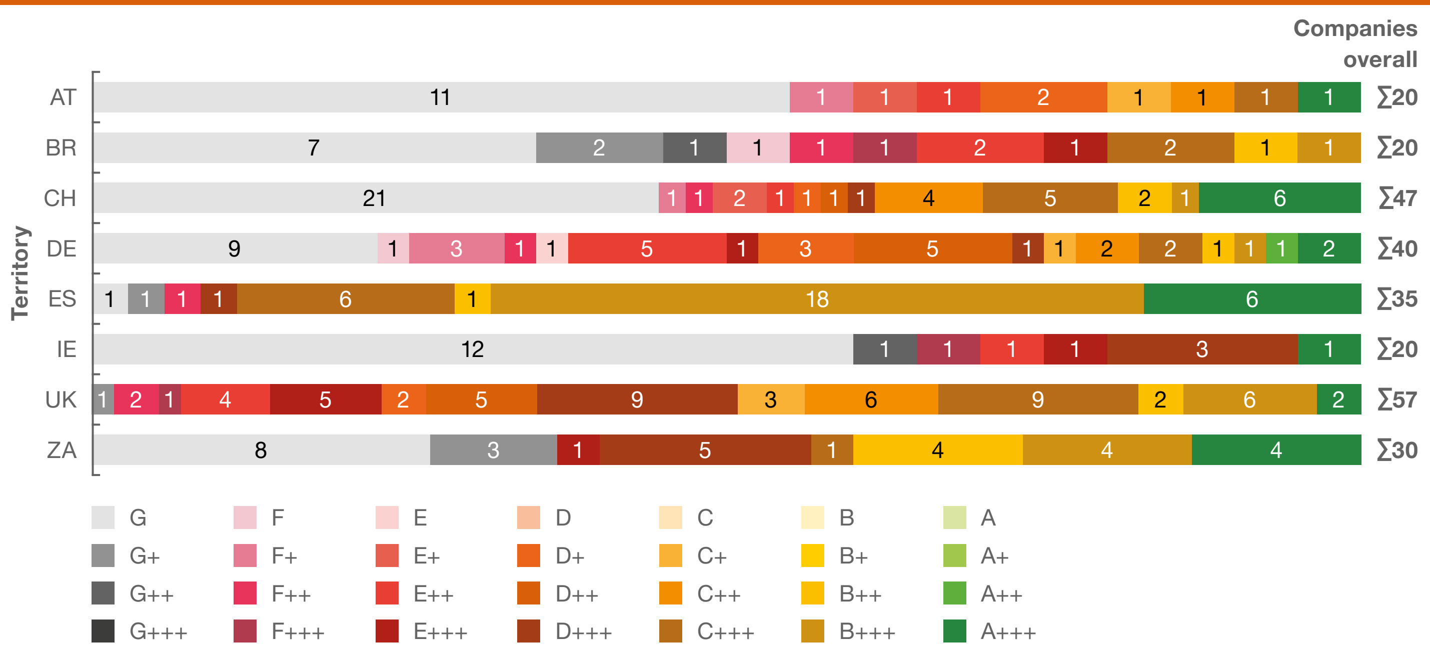
- avoid using tax havens for tax avoidance purposes
- refrain from shifting value creation to low-tax jurisdictions
- eschew tax structures without economic substance
- apply the arm's length principle
- subject the tax strategy to board approval and
- comply with the letter and spirit of the law.

A tax strategy that meets the criteria of GRI 207-1 usually also satisfies the more specific requirement of Question 1 of the S&P Global CSA. This is reflected in the similar results (Figure 15).[49]

Overall, South African and Spanish companies scored highly on Question 1 of the S&P Global CSA more often than companies from other countries. Over two thirds of the Spanish and almost half of the South African companies evaluated received a rating in the upper range (B or better). For the other countries, less than 20%[50] of the companies achieved a B rating or higher. Around two-thirds of the Irish companies, and about half of the Austrian, Brazilian and Swiss companies, did not publish any information relevant to Question 1 of the S&P Global CSA and were rated G as a result.[51]

This is consistent with the findings discussed in Chapter C regarding overall tax strategy – companies tend to make less explicit commitments about their tax strategy. Since such commitments are expected by Question 1 of the S&P Global CSA, it is not surprising that the ratings for this Question are generally lower than for GRI's disclosure on tax strategy (GRI 207-1).

Fig. 15 Distribution of companies' ratings based on S&P CSA-Question 1



[49] More precisely, 45% of the AT, 70% of the BR, 54% of the CH, 78% of the DE, 97% of the ES, 40% of the IE, 100% of the UK and 67% of the ZA companies report in accordance with the tax strategy requirements of CSA Question 1 whereas Requirement 207-1-a-i is met by 50% of the AT, 75% of the BR, 54% of the CH, 78% of the DE, 97% of the ES, 50% of the IE, 100% of the UK and 63% of the ZA companies.

[50] More precisely, 5% of the AT, 10% of the BR, 19.1% of the CH, 12.5% of the DE, 71.4% of the ES, 5% of the IE, 17.5% of the UK and 40% of the ZA companies.

[51] More precisely, 55% of the AT, 50% of the BR, 44.7% of the CH, 22.5% of the DE, 5.7% of the ES, 65% of the IE, 1.8% of the UK and 36.7% of the ZA companies.

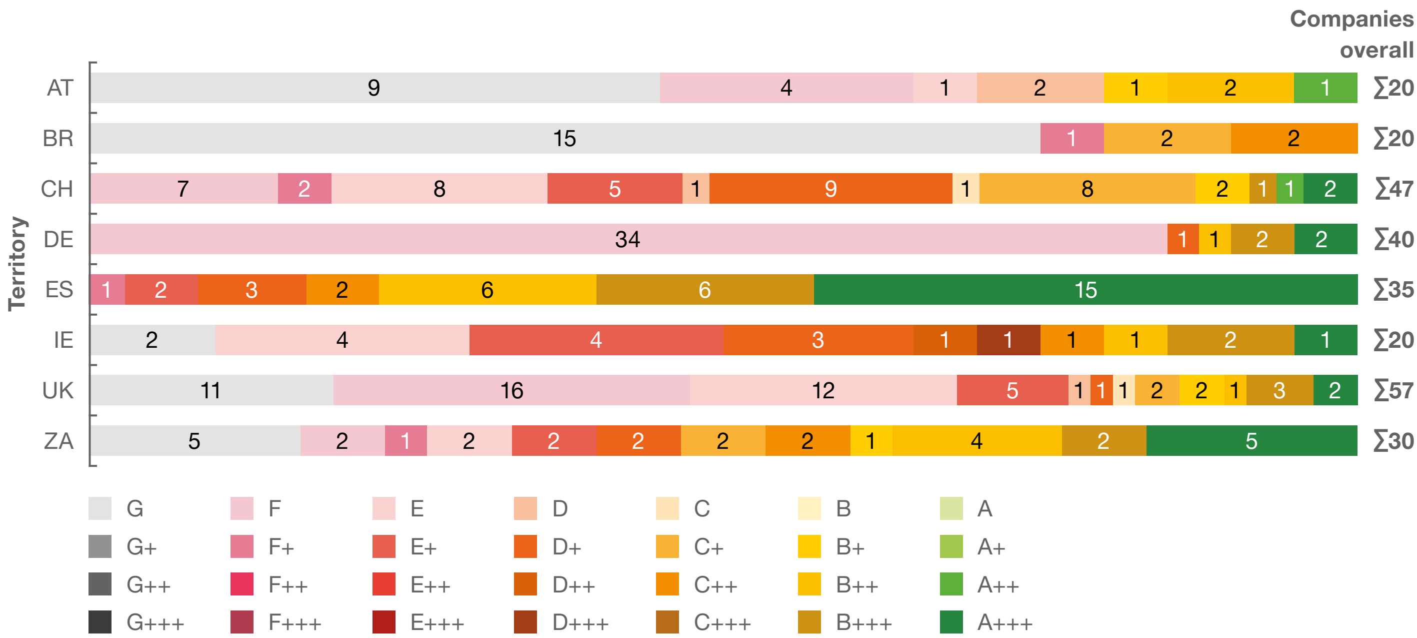
2.2 Question 2 – Tax Reporting

Question 2 – Tax Reporting
Question 2 of the S&P Global CSA asks for a country-by-country report (CbCR) similar to the one required by GRI 207-4. S&P cites GRI 2-1 (2021) and 207-4, and mentions WEF Metrics – Total tax paid by country for significant locations and OECD/G20: BEPS Action 13, as references for this question. However, S&P also sets a materiality threshold of 90% for reportable sales, profit before tax and income taxes incurred or paid. This means that companies must disclose 90% of each consolidated total separately by country and can aggregate the remaining up to 10% as "other".

The country-specific information that Question 2 requires is very similar to the public CbCR under GRI 207-4, so our assessment produces similar results (Figure 16). Of our sample, twenty-seven companies in Spain, twelve in South Africa, six in Switzerland and the UK, five in Germany, four in Austria and Ireland, and none in Brazil provide a nearly complete CbCR.

The public CbCR implementation of Law 11/20218 in Spain explains why 77.1% of the Spanish companies achieve a rating in the upper range (B or better). Most of the companies from Germany, Ireland, South Africa, Switzerland, and the UK receive a rating in the lower mid-range (F to E++).[52] Three-quarters of the Brazilian and almost half of the Austrian companies[53] do not publish any information relevant to Question 2 of the S&P Global CSA, so they received a G rating.

Fig. 16 Distribution of companies' ratings based on S&P CSA-Question 2



52 More precisely, 25% of the AT, 5% of the BR, 46.8% of the CH, 85% of the DE, 8.5% of the ES, 40% of the IE, 58% of the UK and 23.3% of the ZA companies.
53 Namely, 45% of the AT and 75% of the BR companies.

2.3 Question 3 – Effective Tax Rate

Question 3 – Effective Tax Rate
Question 3 asks for the profit before tax and reported taxes, as well as the average effective tax rate (ETR), of the last two years in a table. It also requires disclosure of the tax payments from the cash flow statement and the resulting cash tax rate. The S&P Global CSA evaluates not only the disclosure of this information, but also the comparison with industry peers on the average ETR and corporate tax rates (CTR) they paid in the same period. S&P refers to the OECD-BEPS framework and WEF Metrics – Total tax paid by country for significant locations.

In this study, we assessed companies based solely on the availability of public information that covers the data required by Question 3. Figure 17 below shows that most of the companies in this study (84%) scored B or higher for this question. This is much higher than for the other S&P Global CSA questions, largely due to the mandatory disclosure of some information, such as the total profit before tax or tax paid, for listed companies.

Many national and international accounting standards, such as IFRS and US GAAP, also require disclosing a group wide ETR. Therefore, even if some countries (e.g., South Africa and Brazil) do not have specific accounting rules for disclosing certain information requested by S&P Global CSA, the general adoption of international standards means that companies still have to provide some data.

The calculation of the ETR according to Question 3 starts with the profit before tax and the tax charge for the last two financial years, which are available in the annual financial statements of all the companies we reviewed. The ETR can be derived from these two figures and was also reported by most of the companies we reviewed.[54]

Fig. 17 Distribution of companies' ratings based on S&P CSA-Question 3

[54] More precisely, 85% of the AT, 100% of the BR, 85% of the CH, 100% of the DE, 100% of the ES, 100% of the IE, 98% of the UK and 100% of the ZA companies.

3 OECD Guidelines for Multinational Enterprises

Of the three requirements of Chapter XI of the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, a quarter of the German, South African and Swiss companies that we reviewed met all three (Figure 18). A sixth of the Brazilian and Spanish companies and less than 10% of the Austrian, Irish and UK companies received an A rating.[55] Two thirds of Spanish and UK companies, and between a quarter and a third of the companies in the other countries,[56] met two of the three requirements, which equated to a C rating.

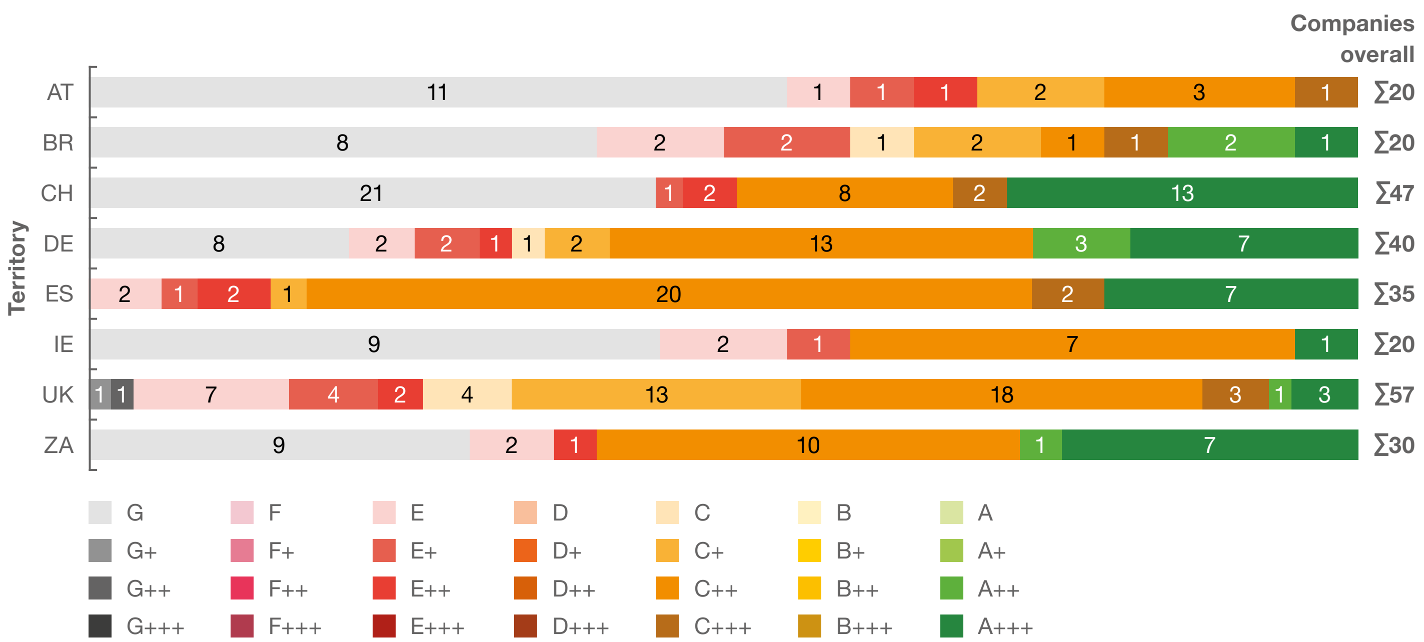
OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

First adopted in 1976 and last amended on 8 June 2023, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct also include taxation requirements in Chapter XI. These focus mainly on the timely transmission of tax information to the competent tax authorities, the strategic handling of tax risks, compliance with the arm's length principle and the principle of "complying with the letter and spirit of the law".

For alignment with the detailed comments in Chapter XI of the Guidelines, a ++ or +++ qualifier was given to almost all of the Spanish, and two thirds of the German and South African companies we reviewed. For the other countries, around 20% to 50% of companies received a ++ or +++ qualifier.[57]

A third of the South African companies and around 40% to 50% of companies in Austria, Brazil, Ireland and Switzerland[58] did not publish any information that could be used to assess their alignment with the OECD Guidelines and were assigned the lowest rating of G as a result.

Fig. 18 Distribution of companies' ratings based on the OECD Guidelines



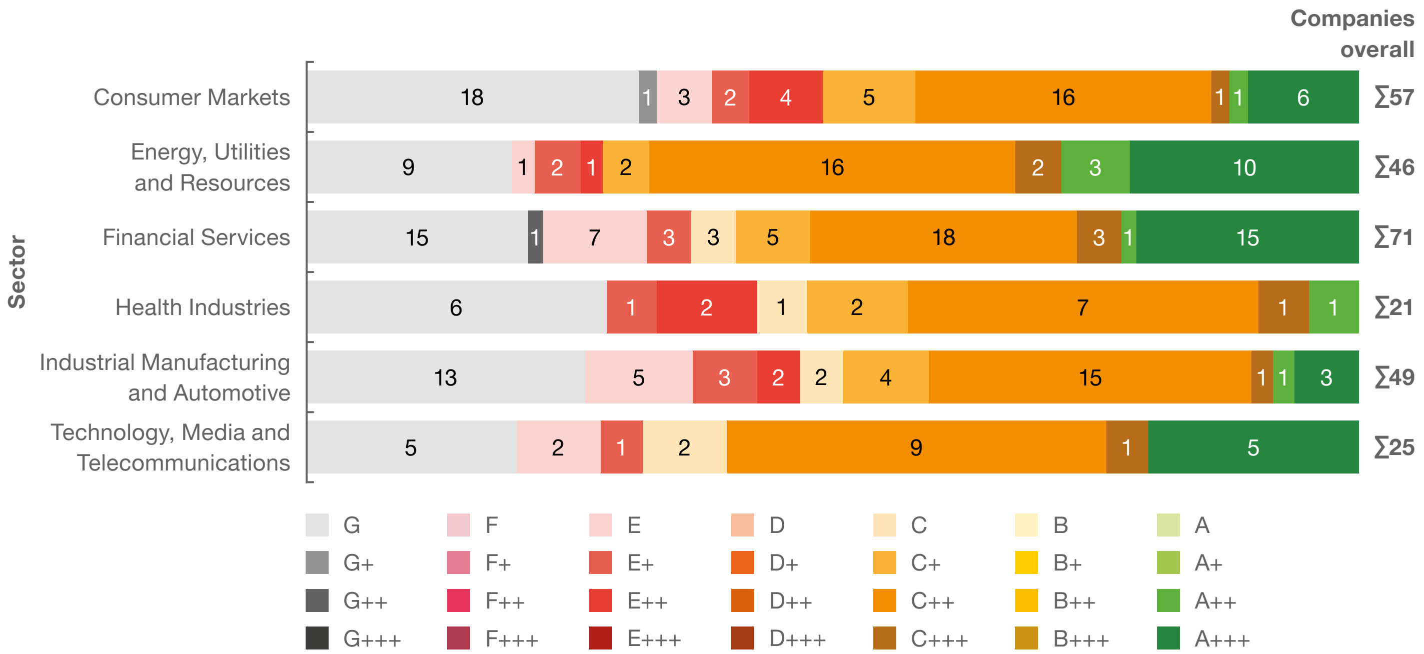
55 0% of the AT, 15% of the BR, 27.% of the CH, 25% of the DE, 20% of the ES, 5% of the IE, 7% of the UK and 26.7% of the ZA companies.
56 30% of the AT, 25% of the BR, 21.3% of the CH, 42.5% of the DE, 65.7% of the ES, 35% of the IE, 66.7% of the UK and 33.3% of the ZA companies.
57 20% of the AT, 25% of the BR, 53.2% of the CH, 62.5% of the DE, 88.6% of the ES, 40% of the IE, 49.1% of the UK and 63.3% of the ZA companies.
58 55% of the AT, 40% of the BR, 44.7% of the CH, 0% of the ES, 45% of the IE, and 30% of the ZA companies.

Minimum Social Safeguards of the EU-Taxonomy

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (2023) gain importance through their connection with the EU Taxonomy. Article 3 lit. c in conjunction with Article 18 of the EU Taxonomy contains the mandatory minimum safeguards. These include the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The results by sector (Figure 19) paint a similar picture to the industry analysis for GRI-207 and S&P Global CSA. Again, the energy, utilities and resources, financial services, and technology, media and telecommunications sectors scored most highly with the most overall ratings in the upper range (B or better). These sectors contain many of the highest scoring companies, including, Allianz, AngloGoldAshanti, Banco do Brasil, Banco Santander, Deutsche Telekom, Discovery, E.ON, Glencore, Julius Baer, Impala, Munich Re, Nedbank, SAP, Sika, Swiss Re, Telefónica, Zurich Insurance.

Fig. 19 Distribution of ratings by sector based on the OECD Guidelines



4 WEF White Paper on Measuring Stakeholder Capitalism

One of the metrics proposed by the WEF is the Total Tax Contribution (TTC), which measures the total amount of taxes borne and collected by a company, including income, property, sales and payroll taxes, as well as any other taxes paid and collected. We reviewed the TTC disclosures of 269 companies across eight countries and found significant variations in their practices (Figure 20). Three-quarters of the South African and Spanish companies, and two-thirds of the UK companies, published at least one of the elements of TTC (e.g., only taxes borne, overall TTC number, TTC by country or by region), while only a quarter of the Irish companies and less than 15% of the Austrian, Brazilian and German companies did so.[59]

Stakeholder Capitalism Metrics of the World Economic Forum

The World Economic Forum (WEF) launched the Stakeholder Capitalism Metrics initiative at its Annual Meeting in Davos in 2020, with the endorsement of more than 140 CEOs. The initiative aims to establish a common benchmark for corporate sustainability reporting based on existing standards for ESG indicators and corporate contributions to the UN SDGs. The results of a further consultation process were summarised in a white paper published in September 2020.

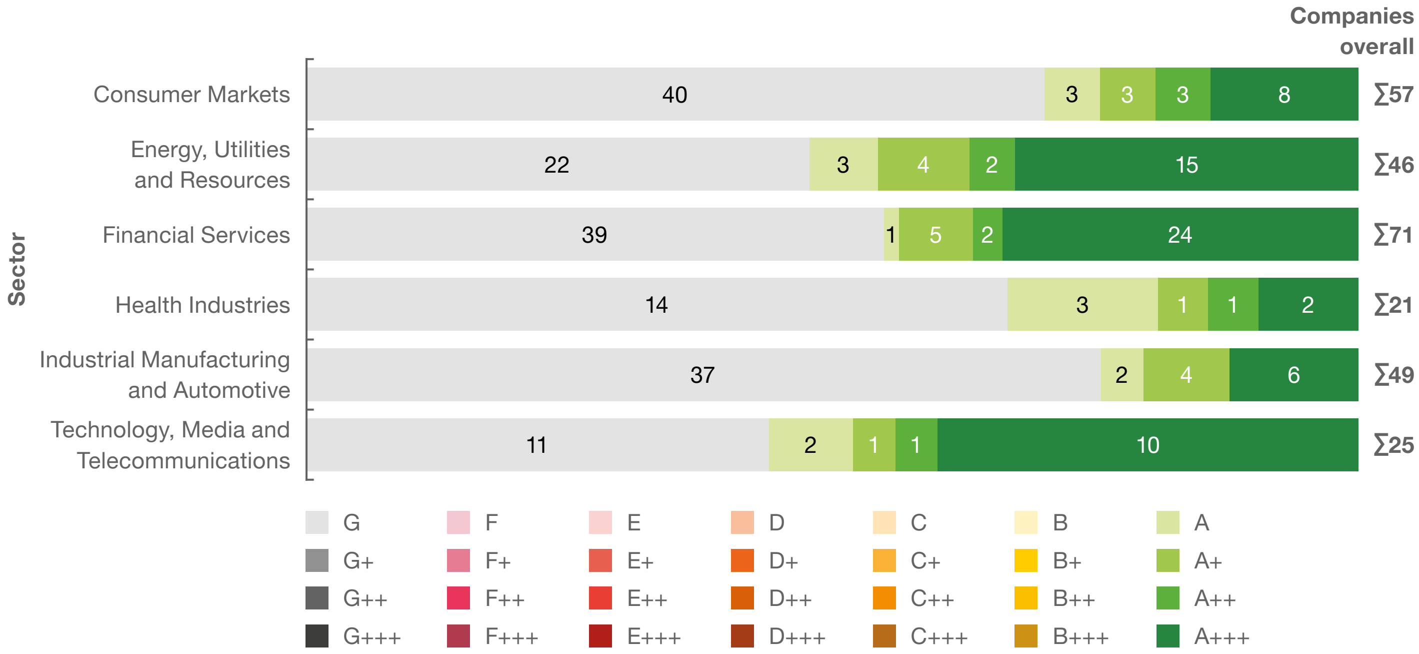
In the EU, companies tend to publish their CbCR data instead of their TTC. However, Spanish companies often publish both their TTC and their CbCR. In the other countries, only a few pioneers in tax reporting disclose their TTC, such as AIB, Allianz, Deutsche Telekom, Munich Re, Partners Group, Petrobras, RWE, Swiss Re, Vale and Zurich Insurance.

Fig. 20 Distribution of companies' ratings based on the WEF White Paper

[59] None of the AT, 15% of the BR, 21.3% of the CH, 10% of the DE, 74.2% of the ES, 25% of the IE, 61.4% of the UK and 76.7% of the ZA companies.

When we looked at the TTC disclosures by industry (Figure 21), on average, half of the companies in the energy, utilities and resources, financial services, and technology, media and telecommunications sectors published at least the taxes borne element of their TTC, while two thirds to three quarters of the companies in the other sectors did not. However, some pioneers emerged in the sectors where TTC was less common, such as ACS, Acciona, Adecco, AENA, Ashtead Group, Aspen, AstraZeneca, Coca-Cola HBC, Entain, Ferrovial, Grifols, IHG, Inditex, Merlin, Nestlé, Richemont and SACYR.

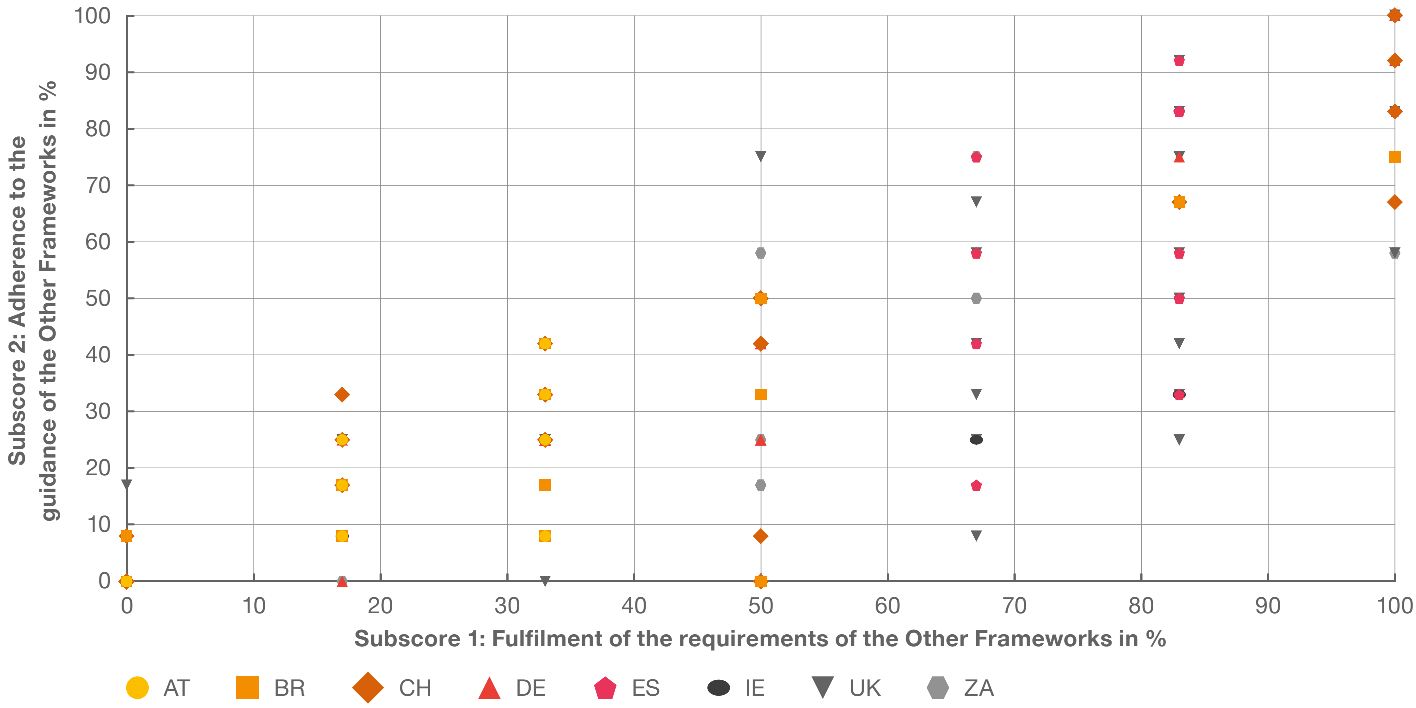
Fig. 21 Distribution of ratings by sector based on the WEF White Paper



To enable a better comparison with GRI 207 and the S&P Global CSA, which have more requirements and focus on both qualitative and quantitative disclosures, we combined the qualitative requirements of the OECD and the quantitative indicators of the WEF's TTC metric into one rating, called "Other Frameworks". Figure 22 shows how the 269 companies surveyed performed against the OECD and WEF requirements ("Other Frameworks"). The scores of the companies under this rating were markedly lower than under GRI 207 or the S&P Global CSA, as TTC data is rarely disclosed in Austria, Brazil, Germany and Ireland. We expect that companies in these countries will increasingly publish their TTC in the future, possibly to provide context for their mandatory public CbCR data.

Only seven companies in South Africa, six in Spain, five in Switzerland, four in Germany, two in the UK, one in Brazil and one in Ireland achieved the highest rating of A+++ under the "Other Frameworks" category, while none did so in Austria. Most of the companies in Austria, Brazil, Germany, Ireland and Switzerland received a rating in the lower range (less than 40%),[60] while in South Africa, Spain and the UK, companies mostly received a rating in the upper range (more than 80%).[61]

Fig. 22 Ranking based on Other Frameworks



[60] 100% of the AT, 75% of the BR, 63.8% of the CH, 72.5% of the DE, 22.9% of the ES, 75% of the IE, 36.8% of the UK and 20% of the ZA companies.
[61] 0% of the AT, 10% of the BR, 14.9% of the CH, 10% of the DE, 68.6% of the ES, 10% of the IE, 49.1% of the UK and 53.3% of the ZA companies.

F Methodology

We collected data from all the information that the companies under review had published, regardless of whether it openly referred to any of the frameworks we examined. The appendix shows the specific sources we used to gather data on the companies until the cut-off date of 31 August 2023. We tried to include all relevant public information, but we cannot guarantee the completeness of our data sources.

We evaluated whether the companies' tax disclosures contained data that could help them comply with the requirements and related guidance of the GRI 207: Tax 2019 standard, the tax strategy criterion of the S&P Corporate Sustainability Assessment, the OECD Guidelines for Multinational Enterprises and the WEF white paper Measuring Stakeholder Capitalism. We only considered the presence of certain data points and did not assess the informative value, scope or quality of the published information. We used 158 datapoints to measure alignment with the four frameworks.

All frameworks have requirements as well as guidance or other comments that explain their meaning. We granted a rating of A to G based on

A+++
A++
A+
A
B+++
B++
B+
B
C+++
C++
C+
C
D+++
D++
D+
D
E+++
E++
E+
E
F+++
F++
F+
F
G+++
G++
G+
G

Rating based on the requirements and on the guidance
The figures show the overall rating consisting of the mandatory disclosures ("requirements") A to G as well as disclosing additional information ("Guidance") "+" up to "+++".

Requirements:

A – 90–100%: Highest degree of transparency – either all or almost all mandatory reporting requirements have been disclosed

B – 75–90%: High degree of transparency – almost all mandatory reporting requirements have been disclosed

C – 60–75%: Above-average degree of transparency – many mandatory reporting requirements have been disclosed

D – 45–60%: Medium degree of transparency – about half of the mandatory reporting requirements have been disclosed

E – 30–45%: Moderate degree of transparency – few mandatory reporting requirements have been disclosed

F – 15–30%: Low degree of transparency – very few mandatory reporting requirements have been disclosed

G – 0–15%: Rudimentary degree of transparency – very few to no mandatory reporting requirements have been disclosed

Guidance:

A+ to G+ – 25–50%: Low degree of additional transparency

A++ to G++ – 50–75%: Medium level of additional transparency

A+++ to F+++ – 75–100%: High degree of additional transparency the requirements (subscore 1), and a qualifier of up to +++ based on alignment with additional guidance or commentary (subscore 2). Ratings ranged from a minimum of G to a maximum of A+++. The rating is based on the percentage of points awarded out of the maximum possible score and was developed from a research project at the Free University of Berlin.

The GRI framework rating consisted of four disclosures: three management approach disclosures (GRI 207-1 to GRI 207-3), which accounted for 90% (30% each) of the rating, and one topic-specific disclosure (GRI 207-4) on public CbCR, which accounted for 10% of the rating. The disclosure GRI 207-4 on public CbCR included recommendations such as a TTC, besides the requirements and guidance for public CbCR. In the rating for GRI 207-4, 80% of the score came from the requirements and 20% from the recommendations.

The S&P Global CSA rating was based on three questions on tax information, each with equal weight. The Other Frameworks rating combined the OECD and WEF guidelines, each contributing 50% to the rating.

Overview of companies included in this study

Country	Index name	Companies included/ Companies in the index
Austria	Austrian Traded Index (ATX)	20/20
Brazil	Bovespa Index (IBOVESPA)	20/92
Germany	Deutscher Aktienindex (DAX)	40/40
Ireland	Euronext Dublin	20/20
South Africa	Johannesburg Stock Exchange (JSE)	30/302
Spain	Iberia Index (IBEX)	35/35
Switzerland	Swiss Market Index Expanded (SMIEXP)	47/47
UK	Financial Times Stock Exchange (FTSE)	57/100

G Ranking of companies evaluated

Fig. 23 Ranking of companies evaluated

GRI 207: Tax 2019				S&P Global CSA			
Ranking	Country	Subscore 1	Subscore 2	Ranking	Country	Subscore 1	Subscore 2
1	South Africa	100%	100%	**1**	Germany	100.00%	100%
2	Spain	100%	98%	**2**	Spain	100.00%	94%
3	Spain	100%	90%	**3**	Spain	100.00%	91%
4	Germany	100%	87%	**4**	Switzerland	100.00%	89%
5	Spain	99%	95%	**5**	Spain	100.00%	88%
6	Spain	99%	85%	**6**	Germany	100.00%	87%
7	Spain	99%	79%	**7**	Spain	95.88%	84%
8	Spain	99%	78%	**8**	Switzerland	95.88%	83%
9	Spain	99%	76%	**9**	South Africa	95.29%	88%
10	Germany	99%	71%	**9**	South Africa	95.29%	88%
11	South Africa	98%	94%	**10**	UK	95.29%	83%
12	UK	98%	78%	**11**	Spain	95.14%	97%
13	Spain	97%	71%	**12**	Spain	95.14%	95%
14	Brazil	96%	76%	**13**	Spain	95.14%	94%
15	South Africa	95%	86%	**14**	Spain	95.14%	93%
16	Spain	95%	76%	**15**	Spain	95.14%	91%
17	UK	95%	75%	**15**	Spain	95.14%	91%
18	South Africa	94%	91%	**16**	Spain	95.14%	89%
19	Switzerland	94%	72%	**17**	Spain	95.14%	88%
20	Spain	94%	66%	**18**	Spain	95.14%	87%
21	UK	93%	80%	**19**	South Africa	95.14%	84%
22	UK	93%	62%	**20**	Spain	95.14%	83%
23	Switzerland	92%	67%	**21**	South Africa	91.16%	72%
24	Germany	91%	67%	**22**	Germany	91.16%	65%
25	Austria	91%	57%	**23**	Spain	91.02%	87%

1 Overview of the reports considered

Fig. 24 Overview of the AT companies

Company	Industry/sector	Reporting period	Reports considered
Andritz	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report
AT&S AUSTRIA TECH.&SYSTEMTECH	Technology, Media and Telecommunications	1.4.2022–31.03.2023	Annual Report
Bawag Group	Financial Services	1.1.–31.12.2022	Annual Report, Tax Strategy
CA Immobilien Anlagen	Financial Services	1.1.–31.12.2022	Annual Report
DO & CO	Consumer Markets	1.4.2022–31.3.2023	Sustainability Report, Annual Report
Erste Group Bank	Financial Services	1.1.–31.12.2022	Annual Report, Tax Code of Conduct
EVN	Energy, Utilities and Resources	1.10. 2021–30.09.2022	Annual Report
Immofinanz	Financial Services	1.1.–31.12.2022	Annual Report
Lenzing	Energy, Utilities and Resources	1.1.–31.12.2022	Sustainability Report, Annual Report
Mayr-Melnhof Karton	Consumer Markets	1.1.–31.12.2022	Annual Report
OMV	Energy, Utilities and Resources	1.1.–31.12.2022	Annual Report, Tax Strategy
Österreichische Post	Consumer Markets	1.1.–31.12.2022	Sustainability Report, Annual Report
Raiffeisen Bank International	Financial Services	1.1.–31.12.2022	Sustainability Report, Annual Report
Schoeller-Bleckmann Oilfield Equipment	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report
Strabag	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report
Uniqa Insurance Group	Financial Services	1.1.–31.12.2022	Annual Report
Verbund	Energy, Utilities and Resources	1.1.–31.12.2022	Annual Report, Disclosures on Management Approach
Vienna Insurance Group	Financial Services	1.1.–31.12.2022	Sustainability Report, Annual Report
Voestalpine	Energy, Utilities and Resources	1.4.2022–31.03.2023	Sustainability Report, Annual Report
Wienerberger	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Statement on Tax Transparency

Fig. 25 Overview of the BR companies

Company	Industry/sector	Reporting period	Reports considered
Ambev	Consumer Markets	1.1.2022–31.12.2022	Annual and ESG Report, Financial Statements
B3	Financial Services	1.1.2022–31.12.2022	Annual Report, Financial Statements
Banco do Brasil	Financial Services	1.1.2022–31.12.2022	Annual Report, Financial Statements
BB Seguridade	Financial Services	1.1.2022–31.12.2022	Sustainability Report, Financial Statements
Bradesco	Financial Services	1.1.2022–31.12.2022	Integrated Report, Financial Statements
BTG Pactual	Financial Services	1.1.2022–31.12.2022	Annual Report, Financial Statements
Eletrobras	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Report, Financial Statements
Gerdau	Energy, Utilities and Resources	1.1.2022–31.12.2022	Sustainability Report, Financial Statements
Itau Unibanco	Financial Services	1.1.2022–31.12.2022	ESG Report, Financial Statements
Itausa	Financial Services	1.1.2022–31.12.2022	Integrated Report, Financial Statements
JBS	Consumer Markets	1.1.2021–31.12.2021	Sustainability Report, Financial Statements
Localiza	Consumer Markets	1.1.2022–31.12.2022	Sustainability Report, Financial Statements
Petrobras	Energy, Utilities and Resources	1.1.2022–31.12.2022	Tax Report, Financial Statements
Raia Drogasil	Consumer Markets	1.1.2022–31.12.2022	Annual and Sustainability Report, Financial Statements
Rede D'Or	Health Industries	1.1.2022–31.12.2022	Annual Sustainability Report, Financial Statements
Santander	Financial Services	1.1.2022–31.12.2022	ESG Report, Financial Statements
Suzano	Consumer Markets	1.1.2022–31.12.2022	Sustainability Report, Financial Statements
Telefonica Brasil (Vivo)	Technology, Media and Telecommunications	1.1.2022–31.12.2022	Integrated Report, Financial Statements
Vale	Energy, Utilities and Resources	1.1.2022–31.12.2022	Tax Transparency Report, Financial Statements
WEG	Industrial Manufacturing and Automotive	1.1.2022–31.12.2022	Integrated Annual Report, Financial Statements

Fig. 26 Overview of the CH companies (1/2)

Company	Industry/sector	Reporting period	Reports considered
ABB	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Financial Report, Integrated Report, Sustainability Report, Tax Policy
Adecco	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Tax Transparency Report
Alcon	Health Industries	1.1.–31.12.2022	Annual Report, Social Impact and Sustainability Report
ams-OSRAM	Technology, Media and Telecommunications	1.1.–31.12.2022	Annual Report, Sustainability Report
Bachem	Health Industries	1.1.–31.12.2022	Annual Report, Sustainability Procurement Commitment
Baloise	Financial Services	1.1.–31.12.2022	Annual Report, Annual Review, Sustainability (section on website)
Barry Callebaut	Consumer Markets	01.09.2021–31.08.2022	Annual Report, GRI Report, Forever Chocolate Assurance Report
Belimo	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, GRI Content Index
Clariant	Energy, Utilities and Resources	1.1.–31.12.2022	Financial Report, Tax Policy, Review on Performance, People and Planet
Docmorris	Consumer Markets	1.1.–31.12.2022	Annual Report, Sustainability Report
Dufry	Consumer Markets	1.1.–31.12.2022	Financial Report, ESG Report, GRI Content Index
EMS-Chemie	Energy, Utilities and Resources	01.05.2022–30.04.2023	Annual Report, Sustainability Report
Flughafen Zurich	Consumer Markets	1.1.–31.12.2022	Integrated Report
Galenica	Health Industries	1.1.–31.12.2022	Annual Report
Geberit	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report
Georg Fischer	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Sustainability Report, Tax Policy
Givaudan	Consumer Markets	1.1.–31.12.2022	Integrated Annual Report, Tax Policy, GRI Sustainability Report, Governance, Compensation and Financial Report
Helvetia Holding	Financial Services	1.1.–31.12.2022	Annual Report, Sustainability Report
Holcim	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Integrated Annual Report, Sustainability Performance Report, Tax Transparency Report
Julius Baer	Financial Services	1.1.–31.12.2022	Annual Report, Sustainability Report, Tax Strategy
Kuehne+Nagel	Consumer Markets	1.1.–31.12.2022	Annual Report, Sustainability Report
Lindt	Consumer Markets	1.1.–31.12.2022	Annual Report, Sustainability Report
Logitech	Technology, Media and Telecommunications	01.04.2022–31.03.2023	Annual Report, Impact Report, Form 10-K
Lonza	Energy, Utilities and Resources	1.1.–31.12.2022	Annual Report, Sustainability Report
Meyer Burger	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Sustainability Report
Nestle	Consumer Markets	1.1.–31.12.2022	Corporate Governance Report, & Compensation Report, Financial Statements, Creating Shared Value and Sustainability Report, Good practice in tax management and strategy (section on website)

Fig. 26 Overview of the CH companies (2/2)

Company	Industry/sector	Reporting period	Reports considered
Novartis	Health Industries	1.1.–31.12.2022	Annual Report, Corporate Governance Report, Compensation Report, Financial Statements, Annual Review, Novartis in Society Integrated Report, Tax Policy Statement
Partners Group	Financial Services	1.1.–31.12.2022	Annual Report, Corporate Sustainability Report, Tax Strategy
PSP	Financial Services	1.1.–31.12.2022	Annual Report
Richemont	Consumer Markets	01.04.2022–31.03.2023	Annual Report and Accounts, Sustainability Report, ESG Report, Tax Strategy and Tax Risk Management
Roche	Health Industries	1.1.–31.12.2022	Finance Report, Annual Report, Approach to Tax, Group Code of Conduct
Schindler	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Financial Statements, Corporate Responsibility Report
SGS	Technology, Media and Telecommunications	1.1.–31.12.2022	Integrated Report
SIG Group	Consumer Markets	1.1.–31.12.2022	Annual Report
Sika	Energy, Utilities and Resources	1.1.–31.12.2022	Annual Report, Tax Policy, Tax Approach (section on website)
Sonova	Health Industries	01.04.2022–31.03.2023	Annual Report, Tax Principles
Straumann	Health Industries	1.1.–31.12.2022	Annual Report
Swatch Group	Consumer Markets	1.1.–31.12.2022	Annual Report, Sustainability Report
Swiss Life Holding AG	Financial Services	1.1.–31.12.2022	Annual Report, Tax Policy and Transparency Report
Swiss Prime Site	Financial Services	1.1.–31.12.2022	Annual Report
Swiss Re	Financial Services	1.1.–31.12.2022	Financial Report, Business Report, Sustainability Report, Annual Results, Tax Transparency Report
Swisscom	Technology, Media and Telecommunications	1.1.–31.12.2022	Annual Report, Sustainability Report, Tax Principles
Tecan Group AG	Technology, Media and Telecommunications	1.1.–31.12.2022	Annual Report, Tax Principles
Temenos	Technology, Media and Telecommunications	1.1.–31.12.2022	Annual Report and Accounts, Tax Strategy and Governance (section on website)
UBS Group	Financial Services	1.1.–31.12.2022	Annual Report, EU Capital Requirements Directive IV disclosure 2021, Sustainability Report, Our approach to tax matters, Code of Conduct
VAT Group	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Sustainability Report, Strategy Tax Policy
Zurich Insurance	Financial Services	1.1.–31.12.2022	Annual Report, Our tax strategy

Fig. 27 Overview of the DE companies (1/2)

Company	Industry/sector	Reporting period	Reports considered
Adidas	Consumer Markets	1.1.–31.12.2022	Annual Report, GRI Content Index; Code of Conduct
Airbus	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Airbus Tax Strategy 2022
Allianz	Financial Services	1.1.–31.12.2022	Annual Report, Sustainability Report, Tax Transparency Report, GRI Index
BASF	Energy, Utilities and Resources	1.1.–31.12.2022	Annual Report, BASF Group Our Tax Principles 2020
Bayer	Energy, Utilities and Resources	1.1.–31.12.2022	Annual Report, Sustainability Report, Bayer's Approach to tax
Beiersdorf	Consumer Markets	1.1.–31.12.2022	Annual Report, GRI Index, Tax Strategy
BMW	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, GRI Index
Brenntag	Energy, Utilities and Resources	1.1.–31.12.2022	Annual Report, Sustainability Report
Commerzbank	Financial Services	1.1.-31.12.2022	Annual Report, Sustainability Report
Continental	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Sustainability Report
Covestro	Energy, Utilities and Resources	1.1.–31.12.2022	Annual Report, Covestro Corporate Commitment. Tax Transparency, GRI Index
Daimler Truck	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Code of Conduct, GRI Index
Deutsche Bank	Financial Services	1.1.–31.12.2022	Annual Report, Non Financial Report, Tax strategy
Deutsche Börse	Financial Services	1.1.–31.12.2022	Annual Report, Tax Strategy, GRI Index
Deutsche Post	Consumer Markets	1.1.–31.12.2022	Annual report, Tax Strategy
Deutsche Telekom	Technology, Media and Telecommunications	1.1.–31.12.2022	Annual Report, Sustainability Report, Tax strategy, Country by Country reporting
EON	Energy, Utilities and Resources	1.1.–31.12.2022	Annual Report, Group Tax Policy
Fresenius	Health Industries	1.1.–31.12.2022	Annual Report, Group Tax Policy, Tax transparency Screenshot
Hannover Re	Financial Services	1.1.–31.12.2022	Annual Report, Tax Strategy
Heidelberg Cement	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual and Sustainability Report, Tax Principles & Values
Henkel	Consumer Markets	1.1.–31.12.2022	Annual Report, Sustainability Report, Wirtschaftlicher Beitrag und Steuern
Infineon	Technology, Media and Telecommunications	1.10.–30.9.2022	Annual Report, Sustainability Report, Infineon Technologies Global Tax Policy, Infineon Tax Compliance and Governance Report
Mercedes Benz	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Sustainability Report
Merck	Health Industries	1.1.–31.12.2022	Annual Report, Sustainability Report, Merck Tax Strategy
MTU Aero Engines	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Sustainability Report

Fig. 27 Overview of the DE companies (2/2)

Company	Industry/sector	Reporting period	Reports considered
Munich Re	Financial Services	1.1.–31.12.2022	Annual Report, Sustainability Report, Tax Transparency Report 2022
Porsche	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report
Porsche	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report and Sustainability Report
QIAGEN	Health Industries	1.1.–31.12.2022	Annual Report
Rheinmetall	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report
RWE	Energy, Utilities and Resources	1.1.–31.12.2022	Annual Report, Sustainability Report, Strategy Report, RWE Tax policy
SAP	Technology, Media and Telecommunications	1.1.–31.12.2022	Annual Report, Global Tax Principles
Sartorius	Health Industries	1.1.–31.12.2022	Annual Report, Sustainability Report
Siemens	Industrial Manufacturing and Automotive	01.10.2021–30.09.2022	Annual Report, Sustainability Report, Tax Code of Conduct and Tax Policy at Siemens
Siemens Energy	Industrial Manufacturing and Automotive	01.10.2021–30.09.2022	Annual Report, Sustainability Report
Siemens Healthineers	Health Industries	01.10.2021–30.09.2022	Annual Report, Sustainability Report
Symrise	Consumer Markets	01.10.2021–30.09.2022	Annual corporate Report, Susutainablity Record, Symrise's Approach to Tax, GRI Index
Volkswagen	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Annual Report, Sustainability, Tax strategy principles in the Volkswagen Group, Volkswagen AG. Policy on Taxation and Customs Duties – a Synopsis, GRI Index
Vonovia	Financial Services	1.1.–31.12.2022	Annual Report, Sustainability Report, Investor relations Report
Zalando	Consumer Markets	1.1.–31.12.2022	Annual Report, Sustainability Report, Code of Ethics

Fig. 28 Overview of the ES companies (1/2)

Company	Industry/sector	Reporting period	Reports considered
ACCIONA	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Tax Policy, Consolidated Annual Accounts and Management Report, Tax strategy, Total Tax contribution report and non -financial information.
ACCIONA ENERGIA	Energy, Utilities and Resources	1.1.–31.12.2022	Tax Policy, Tax strategy, Consolidated Annual Accounts and Management Report
ACERINOX	Energy, Utilities and Resources	1.1.–31.12.2022	Integrated annual report, risk policy, tax policy
ACS	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Tax Policy, Annual report, sustainable policy
AENA	Consumer Markets	1.1.–31.12.2022	Tax strategy, Consolidated Annual Accounts and Management Report
AMADEUS	Technology, Media and Telecommunications	1.1.–31.12.2022	Tax Policy, Non-financial information, Consolidated Annual Accounts, global report, management report
ARCELORMITTAL	Energy, Utilities and Resources	1.1.–31.12.2022	Tax Policy, Non-financial information, Consolidated Annual Accounts
BANCO SABADELL	Financial Services	1.1.–31.12.2022	Tax Strategy, Annual accounts and annual report
BANCO SANTANDER	Financial Services	1.1.–31.12.2022	Annual report, Tax Strategy, Tax Policy
BANKINTER	Financial Services	1.1.–31.12.2022	Annual accounts, non-financial information, tax strategy,integrated annual report
BBVA	Financial Services	1.1.–31.12.2022	Tax and fiscal strategy, annual accounts and management report, total tax contribution report
CAIXABANK	Financial Services	1.1.–31.12.2022	Tax Risk Management, Annual report, Tax report on taxes
CELLNEX	Technology, Media and Telecommunications	1.1.–31.12.2022	Tax Policy, Non-financial information, Consolidated Annual Accounts
ENAGAS	Energy, Utilities and Resources	1.1.–31.12.2022	Tax Policy, Non-financial information, Consolidated Annual Accounts
ENDESA	Energy, Utilities and Resources	1.1.–31.12.2022	Tax Policy, Non-financial information, Consolidated Annual Accounts, Tax strategy, Risk Policy, Tax transparency report
FERROVIAL	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Tax Strategy, Non-financial information, Consolidated Annual Accounts, tac compliance and best practice policy
FLUIDRA	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Tax Strategy, Consolidated Annual Accounts and management report
GRIFOLS	Health Industries	1.1.–31.12.2022	Tax compliance and best practices policy, annual report and accounts
IAG	Consumer Markets	1.1.–31.12.2022	Tax Strategy, Annual report and accounts, non-financial information
IBERDROLA	Energy, Utilities and Resources	1.1.–31.12.2022	Tax transparency report, tax policy , non - financial information, annual accounts, annual report

Fig. 28 Overview of the ES companies (2/2)

Company	Industry/sector	Reporting period	Reports considered
INDITEX	Consumer Markets	01.02.2022–31.01.2023	Tax Policy, Annual report and accounts, non-financial information, responsible risk management
INDRA	Technology, Media and Telecommunications	1.1.–31.12.2022	Tax Policy, Annual report and accounts, non-financial information, risk control and management policy
INMOBILIARIA COLONIAL	Financial Services	1.1.–31.12.2022	Tax transparency report , non - financial information, annual accounts, annual report and TTC
LOGISTA	Consumer Markets	01.10.2021–30.09.2022	annual accounts and annual reports
MAPFRE	Financial Services	1.1.–31.12.2022	Tax Policy, Annual report and accounts, non-financial information, sustainable policy, TCFD report
MELIA	Consumer Markets	1.1.–31.12.2022	Tax strategy, Annual report and accounts, non-financial information, risk, control and management policy, annual corporate gobernance report
MERLIN	Consumer Markets	1.1.–31.12.2022	Tax Policy, Annual report and accounts, non-financial information
NATURGY	Energy, Utilities and Resources	1.1.–31.12.2022	Tax strategy, Annual report and accounts, non-financial information, risk, control and management policy and code of ethics
R.E.C	Technology, Media and Telecommunications	1.1.–31.12.2022	Tax strategy, Annual report and accounts, non-financial information and code of ethics, Tax transparency report
REPSOL	Energy, Utilities and Resources	1.1.–31.12.2022	Tax strategy, Tax Policy, Annual report and accounts, non-financial information, risk, control and management policy and code of ethics
ROVI	Health Industries	1.1.–31.12.2022	Tax Policy, Annual report and accounts, non-financial information, sustainable policy
SACYR	Industrial Manufacturing and Automotive	1.1.–31.12.2022	Tax Policy, Annual report and accounts, non-financial information, sustainable policy
SOLARIA	Energy, Utilities and Resources	1.1.–31.12.2022	Tax Policy, Annual report and accounts, non-financial information, sustainable policy
Telefónica	Technology, Media and Telecommunications	1.1.–31.12.2022	Consolidated Annual Accounts, Fiscal Transparency, Fiscal Strategy, Tax Policy
UNICAJA	Financial Services	1.1.2022–31.12.2022	Annual accounts, non-financial information

Fig. 29 Overview of the UK companies (1/3)

Company	Industry/sector	Reporting period	Reports considered
ABRDN (Standard Life Aberdeen)	Financial Services	1.1.2022–31.12.2022	Annual Report, Tax Responsibilities Report, Tax Report and Sustainability and Tcfd Report
Admiral Group	Financial Services	1.1.2022–31.12.2022	Annual Report, Sustainability Report and Group Tax Memorandum
Airtel Africa	Technology, Media and Telecommunications	1.4.2022–31.3.2023	Annual Report, Sustainability Report and Tax Strategy
Anglo American	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Report, Sustainability Report, Country By Country Report, Tax and Economic Contribution Report and Tax Strategy
Antofagasta	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Report, Sustainability Report and Tax Strategy
Ashtead Group	Industrial Manufacturing and Automotive	1.5.2021–30.4.2022	Annual Report, Sustainability Report and Tax Strategy
Associated British Foods	Consumer Markets	18.9.2021–17.9.2022	Annual Report and Tax Strategy
AstraZeneca	Health Industries	1.1.2022–31.12.2022	Annual Report and Tax Strategy
Aviva	Financial Services	1.1.2022–31.12.2022	Annual Report, Sustainability Report and Tax Strategy
BAE Systems	Industrial Manufacturing and Automotive	1.1.2022–31.12.2022	Annual Report, GRI Report, Contribution To The Uk Economy Report
Barclays	Financial Services	1.1.2022–31.12.2022	Annual Report, GRI Report, Climate Strategy and Country Snapshot
Barratt Development	Industrial Manufacturing and Automotive	1.7.2021–30.6.2022	Tax Strategy, Annual Report, Socio Economic Footprint Report and ESG Report
Beazley	Financial Services	1.1.2022–31.12.2022	Annual Report and Tax Strategy
Berkeley	Industrial Manufacturing and Automotive	1.5.2021–30.4.2022	Annual Report, ESG Report and Tax Strategy
BP	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Report, Responsible Tax Principles, Sustainability Report and Tax Report
British American Tobacco	Consumer Markets	1.1.2022–31.12.2022	Annual Report and Tax Strategy
Bunzl	Consumer Markets	1.1.2022–31.12.2022	Annual Report, Sustainability Report and Tax Strategy
Centrica	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Report, Tax Strategy and People and Planet Plan
Coca-Cola HBC	Consumer Markets	1.1.2022–31.12.2022	Annual Report, GRI Report, Tax Policy and Tax Report
Compass Group	Consumer Markets	1.10.2021–30.9.2022	Annual Report, Tax Strategy and Sustainability Report
Convatec	Health Industries	1.1.2022–31.12.2022	ESG and Independent Assurance Report, GRI and SASB Report, Annual Report and Tax Statement
CRH	Industrial Manufacturing and Automotive	1.1.2022–31.12.2022	Annual Report, Sustainability Report and Tax Strategy
Croda International	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Report, Sustainability Report and Tax Strategy

Fig. 29 Overview of the UK companies (2/3)

Company	Industry/sector	Reporting period	Reports considered
DS Smith	Consumer Markets	1.5.2021–30.4.2022	Annual Report, Independent Assurance Report, Sustainability Report, Tax Strategy
Entain	Consumer Markets	1.1.2022–31.12.2022	Annual Report, Governance Report and Code Of Conduct Report
Flutter Entertainment	Consumer Markets	1.1.2022–31.12.2022	Annual Report, Tax Strategy and GRI Index
Frasers Group	Consumer Markets	25.4.2021–24.4.2022	Annual Report and Tax Strategy
GlaxoSmithKline	Health Industries	1.1.2022–31.12.2022	Annual Report and Tax Strategy
Glencore	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Report, Payments To Governments Reports, Sustainability Report, Tax Policy
Haleon	Consumer Markets	1.1.2022–31.12.2022	Annual Report, Tax Strategy and Approach To Reporting
Hargreaves Lansdown	Financial Services	1.7.2021–30.6.2022	Annual Report and SASB Report
Homeserve	Industrial Manufacturing and Automotive	1.4.2021–31.3.2022	Annual Report, Whistleblowing Policy and Tax Strategy
HSBC	Financial Services	1.1.2022–31.12.2022	Annual Report, Approach To Tax and Strategic Report
IAG	Consumer Markets	1.1.2022–31.12.2022	Annual Report, Sustainability Report and Tax Strategy
IHG	Consumer Markets	1.1.2022–31.12.2022	Approach To Tax, Annual Report and Responsible Business Report
Imperial Brands	Consumer Markets	1.1.2022–31.12.2022	Annual Report, ESG Report, Tax Strategy
Informa	Technology, Media and Telecommunications	1.1.2022–31.12.2022	Annual Report and Sustainability Report
Kingfisher	Industrial Manufacturing and Automotive	1.2.2022–31.1.2023	Annual Report, Tax Strategy and Responsible Business Report
Legal & General	Financial Services	1.1.2022–31.12.2022	Annual Report, Climate Report, Tax Supplement, GRI Report and Social Impact Report
Lloyd Banking Group	Financial Services	1.1.2022–31.12.2022	Annual Report, ESG Report and Tax Strategy
London Stock Exchange Group	Financial Services	1.1.2022–31.12.2022	Annual Report, GRI Report, Tax Strategy and Sustainability Report
Melrose Industries	Industrial Manufacturing and Automotive	1.1.2022–31.12.2022	Annual Report, Sustainability Report and Tax Strategy
NatWest Group	Financial Services	1.1.2022–31.12.2022	Annual Report, GRI Report, Tax Strategy, ESG Report and Un Principles Of Responsible Banking
Prudential	Financial Services	1.1.2022–31.12.2022	Annual Report, ESG Report and Tax Strategy
Reckitt Benckiser	Consumer Markets	1.1.2022–31.12.2022	Annual Report, Tax Strategy and Sustainability Insights
RELX	Technology, Media and Telecommunications	1.1.2022–31.12.2022	Annual Report, Corporate Responsibility and Reporting Concerns Policy
Rentokil Initial	Industrial Manufacturing and Automotive	1.1.2022–31.12.2022	Annual Report, Tax Strategy and Responsible Business Report

Fig. 29 Overview of the UK companies (3/3)

Company	Industry/sector	Reporting period	Reports considered
Rio Tinto	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Report, Industry Association Disclosure, Sustainability Report and Tax Paid Report
Rolls Royce	Industrial Manufacturing and Automotive	1.1.2022–31.12.2022	Annual Report, Net Zero Report and Tax Policy
Royal Dutch Shell	Energy, Utilities and Resources	1.1.2022–31.12.2022	GRI Index, Annual Report, Sustainability Report, Tax Contribution Report, Approach To Tax
Segro	Financial Services	1.1.2022–31.12.2022	Annual Report, Tax Strategy and Responsible Segro Report and Data Pack
Smith & Nephew	Health Industries	1.1.2022–31.12.2022	Sustainability Report, Annual Report and Tax Strategy
Smurfit Kappa	Consumer Markets	1.1.2022–31.12.2022	Annual Report, Tax Strategy and Sustainable Development Report
Spirax-Sarco Engineering	Industrial Manufacturing and Automotive	1.1.2022–31.12.2022	Annual Report, Sustainability Report and Tax Strategy
Standard Chartered	Financial Services	1.1.2022–31.12.2022	Annual Report, Sc Opportunity Report, Sustainable Banking Report and Sustainable Finance Impact Report
Unilever	Consumer Markets	1.1.2022–31.12.2022	Annual Report, Code Of Business Principles and Code Policies, Country By Country Report, Responsible Tax Principles and Sustainable Development Through Our Tax Contribution Report
WPP	Technology, Media and Telecommunications	1.1.2022–31.12.2022	Annual Report, Corporate Governance Report, GRI Report, Tax Strategy and Sustainability Report

Fig. 30 Overview of the ZA companies (1/2)

Company	Industry/sector	Reporting period	Reports considered
ABSA	Financial Services	1.1.2022–31.12.2022	ESG Report, Integrated Report, Annual Financial Statements
African Rainbow Minerals	Energy, Utilities and Resources	1.7.2021–30.06.2022	Annual Financial Statements, GRI Index, ESG Report, Integrated Annual Report
AngloAmerican Platinum	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Financial Statements, Governance Report, Integrated Annual Report, Sustainability Report, Tax and Economic Contribution Report
AngloGoldAshanti	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Financial Statements, Integrated Report, Sustainability Report, ESG Data Sheet
Aspen	Health Industries	1.7.2021–30.06.2022	Annual Financial Statements, Sustainability and ESG data Sheet, Integrated Report
Bidcorp	Financial Services	1.7.2021–30.06.2022	Annual Financial Statements, Annual Integrated Report, Governance Report, Sustainability Report
Bidvest	Financial Services	1.7.2021–30.06.2022	Tax Strategy, Annual Financial Statements, ESG Report, Integrated Report
Capitec	Financial Services	1.3.2021–28.2.2022	Integrated Annual Report, Annual Financial Statements
Clicks	Consumer Markets	1.9.2021–31.08.2022	Governance Report, Annual Financial Statements, Integrated Annual Report, Sustainability Report
Discovery	Financial Services	1.7.2021–30.06.2022	Annual Financial Statements, Governance Report, Integrated Annual Report, Sustainability Report, Tax Transparency Report
Exxaro	Industrial Manufacturing and Automotive	1.1.2022–31.12.2022	ESG Report, Integrated Report, Tax Report, Annual Financial Statements
Firstrand	Financial Services	1.7.2021–30.06.2022	Annual Financial Statements, Annual Integrated Report, Annual Report, Corporate Governance Report, Report to Society
Gold fields	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Financial Report including Governance Report, Climate Change Report, Tax Policy, GRI Index, Integrated Annual Report
Impala	Energy, Utilities and Resources	1.7.2021–30.06.2022	Annual Financial Report, Climate Change Report, ESG Report, GRI Report, Tax Policy, Integrated Report
Kumba	Energy, Utilities and Resources	1.1.2022–31.12.2022	Annual Financial Statements, Integrated Report, Sustainability Report
MTN	Technology, Media and Telecommunications	1.1.2022–31.12.2022	Annual Financial Statements, GRI Report, Integrated Annual Report, Sustainability Report, Tax Report, Transparency Report

Fig. 30 Overview of the ZA companies (2/2)

Company	Industry/sector	Reporting period	Reports considered
Multichoice	Technology, Media and Telecommunications	1.4.2021–31.3.2022	Annual Financial Statements, Integrated Annual Report, King IV Application Report, Social Report
Naspers	Technology, Media and Telecommunications	1.4.2021–31.3.2022	Tax Policy, Integrated Annual Report
Nedbank	Financial Services	1.1.2022–31.12.2022	Annual Financial Statements, Governace Report, Integrated Report
Northam Platinum	Energy, Utilities and Resources	1.7.2021–30.06.2022	Annual Integrated Report, Governance Report, Annual Financial Statements, Sustainability Report
Old Mutual	Financial Services	1.1.2022–31.12.2022	Governance Report, Integrated Report, Sustainability Report, Tax Transparency Report, Annual Financial Statements
Pepkor	Consumer Markets	1.10.2021–30.9.2022	Annual Financial Statements, Corporate Governance Report, Integrated Report, Sustainability Report
Remgro	Industrial Manufacturing and Automotive	1.7.2021–30.06.2022	Annual Financial Statements, Integrated Annual Report
Sanlam	Financial Services	1.1.2022–31.12.2022	Annual Financial Statements, Governance Report, Integrated Report, Sustainability Report
Sasol	Energy, Utilities and Resources	1.7.2021–30.06.2022	Sustainability Report, Annual Financial Report, Approach to Tax, Integrated Report
Shoprite	Consumer Markets	4.7.2021–3.7.2022	Annual Financial Statements, Integrated Report
Sibanye Stilwater	Energy, Utilities and Resources	1.1.2022–31.12.2022	Tax Risk Management Policy, Tax Strategy, Annual Financial Report, Consolidated Financial Statements, GRI Index, Integrated Report
Standard Bank	Financial Services	1.1.2022–31.12.2022	Annual Financial Statements, Annual Integrated Report, Governance and Remuneration Report, Report to Society, ESG Report, Climate-related financial disclosures Report
Vodacom	Technology, Media and Telecommunications	1.4.2021–31.3.2022	Annual Financial Statements, Sustainability Report, Tax Transparency Report, Task Force on Climate-Related Disclosures Report, Integrated Report
Woolworths	Consumer Markets	27.6.2021–26.6.2022	Good Business Journey Report, Governance Report, Integrated Annual Report, Social and Ethics Committee Report, Annual Financial Statements

Table of figures

Glossary

APA	Advanced Pricing Agreement
AT	Austria
ATX	Austrian Traded Index
BEPS	Base Erosion and Profit Shifting
BNDES	National Bank for Economic and Social Development (Brazil)
BR	Brazil
BRICS	Brazil, Russia, India, China, South Africa
CBAM	Carbon Border Adjustment Mechanism
CbCR	Country-by-Country Reporting
CH	Switzerland
CIT	Corporate Income Tax
CRD IV	Capital Reqirements Directive IV
CSA	Corporate Sustainability Assessment
CSRD	Corporate Sustainability Reporting Directive
CTR	Corporate Tax Rate
DACH region	German, Austrian and Swiss region
DAX	Deutscher Aktien Index
DE	Germany
DJSI	Dow Jones Sustainability Indices
EBTF	European Business Tax Forum
EFRAG	European Financial Reporting Advisory Group
ES	Spain
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
ETR	Effective Tax Rate
EU	European Union
FTE	Full-time equivalent figure
FTSE 100	Financial Times Stock Exchange 100
GCC	German Commercial Code
GRI	Global Reporting Initiaitive
IBC	International Business Council
IBEX	Iberian Index
IBOVESPA	Bovespa Index (Brazil)
IE	Ireland
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
ISAE 3000	International Standard on Assurance Engagements 3000
ISSB	International Sustainability Standards Board
JSE	Johannesburg Stock Exchange
NFRD	Non-Financial Reporting Directive
OECD	Organization for Economic Cooperation and Development
pCbCR	public Country-by-Country Reporting
PEC	Proposta de Emenda Constitucional (Constitutional Amendment Proposal) (Brazil)
PRI	Principles for Responsible Investment
PwC	PricewaterhouseCoopers
SDG	Sustainable Development Goals
SMIEXP	Swiss Market Index Expanded
TCFD	Task Force on Climate Related Financial Disclosures
TCMS	Tax Compliance Management System
TCS	Tax Control System
TTC	Total Tax Contribution
UK	United Kingdom
UN	United Nations
US GAAP	US Generally Accepted Accounting Principles
VAT	Value-Added Tax
WEF	World Economic Forum
ZA	South Africa

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