



PROMOTING REVENUE TRANSPARENCY

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2008 Report on Revenue Transparency of Oil and Gas Companies

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The Promoting Revenue Transparency (PRT) project is run by Transparency International in partnership with the Revenue Watch Institute, and with the participation and support of Publish What You Pay (PWYP) and its members, including CAFOD, CARE International UK, and Secours Catholique-Caritas France. PWYP is a global civil society coalition campaigning for revenue and contract transparency in the oil, gas and mining industries. The coalition believes that transparency is an essential condition for alleviating poverty, promoting just development, improving corporate accountability, and reducing corruption in resource-rich developing countries. The findings of this project serve as an important advocacy tool for PWYP members in their efforts to promote transparency as good corporate and government practice worldwide.



This report represents in its entirety an opinion formed by Transparency International and its project partners based on the research undertaken in accordance with the methodology as set out in Annex 2. The report is not meant to assess or comment on the compliance of companies or governments with legal requirements of any kind, nor can it be interpreted to make such assessment. Transparency International does not accept responsibility for the use of the information herein contained for other purposes or in other contexts.

The Promoting Revenue Transparency (PRT) project aims to increase transparency and accountability in natural resource management. It does so by developing robust measures of transparency that promote good governance, improve awareness in governments and the private sector of how to accomplish revenue transparency and contributes to multi-stakeholder efforts to achieve improvement in this arena. The PRT project is carried out by Transparency International in partnership with the Revenue Watch Institute.

The PRT has three specific objectives:

- To measure revenue transparency performance and diagnose areas for improvement.
- To develop broad standards for revenue transparency.
- To support the use of the revenue transparency standards and measures of performance by companies, rating agencies, investors, government regulators, and civil society.

For this purpose, the project measures and compares the degree of revenue transparency demonstrated by selected companies, the countries where production is taking place and the countries where companies are registered or raise capital. These assessments will result in three separate reports on the oil and gas sectors: the *2008 Report on Revenue Transparency of Oil and Gas Companies* is the first to be released; reports on host and home governments will follow. A report on the mining sector is expected to be published later.

The project has been guided by the belief that a collaborative effort is the best approach to creating effective and sustainable change. Multi-stakeholder engagement and consultation are critical to the success of the project and those actively involved in advising the project include industry experts, company representatives, investors, international financial institutions and civil society activists – in addition to many from the Transparency International network. In this context company involvement has been of particular relevance at all stages of the *2008 Report on Revenue Transparency of Oil and Gas Companies*.

The Promoting Revenue Transparency project is supported by the Revenue Watch Institute, the Ministry of Foreign Affairs of Finland, CAFOD and Secours Catholique-Caritas France.

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¹ Jermyn Brooks in his capacity as TI colleague and member of the Working Group.

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ABBREVIATIONS AND ACRONYMS

CSR

Corporate Social Responsibility

EITI

Extractive Industries Transparency Initiative

FASB

Financial Accounting Standards Board (USA)

G-8

Group of Eight leading industrial countries: Canada, France, Germany, Italy, Japan, Russian Federation, the United Kingdom and the United States

GAAP

Generally Accepted Accounting Principles

GDP

Gross Domestic Product

GRI

Global Reporting Initiative

IASB

International Accounting Standards Board

IFRS

International Financial Reporting Standards

IMF

International Monetary Fund

IOC

International Oil Company

MDG

Millennium Development Goals

NOC

National Oil Company

OECD

Organisation for Economic Co-operation and Development

PRT

Transparency International's Promoting Revenue Transparency Project

PWYP

Publish What You Pay Coalition

RWI

Revenue Watch Institute

TI

Transparency International

GLOSSARY

Home governments:

Home governments refer to the governments of those countries where companies are registered or raise capital.

Host governments:

Host governments refer to the governments of those countries where oil and gas extraction takes place: the countries of operation for oil and gas companies.

Materiality:

When referred to countries, materiality signifies how relevant in terms of production volumes or revenue a particular country is for a company.

Profit oil:

A specific industry term that refers to a type of revenue particular to production sharing contracts. This corresponds to a proportion of production, net of costs and expenses, which is assigned to the participating parties in the agreement as in-kind profit.

Rent-seeking:

Interested parties trying to persuade the government and/or private sector to apply policies favouring their private (usually financial) interests, rather than the public good.

Resource curse:

Refers to the situation in certain countries where the great wealth generated by extractive industries has often undermined economic growth and social development rather than support it.

Revenue Transparency:

Refers to the disclosure of financial information regarding how much money governments are receiving from extractive industry revenues, whether in the form of production entitlements, royalty payments, taxes, bonuses or fees.

In the context of this report, revenue transparency refers to three areas of company action that can contribute to improved accountability for extractive revenues:

- 1) Public disclosure of payments to host governments, e.g. taxes, profit oil, on a country-by-country basis;
- 2) Public disclosure of other financial information pertaining to operations, also on a country-by-country basis, that assists in judging the scale of activities and accuracy of payment reporting, e.g. production, costs; and
- 3) Public reporting of anti-corruption programmes including the existence of anti-corruption provisions, codes of conduct and their applicability, whistle-blowing procedures, and reporting on censuring malpractice.

Upstream operations:

Upstream operations for the oil and gas industry include exploration, development and production up to the stage where the product is marketable. For the purposes of this report and for reasons of consistency, we have only included companies' operations that are at the stage of production since certain information for earlier stages such as production volumes or costs is not yet available.

EXECUTIVE SUMMARY

In this report, Transparency International (TI) evaluates 42 leading oil and gas companies on their current policies, management systems and performance in areas relevant to revenue transparency in their upstream operations. Revenue transparency in this report includes three areas of corporate action where disclosure can contribute to improved accountability in the management of extractive revenues: payments to host governments, operations and corporate anti-corruption programmes. The companies are evaluated in a total of 21 countries of operation. This report is a featured product of TI's Promoting Revenue Transparency Project and attempts to characterise current levels of company revenue transparency, to point to best practices, and to suggest areas for improvement.

The key finding of the *2008 Report on Revenue Transparency of Oil and Gas Companies* is that most companies evaluated do not sufficiently report on their payments to governments where they operate. A limited number of companies do report these payments, thereby demonstrating that such disclosure is possible.

The origins for this report lie in the global movement to combat the 'resource curse'¹. Oil and gas resources generate great wealth, but if poorly managed extractive revenues can also undermine economic growth, create incentives for rent-seeking activity, heighten corruption in the public and private sectors, and may even fuel conflict. The resulting poverty, instability and weakened rule of law are not only bad for local people, they can also damage company reputations and generate lower returns to investors.

The quality of governance of resources is the key to transforming this curse into a blessing. A vital approach lies in strengthening the accountability of decision-makers that control the extractive resources and revenues. But such accountability is not possible without adequate information about the resources being extracted, the revenues generated, and where they flow. It is necessary that this information be provided by both companies and governments to allow cross-verification. Ultimately, revenue transparency is a necessary step to better and more equitable development outcomes as well as more sustainable economic growth and more predictable returns for companies. It can contribute to making natural resource wealth work for everyone, especially the poor, who have thus far seen little benefit from the enormous wealth generated in the sector in many countries around the world.

Although the revenue reporting practices of oil and gas companies are the report's primary focus, TI is aware that companies act in a complex regulatory environment that requires supportive participation of governments in the process. When it comes to revenue transparency the responsibility is shared, and the responsibility of host governments in ensuring revenue transparency in their territories should never be overlooked. Indeed, the thrust of revenue transparency is on making host countries accountable for their natural resources income. The context in which these companies operate, including both their host and home countries, plays a key role in determining much of the scope of what companies can do. As a result, the methodology has been designed to focus on the companies' role, but not to hold them accountable and responsible for host or home government responsibilities.

The report findings show differences between high, middle and low performing companies. This information could be useful to encourage companies to exert peer pressure on their competitors to set a common high standard and, thereby, create a more level playing field. Working to achieve such a standard is an imperative.

It is the aim of the Promoting Revenue Transparency Project and this *2008 Report on Revenue Transparency of Oil and Gas Companies* to provide solid information to the multi-stakeholder movement – including companies, investors, governments and civil society advocating for greater transparency – that can be used to create opportunities for increased accountability of natural resource wealth. A variety of stakeholders, most notably the companies themselves, were engaged during the research design and data review process. Several companies used the opportunity to review their own data and provide feedback.

It is important to state that this report and its analysis and recommendations are based on information which is made publicly available by companies. Also, it should be noted, that despite efforts to engage with all companies at all stages of the project, regrettably more than 30 companies did not use the opportunity to review their data.

The companies in this report were chosen for their relevance, geographic spread and their size, and are not a representative sample of all oil and gas extraction companies. Detailed annexes outline methodology and criteria.

¹ This term is used to refer to the situations in certain countries where the great wealth generated by extractive industries has often created a negative effect, undermining economic growth and social development.

KEY FINDINGS

REVENUE TRANSPARENCY is not yet a common practice in the industry. Two-thirds of the companies evaluated fall into the middle or low performance categories.

WIDE VARIATION exists in company practice. Leading companies among the International Oil Companies (IOCs) and the National Oil Companies (NOCs) demonstrate that revenue transparency is possible and that proactive company efforts can make a difference.

GOOD PRACTICE in revenue transparency starts at home with national regulations having a strong influence on current company revenue transparency practices.

REGULATORY APPROACHES produce systematic impacts. There are two main types of regulations that currently have some limited impact but have the potential for levelling the playing field:

- regulations with a multi-country impact (such as stock exchange listing regulations or accounting standards), and
- host government reforms along the lines of the Extractive Industries Transparency Initiative (EITI).

DISCLOSURE of information on revenue transparency is hindered by diverse formats of reporting that are difficult to obtain, interpret and compare across companies and countries.

RECOMMENDATIONS

Based on these key findings, Transparency International makes the following recommendations to improve revenue transparency, which TI believes could ultimately contribute to better governance of natural resource wealth and more equitable economic development:

FIRST, oil and gas companies should proactively report in all areas relevant to revenue transparency on a country-by-country basis.

Proactive disclosure of payments, operations and anti-corruption programmes on a country-by-country basis by companies is the fastest way to enhance revenue transparency. This disclosure would provide civil society and other stakeholders with the information they need to hold governments to account for how revenues from extractive industries are spent.

Oil and gas companies that have already started to disclose information in some countries should extend their reporting to all countries where they operate. Oil and gas companies should also do their best to discourage governments from including confidentiality clauses in contracts that obstruct revenue transparency.

The types of information, benchmarks and examples of good practice in systematic reporting identified in this report, as well as the categories of information used by the Extractive Industries Transparency Initiative, should be used as guidelines for such reporting.

SECOND, home governments and appropriate regulatory agencies should urgently consider introducing mandatory revenue transparency reporting for the operations of companies at home and abroad.

In cases where governments such as Canada and Norway make disclosure of revenues paid to host countries mandatory, revenue transparency reaches a high level and confidentiality restrictions in host countries are overcome. If all governments were to call for revenue transparency by their companies on a country-by-country basis, a level playing field would be created for companies, and all host governments could be held accountable. Based on this goal, the following actions are recommended:

- Home governments should require revenue transparency from their companies.
- Home governments should ensure their NOCs operate under the highest standards of transparency in their operations at home and abroad.
- Where revenue transparency does not become mandatory by law, stock exchange listing regulations and international accounting standards should be adapted to encourage revenue transparency disclosure.

THIRD, governments from oil and gas producing countries should urgently introduce regulations that require all companies operating in their territories to make public all information relevant to revenue transparency.

More oil and gas producing countries are encouraged to fully implement the Extractive Industries Transparency Initiative (EITI) and measures that will set the highest standards for revenue transparency in their territories. All countries already taking steps in this direction should ensure regulations are effectively implemented. This includes disclosure by their own National Oil Company (NOC) and other State Owned Enterprises related to the industry.

Along these lines, host countries are encouraged to dispense with those aspects of confidentiality clauses that depart from legally protected information and prevent full revenue transparency in their territories.

Host governments who have not yet done so should urgently consider publishing all revenues received from the extractive industries.

FOURTH, regulatory agencies and companies should improve the accessibility, comprehensiveness and comparability of reporting on all areas of revenue transparency by adopting a uniform global reporting standard.

Efforts to introduce uniform standards (e.g. international accounting standards, stock exchange listing requirements) should receive full support. Regulatory initiatives need to address the characteristics and the quality of reporting when establishing reporting templates. A tabular approach can be a way to combine brevity and clarity, thereby increasing transparency and simultaneously making the information disclosed more user-friendly for all interested stakeholders.

Regulators could also consider what information, in addition to payments to host governments, is helpful in order to assess the appropriateness of the data provided. This content should build on EITI categories, as well as those used by companies demonstrating good practice, and should include the elements in the questionnaire used in the data collection for this report. Examples of information to include are: countries of operation, names of subsidiaries operating in each country, production, costs and reserves per country, and anti-corruption policies and practices.

INTRODUCTION

1. REVERSING THE RESOURCE CURSE: THE VITAL ROLE OF TRANSPARENCY

The extraction of oil, gas and minerals generates great wealth. Oil export revenues alone were estimated at US \$866 billion in 2006.² This was equivalent to approximately 1.8 per cent of gross world product for that year and more than half of the combined gross domestic product of the 53 low-income nations.³ If the revenues from extraction were used well, they could drive development in resource-rich countries. The reality is far from this as too many of the resource-rich countries still experience high-levels of poverty and rampant social inequities.

In a perverse phenomenon that has been dubbed the 'paradox of plenty' or the 'resource curse', the great wealth generated by extractive industries has often undermined economic growth. In part, this is due to what is known as the "Dutch disease" whereby a large increase in natural resource revenues raises the exchange rate, making other sectors of the economy (such as manufacturing and agriculture) less competitive. The huge windfalls from resource revenues too often create opportunities for rent-seeking and fuel grand-scale corruption. Poverty worsens when there is ineffective governance of the wealth generated by natural resources

and monies that should be spent for social investments are misappropriated or mismanaged. This exacerbates inequity and in turn can weaken political cohesion and the rule of law. Other consequences of the resource curse have included conflict over the revenues or conflicts fuelled with weapons paid for by these revenues. From a business perspective, such unstable environments raise investment costs, threaten profitability and add to investment and reputational risks.

Transparent resource governance is a vital ingredient to transform this resource curse into a blessing. To do this, companies and governments need to provide more and better quality information on the scale of revenues derived from the extractive industries and on how these revenues flow from producers to governments. If accompanied by greater civil society oversight, this improved revenue transparency can make decision-makers more accountable for their actions. With better information on natural resource wealth, citizens can pressure governments to use these revenues for social and infrastructure programmes that can boost economic growth and reduce poverty. Transparent resource governance is therefore a shared responsibility. Host and home governments have a key role to play in setting a context that enables disclosure by all players. Without such transparency, some governments and companies may behave in ways that will enhance the wealth of the few and yield little benefit to the many.

What is revenue transparency?

For the purpose of this report, *revenue transparency* refers to three areas of company action that can contribute to improved accountability for extractive revenues:

1. Public disclosure of payments to governments of benefit streams, e.g. taxes, profit oil, on a country-by-country basis.
2. Public disclosure of operations of other financial information pertaining to operations, also on a country-by-country basis, that assists in judging the scale of activities and accuracy of payment reporting, e.g. production, costs.
3. Public reporting of anti-corruption programmes including the existence of anti-corruption provisions, codes of conduct and their applicability, whistleblowing procedures, and reporting on censuring malpractice.

Why these three areas?

The first area of transparency needed is the disclosure of revenue payments, i.e. public reporting of all benefit streams to government. This is necessary to help citizens hold their governments to account for the terms on which resources were exchanged for revenues, and for the use of those revenues in budgets and expenditures. In addition, information supportive of revenue payments is also necessary, especially in the areas of operations and anti-corruption programmes. This supportive information is helpful in assessing the appropriateness of these revenue payments (e.g. operational information on production, costs, etc.), and in providing an indication of credible and sustainable company commitment to such disclosure (e.g. information on the anti-corruption approach of the company).

² Nominal billion of dollars. Source: U.S. Energy Information Agency. 'OPEC Revenues Fact Sheet and Major Non-OPEC Revenues', January 2006. For updated figures see <http://www.eia.doe.gov/cabs>

³ The gross world product in 2006 was \$48.245 billion and for low-income countries was \$1.612 billion. Source: World Bank, *World Development Indicators 2006* (Washington, DC: 2006). Approximate percentages are a TI estimate.

Four principal stakeholders can improve the transparency of financial information in the extractive industries sector:

- **Companies** can publish how much they are paying and to whom.
- **Host governments** can publish how much they receive from companies and when they receive payments.
- **Home governments** and other authorities, such as stock exchange regulators, can regulate and enforce the disclosure of such information.
- **Civil society groups** can monitor and demand accountability from governments for oil and gas revenues produced in their respective countries.

With increased transparency of revenues, civil society has a key role to play in monitoring actions by oil and gas companies and the government departments that receive royalties, taxes and other payments from them. Clearly, in order to carry out this task there has to be adequate information about the resources being extracted and the corresponding flow of revenues. Using this information, civil society can then apply pressure for greater accountability in the use of such revenues.

A growing international multi-stakeholder movement supports and promotes greater transparency and accountability in natural resource revenue management and recognises the importance of transparent financial information. One need only look to recent statements by the G-8, commitments made by the International Monetary Fund⁴ and World Bank⁵ to improve resource revenue transparency guidelines, the rise of the global civil society coalition Publish What You Pay and the increased profile of the Extractive Industries Transparency Initiative (EITI), which includes membership and statements of support from investors, companies, governments and civil society organisations.⁶

Current standards for reporting that operate internationally, such as those for accounting and stock exchange listing, include some requirements to report revenue payments and operational information. However, they often allow information for particular countries to be 'lumped' together by regions defined according to each company's criteria. This makes it impossible to hold decision-makers to account for country-specific revenues. Recently the International Accounting Standards Board accepted a new standard for the breakdown of information into categories (IFRS8 – Operating Segments Standard). The result was the adoption of the US Financial Accounting Standards Board (FASB) approach that allows each company to choose their own structure for this breakdown into segments based on what is used by management. Historically, this has produced limited geographical segmenting and very little reporting on a country-by-country basis.

There are, however, some positive signs of change. Recent developments in the European Parliament and at the International Accounting Standards Board (IASB) illustrate an encouraging trend towards improving common accounting standards: the European Parliament called for country-by-country disclosure of revenue payments by natural resource companies⁷, while the IASB created a subgroup to consider the inclusion of country-by-country disclosure in existing international standards.

Although these steps are in the right direction, development and implementation of regulations take time. In the meantime, companies can be proactive in making additional efforts that would enhance good practices. There is a precedent for this. Companies have taken the lead in adopting voluntary principles on human rights and security without imposed regulations.

What are Home and Host Governments?

Host governments

Host governments refer to the governments of those countries where oil and gas extraction is taking place: the countries of operation for oil and gas companies. The host governments covered in the *2008 Report on Revenue Transparency of Oil and Gas Companies* are:

Algeria, Angola, Azerbaijan, Brazil, China, Congo Brazzaville, Equatorial Guinea, India, Indonesia, Iran, Kazakhstan, Kuwait, Malaysia, Mexico, Nigeria, Norway, Qatar, Russia, Saudi Arabia, United States and Venezuela.

For a full list of selection criteria see Annex 1

Home governments

Home governments refer to the governments of those countries where companies are registered or raise capital. The home governments covered in the *2008 Report on Oil and Gas Companies* are:

Algeria, Angola, Australia, Brazil, Canada, China, Congo Brazzaville, Equatorial Guinea, France, India, Indonesia, Iran, Italy, Japan, Kazakhstan, Kuwait, Malaysia, Mexico, Netherlands, Nigeria, Norway, Qatar, Russia, Saudi Arabia, Spain, United Kingdom, United States and Venezuela.

For a full list of where all 42 companies are based, see Annex 1

⁴ See, for example, International Monetary Fund, *Guide on Resource Revenue Transparency 2005 and Revised Guide on Resource Revenue Transparency 2007*, <http://www.imf.org/external/pp/longres.aspx?id=4176>

⁵ See, for example, The World Bank Group and Extractive Industries, *The Final Report of the Extractive Industries Review, December 2003*, <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTOGMC/0,,contentMDK:20306686~menuPK:336936~pagePK:148956~piPK:216618~theSitePK:336930,00.html>

⁶ *The Promoting Revenue Transparency Project is an independent effort led by Transparency International together with a number of other partners from civil society that complements EITI and other efforts to achieve transparency of oil, gas and mining revenues. This 2008 Report on Revenue Transparency of Oil and Gas Companies covers both EITI and non-EITI countries and companies and looks at revenue transparency with a broader definition than EITI, for example, incorporating reporting on anti-corruption programmes as part of a general corporate transparency strategy. For more on how the research incorporated EITI standards, please see the detailed methodology in Annex 2.*

⁷ The vote was taken on the 14th November 2007. See <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2007-0526&language=EN&ring=B6-2007-0437>

2. WHY FOCUS ON COMPANY DISCLOSURE?

Oil and gas companies play a key role in creating transparency of resource revenue flows. Company disclosure helps improve a country's management of resources by providing relevant information to government entities, parliaments and civil society. It contributes to a more stable investment environment of good governance and rule of law that benefits both the country and the company. Even when governments disclose the revenues received, companies should still report their payments⁸. This allows verification of government figures, reinforces the need for governments to remain fully accountable, and facilitates monitoring of revenue flows. To this end, corporate disclosure of the revenues paid to host governments on a country-by-country basis contributes considerably to greater revenue transparency.

Such transparent reporting also assists investors and analysts in obtaining a closer and clearer picture of value, risk exposure, cost management and revenue flows. Disclosure improves a company's image, making it less vulnerable to unsubstantiated attacks on its reputation. In general, a company that reports as fully as possible on its activities, including all aspects of its revenues, provides an assurance of reliability. This has the potential to have an impact on areas vital to its functioning, such as the cost of capital.⁹ Disclosure that recognizes civil society as an audience and a partner acknowledges the value that public trust can add to companies' operations. Revenue transparency also contributes to strengthened corporate social responsibility and corporate citizenship. Essentially, revenue transparency is in a company's best interest. Transparency can serve as an effective risk management tool, and comprehensive corporate reporting diminishes the opportunities for corrupt officials to extort funds.

⁸ *The methodology is designed to focus on companies and not to hold them responsible for host or home government's duties. For a description of how this works please refer to the detailed methodology description in Annex 2 and the questionnaire used, Annex 4.*

⁹ *See, for example, Philip Wright and David Phillips, 'Communicating with the Marketplace', European Business Forum, Issue 18, summer 2004, pp. 52–58.*

METHODOLOGY

The TI 2008 Report on Revenue Transparency of Oil and Gas Companies conducted a review of current policies, management systems and performance of 42 oil and gas companies and their upstream operations in 21 countries on the basis of company-provided, publicly available information.¹⁰ Nineteen of the companies are private international corporations (International Oil Companies or IOCs) and 23 are state-owned enterprises (National Oil Companies or NOCs). Research was conducted in 2007 and the results were finalised in February 2008.¹¹

The companies chosen for analysis are not a representative sample of oil and gas companies, but a selection made according to specific criteria. The key criteria included a combination of industry and country materiality (big companies and/or big local players), a diversity of company types, ensuring that the NOCs of all countries of operation were included, and some continuity with companies included for assessment in the 2005 *Beyond the Rhetoric* report produced by Save the Children UK.

The selection of countries of operation aimed at ensuring a sound geographical coverage and used as its main criteria resource dependency,¹² the need to include some of the world's biggest oil and gas producers, and other countries home to a relevant NOC according to the criteria used to select companies. Membership or non-membership of EITI was not by itself a country selection criterion, neither was the relevance (materiality) of the country for particular companies.

In short, the choice of companies and countries of operation was interdependent and the final list is a careful selection agreed in consultation with the project's Working Group (see Annex 1). The final selection, however, does not allow for coverage of all countries of operation for any one company, with the exception of some of the NOCs.

The questionnaire used to collect data for the 2008 Report on Revenue Transparency of Oil and Gas Companies included a number of indicators on aspects of revenue transparency disclosure.¹³ The indicators were drawn from a number of internationally existing standards and were also refined

by the Working Group and Reference Group that contributed to this report.

The indicators assessing revenue transparency practice in each company were along two dimensions:

1. areas of revenue transparency, and
2. areas of implementation.

The questionnaire evaluated the availability of this information at face value – that is, whether it was publically available or not. It did not evaluate the efficacy of any reported practices, the impact of performance, or whether it fulfilled legal requirements. All answers were based on company-provided publicly available information.

The three areas of implementation are considered at both the company's headquarters and in the 21 countries of operation included in this analysis. Special context indicators have been developed to assess the operational environment. These indicators assess the company's operational environment (host and home country) from the perspective of existing laws and regulations, to determine whether the combination of these puts the company in a restrictive, mixed or supportive environment in terms of revenue transparency. Depending on the resulting category, a specific weight is then

Treatment of National Oil Companies (NOCs) in this report

We have looked at National Oil Companies in two ways:

1. When at home, operating within their domestic territory – these results are presented separately and in this case referred to as NOCs.
2. When operating outside their domestic territory – these results are presented with other International Oil Companies (IOCs) and in this case generally referred to as IOCs.

For this reason, NOCs operating outside their territories will appear in tables and graphs reporting both IOC results (for operations outside their home territory) and NOC results (for operations inside their home territory).

¹⁰ Upstream operations are the focus due to the high complexity of these issues and the consequent need to concentrate on a specific area of revenue transparency stemming from production. This does not mean that transparency of payments associated with the commercialization or transportation of oil and gas is not relevant.

¹¹ The methodology is designed to focus on companies and not to hold them responsible for host or home government's duties. For a description of how this works please refer to the detailed methodology description in Annex 2 and the questionnaire used, Annex 4.

¹² As a method to define resource dependency we used the IMF's list of hydrocarbon rich countries published in its Guide on Revenue Transparency of June 2005 (Table 1, page 62) and considered the countries with higher percentages of resource revenue as a percentage of GDP or as a percentage of exports.

¹³ The questionnaire is available in Annex 4.

applied to the performance results, rewarding a company's performance disclosure under restrictive circumstances by giving additional credit to that given to reporting *per se* and discounting it under supportive settings. In cases where the environment is mixed, the situation is understood to be "neutral" and the scores are not affected.

The methodology used for this report is a revision of the one developed in the 2005 *Beyond the Rhetoric* report on measuring revenue transparency in the oil and gas industries by Save the Children UK.¹⁴

Oil and gas sector experts helped revise the methodology of the previous report. Engagement with companies was also a major feature of the research process and was initially well-received, with an additional two companies requesting to be included in the research at an early stage. The report benefits from important company input during all stages of the research, including questionnaire development, data review and analysis. Company concerns led to adjustments in the methodology. For example, context indicators were added and the notion of "not applicable" was also added based on company feedback. In terms of the overall company engagement, not all companies chose to involve themselves throughout the entire process and only 10 of the 42 companies took the opportunity to review their own data¹⁵.

What was assessed in this report?

In terms of **revenue transparency**, three areas were identified to assess company disclosure:

- **Payments (to host governments):** public reporting of benefit streams paid to governments on a country-by-country basis, such as production entitlements, royalty payments, taxes, bonuses and fees.
- **Operations:** public reporting on a country-by-country basis of other financial information that assists in judging the scale of activities and accuracy of payment reporting, such as information regarding subsidiaries, contract details and key properties, production volumes and reserves, production costs and profits.
- **Anti-corruption programmes:** whether a company discloses its policies or practices to stem corruption, including among other things, its whistle-blowing procedures, staff training, non-victimisation practices and sanctions regime, and if disclosed, it assesses the scope of such anti-corruption policies. It also accounted for whether a company discloses information about the implementation of such policies, including infor-

mation regarding the receipt of complaints and the application of sanctions in cases of prohibited conduct. It does not cover how effective a company is in handling anti-corruption cases or whether or not a company is fulfilling legal obligations under anti-corruption legislation.

- For NOCs only, a fourth area looked at **regulatory and procurement** issues in terms of home country operations.

In terms of *implementation*, three areas were identified to assess company progress and to help diagnose any gaps:

- **Policy:** looks at whether the company has policies, commitments or rules for revenue transparency.
- **Management systems:** looks at whether the company has allocated resources and created the systems needed to achieve revenue transparency.
- **Performance:** looks at whether the company is disclosing information on payments, operations and its anti-corruption programmes. It does not look at whether the information is accurate.

¹⁴ A comparison of the 2005 and 2008 methodologies can be found in Appendix 7. See *Beyond the Rhetoric: Measuring Revenue Transparency: Company Performance in the Oil and Gas Industries*. This assessed 25 companies and their revenue transparency performance in Angola, Azerbaijan, Indonesia, Nigeria, Timor Leste and Venezuela. www.transparency.org/policy_research/surveys_indices/promoting_revenue_transparency.

¹⁵ For more details of the engagement process and company response, see Annex 3.

RESULTS AND ANALYSIS

The *2008 Report on Revenue Transparency of Oil and Gas Companies* identifies three tiers of revenue transparency disclosure among international and national oil and gas companies: high, middle and low¹⁶ (see Table 1). These categories

are based on results from a detailed questionnaire, whose indicators reflect best practice and desirable standards for revenue transparency (see methodological explanation in previous section). The categories do not reflect whether

Table 1: Overall company results

Revenue transparency by grouping			
Group	IOCs and NOCs that operate outside their home country (in alphabetical order (1))	NOCs in their home territories (in alphabetical order (1))	Characteristics
HIGH	BG Group, BHP Billiton, Nexen*, Petro-Canada*, Shell, StatoilHydro*, Talisman Energy*, Petrobras*	China National Offshore Oil Corporation (CNOOC), Oil and Natural Gas Corporation Ltd. (ONGC), Petróleos Mexicanos (Pemex)*, Petrobras*, PetroChina, Sinopec, StatoilHydro*	<p>High IOC performers:</p> <ul style="list-style-type: none"> Some disclose payments systematically on a country-by-country basis, others disclose in a few selected countries. Go beyond existing mandatory regulations applicable to them. Have different strengths in different areas of transparency: payments, operations and anti-corruption programmes. Further improvement for this group means reaching full country-by-country disclosure, namely in all countries of operation; and for some, increased disclosure of anti-corruption programmes. <p>High NOC performers:</p> <ul style="list-style-type: none"> Disclose revenue at home or are listed. Provide information about their regulatory structure and procurement practices. Further improvement for this group means increased disclosure of anti-corruption programmes and of policies in all areas of transparency.
MIDDLE	BP, Chevron, Conoco-Phillips, Eni, Hess, Marathon Oil, Repsol YPF, Total*, Woodside	Gazprom, KazMunaiGaz (KMG), National Iranian Oil Company, Nigerian National Petroleum Company (NNPC), Petronas*, Qatar Petroleum*, Rosneft, Sonatrach	<p>Middle IOC performers:</p> <ul style="list-style-type: none"> Disclose revenues mainly by geographical area and only in a few selected countries of operation. Further improvement for this group means upgrading country-by-country disclosure aiming at covering all countries of operation and increasing disclosure of anti-corruption programmes. <p>Middle NOC performers:</p> <ul style="list-style-type: none"> Disclose relatively little about payments and anti-corruption programmes. Further improvement for this group means increased reporting on policy and management systems, and improved reporting on all areas of revenue transparency, particularly for non-listed companies.
LOW	China National Offshore Oil Corporation (CNOOC), China National Petroleum Corporation (CNPC), Devon Energy, Exxon-Mobil, INPEX, Kuwait Petroleum Corporation, Lukoil, Oil and Natural Gas Corporation Ltd. (ONGC), Petronas*	China National Petroleum Corporation (CNPC), GEPetrol, Kuwait Petroleum Corporation, Pertamina*, Petróleos de Venezuela (PDVSA), Saudi Aramco, Société Nationale des Pétroles du Congo (SNPC), Sonangol	<p>Low IOC performers:</p> <ul style="list-style-type: none"> Disclose only by geographical segment and provide almost no additional information relevant to revenue transparency. Further improvement for this group requires increased reporting on all areas of revenue transparency. <p>Low NOC performers:</p> <ul style="list-style-type: none"> Disclosure is relatively absent in the areas of payments and anti-corruption programmes, whether in terms of reporting on policy, management systems or performance. Further improvement for this group requires increased reporting on all areas of revenue transparency at all levels of implementation.

* Indicates a company that used the opportunity to review its data.

(1) Companies are listed alphabetically in each group. Sequencing in each group is unrelated to relative performance within that section.

Source: Transparency International *2008 Report on Revenue Transparency of Oil and Gas Companies*. Results are weighted by context. Each grouping is determined according to tercils.

¹⁶ The cut-offs between categories have been achieved by dividing the results according to tercils. This is a statistical approach that works by taking the distribution of the results and dividing them into three statistically equal groups on the basis of each of the scores. It is, therefore, not related to group size.

companies are meeting disclosure or reporting requirements mandated by law. However, a company that discloses when operating in a country that has minimal or non-existent reporting requirements is credited positively. The column indicating IOCs includes seven NOCs that operate outside their home jurisdictions. In those cases assessment reflects only their operations abroad.

To be classified as a high performer in terms of revenue transparency, a company ideally does the following:

- Makes a public commitment to revenue transparency and anti-corruption regulations and provides information about the corresponding management systems for putting these into practice.
- Publishes revenue payments for each country of operation.
- Publishes information on production, costs and reserves for each country of operation.
- Publishes information on contractual arrangements for each country or notes the existence of confidentiality clauses that preclude publication.
- Publishes relevant aspects of the implementation of their anti-corruption policies (such as whether employee training is in place, or the number and nature of sanctions).

Results for both IOCs and NOCs indicate that payments disclosure is low for both groups. However, both IOCs and NOCs demonstrated that a selected group of oil and gas companies has been able to set high standards for others to aspire to, particularly in providing payments data on a country-by-country basis. IOCs stand out in comparison to average NOCs in the area of anti-corruption policy, management and reporting.

The results of this research indicate that the best company performers are those who are proactively adopting systematic disclosure. The role of home and host governments in encouraging reporting on natural resource revenues, however, can not be underestimated. Governments provide the appropriate enabling environment in which companies can best operate. The analysis that follows, therefore, focuses not only on what leading oil and gas companies are doing in terms of their reporting but also on how they are affected by the regulations that govern them at headquarters and in the country of operation.

1. INTERNATIONAL OIL COMPANIES (IOCs): PROACTIVE DISCLOSURE DRIVES GOOD PERFORMANCE

At present, proactive disclosure is the main determinant of good performance by companies in terms of revenue transparency. The results of this research show that disclosure efforts made by a few leading companies can pave the way for others to follow best practices. This is best demonstrated by StatoilHydro and Talisman Energy. Other companies in the top payments category are making important efforts and have published payments information in some of the countries of operation covered in this report.

As Table 2 indicates, some companies have stronger results in the area of anti-corruption programmes than in payments to host governments (Shell, BG Group and BHP Billiton). Others have stronger results in operations and payments but not in anti-corruption programmes, such as Talisman Energy and Petro-Canada. Ultimately, the approach individual com-

Table 2: IOCs and NOCs operating outside their home territories

Disclosure of payments, operations and anti-corruption programmes by grouping			
Group	Payments (in alphabetical order (1))	Operations (in alphabetical order (1))	Anti-corruption Programmes (in alphabetical order (1))
HIGH	BP, Lukoil, Nexen*, Petro-Canada*, Shell, StatoilHydro*, Talisman Energy*, Total*	China National Offshore Oil Corporation (CNOOC), Lukoil, Nexen*, Oil and Natural Gas Corporation Ltd. (ONGC), Petrobras*, Petro-Canada*, Talisman Energy*, Woodside	BG Group, BHP Billiton, Nexen*, Shell
MIDDLE	BG Group, BHP Billiton, Chevron, ConocoPhillips, Eni, ExxonMobil, Hess, Petrobras*, Repsol YPF	BG Group, BHP Billiton, BP, Chevron, ConocoPhillips, Devon Energy, Eni, Marathon Oil, StatoilHydro*	BP, Chevron, ConocoPhillips, Devon Energy, Eni, Hess, Marathon Oil, Petrobras*, Petro-Canada*, Repsol YPF, StatoilHydro*, Talisman Energy*, Total*
LOW	China National Offshore Oil Corporation (CNOOC), China National Petroleum Corporation (CNPC), Devon Energy, INPEX, Kuwait Petroleum Corporation, Marathon Oil, Oil and Natural Gas Corporation Ltd. (ONGC), Petronas*, Woodside	China National Petroleum Corporation (CNPC), ExxonMobil, Hess, INPEX, Kuwait Petroleum Corporation, Petronas*, Repsol YPF, Shell, Total*	China National Offshore Oil Corporation (CNOOC), China National Petroleum Corporation (CNPC), ExxonMobil, INPEX, Kuwait Petroleum Corporation, Lukoil, Oil and Natural Gas Corporation Ltd. (ONGC), Petronas*, Woodside

* Indicates a company that used the opportunity to review its data.

(1) Companies are listed alphabetically in each group. Sequencing in each group is unrelated to relative performance within that section.

Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context. Each grouping is determined according to tercils.

panies take to disclosing payments is the key indicator of their disclosure of performance overall, and the combination of their results on each of these categories is what leads to the overall results in Table 1.

Home government regulations, such as those in Canada, help to mainstream these efforts and to ensure that they apply across the board in all countries in which a company is operating. However, reporting patterns vary, and home government regulation of companies is not uniform.

1.1 IOC reporting is strong on anti-corruption programmes but weak on payments to host governments

IOCs show better results in reporting on anti-corruption programmes and operations¹⁷ than in the area of payments to host governments (see Graph 1), making payments transparency the weakest area evaluated.

The positive results related to anti-corruption programmes are encouraging. Companies such as Shell and BG Group demonstrate best practice in this regard, making available relevant information on their anti-corruption strategies and efforts. For all companies, these results seem to reflect an increase in regulations (particularly from home governments and stock exchange listing requirements) requesting companies to implement company-wide measures related to anti-corruption. The influence of home government regulations on anti-corruption performance suggests that such requirements could also be applied to transparency of payments to host governments.

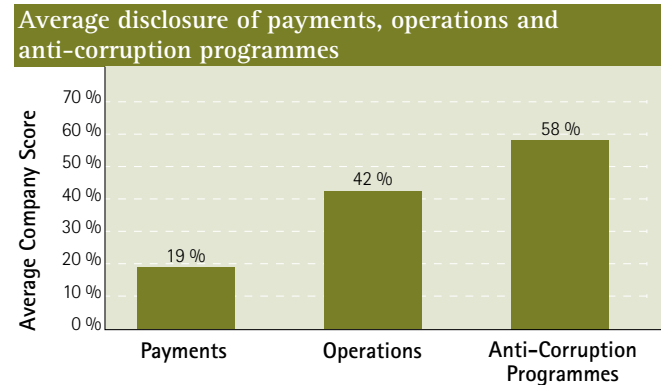
This limited reporting of revenue payments is disappointing, given that transparency of government earnings from extractives remains a key theme of the multi-stakeholder transparency movement. Transparency regarding such earnings is key to implementing stronger accountability mechanisms to monitor the use of natural resource wealth.

Anti-corruption regulation that outlaws, for example, the bribery of public officials, has long been applied to company operations in host countries. In contrast, a more recent development is the emergence of home government anti-corruption regulations: legislation on what companies based in a country but operating abroad are permitted to do, such as the prohibition against bribing foreign public officials based on the Organisation for Economic Co-operation and Development Anti-Bribery Convention of 1997¹⁸. Company results in this area seem to be influenced more by home than host government regulation, as corporate anti-corruption strategies are often determined at headquarters.

There is more disclosure of information on operations (production costs, reserves) as a result of demand by investors. This probably explains why there are stronger results in this

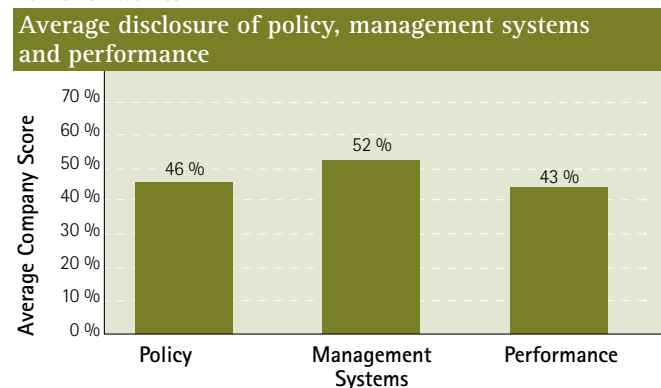
area. Operations information is essential to support reporting on payments to host governments. For civil society, it offers a means to check the accuracy of information disclosed by governments.

Graph 1: IOCs and NOCs operating outside their home territories



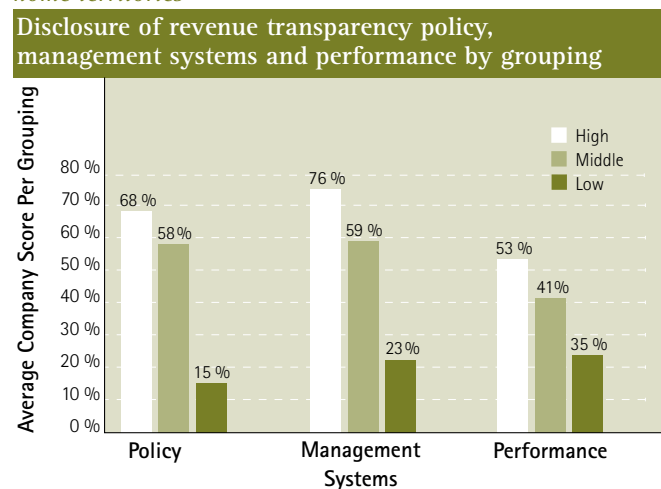
Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context.

Graph 2: IOCs and NOCs operating outside their home territories



Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context.

Graph 3: IOCs and NOCs operating outside their home territories



Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context.

¹⁷ This result on disclosure of operations was surprising: during the methodology consultation phase some companies were uncomfortable with the operations questions, leading to expectations that results in this area would be much less positive.

¹⁸ A notable exception to this is the US Foreign and Corrupt Practices Act which has been in place since 1977.

1.2 How IOCs implement transparency: more disclosure of policies and management systems than of performance

On average, IOCs have better results on policy and management systems than disclosure of performance (see Graphs 2 and 3).

Companies with better results in terms of policies were BP, Nexen, Petro-Canada, Repsol YPF, Shell, StatoilHydro, Talisman Energy and Total. Companies showing good performance results were BG Group, China National Offshore Oil Corporation (CNOOC), Lukoil, Nexen, Oil and National Gas Corporation Ltd. (ONGC), StatoilHydro and Talisman Energy.

In cases where disclosure of IOC performance was weak, several factors may be relevant. The host government may restrict disclosure, either through confidentiality clauses in concession contracts, or through mandatory regulations forbidding disclosure. Home government restrictions may also be imposed on companies, limiting disclosure through regulation. Finally, disclosure may be limited directly by the company: the company may simply choose not to disclose, for materiality or other commercial reasons.

Table 3: NOCs operating at home

Disclosure of payments, operations, anti-corruption and regulatory and procurement issues by grouping				
Group	Payments (in alphabetical order (1))	Operations (in alphabetical order (1))	Anti-corruption Programmes (in alphabetical order (1))	Regulatory and Procurement Issues (in alphabetical order (1))
HIGH	Gazprom, KazMunaiGaz (KMG), Oil and Natural Gas Corporation Ltd. (ONGC), Petrobras*, Petróleos Mexicanos (Pemex)*, Rosneft, StatoilHydro*	China National Offshore Oil Corporation (CNOOC), Oil and Natural Gas Corporation Ltd. (ONGC), Petrobras*, Petróleos Mexicanos (Pemex)*, Rosneft	Petrobras*, PetroChina, Petróleos Mexicanos (Pemex)*, Qatar Petroleum*, Sinopec, StatoilHydro*	KazMunaiGaz (KMG), National Iranian Oil Company, Oil and Natural Gas Corporation Ltd. (ONGC), Pertamina*, Petróleos Mexicanos (Pemex)*, Petronas*, StatoilHydro*
MIDDLE	China National Offshore Oil Corporation (CNOOC), Kuwait Petroleum Corporation, National Iranian Oil Company, PetroChina, Petróleos de Venezuela (PDVSA), Petronas*, Qatar Petroleum*, Sinopec	Gazprom, KazMunaiGaz (KMG), National Iranian Oil Company, Nigerian National Petroleum Company (NNPC), PetroChina, Petronas*, Qatar Petroleum*, Sinopec, Sonatrach, StatoilHydro*	China National Offshore Oil Corporation (CNOOC)	GEPetrol, Petrobras*, PetroChina, Petróleos de Venezuela (PDVSA), Qatar Petroleum*, Saudi Aramco, Sonangol
LOW	China National Petroleum Corporation (CNPC), GEPetrol, Nigerian National Petroleum Company (NNPC), Pertamina*, Saudi Aramco, Société Nationale des Pétroles du Congo (SNPC), Sonangol, Sonatrach	China National Petroleum Corporation (CNPC), GEPetrol, Kuwait Petroleum Corporation, Pertamina*, Petróleos de Venezuela (PDVSA), Saudi Aramco, Société Nationale des Pétroles du Congo (SNPC), Sonangol	China National Petroleum Corporation (CNPC), Gazprom, GEPetrol, KazMunaiGaz (KMG), Kuwait Petroleum Corporation, National Iranian Oil Company, Nigerian National Petroleum Company (NNPC), Oil and Natural Gas Corporation Ltd. (ONGC), Pertamina*, Petróleos de Venezuela (PDVSA), Petronas*, Rosneft, Saudi Aramco, Société Nationale des Pétroles du Congo (SNPC), Sonangol, Sonatrach	China National Petroleum Corporation (CNPC), Gazprom, Nigerian National Petroleum Company (NNPC), China National Offshore Oil Corporation (CNOOC), Kuwait Petroleum Corporation, Sinopec, Société Nationale des Pétroles du Congo (SNPC), Sonatrach, Rosneft

* Indicates a company that used the opportunity to review its data.

(1) Companies are listed alphabetically in each group. Sequencing in each group is unrelated to relative performance within that section.

Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context. Each grouping is determined according to tercils.

While many companies do make efforts to disclose information, despite restrictions on such disclosure in their home and host operating environments, actual disclosure of performance still remains sporadic, in contrast to a relatively higher level of commitment expressed through the companies' own policies on revenue transparency.

2. NATIONAL OIL COMPANIES OPERATING AT HOME: LISTING REQUIREMENTS DRIVE DISCLOSURE

The leading NOCs show that home government regulation that supports disclosure makes a difference. Not surprisingly, stock exchange listing is a driving factor for good performance. Companies already listed on a stock exchange show a marked difference to their non-listed peers in all areas of transparency and its implementation. For non-listed NOCs, instances of disclosure may be driven by voluntary efforts or by requirements set by IOCs as part of partnership agreements.

NOCs listed on a stock exchange perform better in all areas versus non-listed NOCs. The sharpest differences appear in the areas of payments and anti-corruption disclosure, with non-listed NOCs showing poor results. In the area of regulation and procurement issues, the difference between listed and non-listed NOCs is not substantial. There is also less operations information available on non-listed NOCs, which may have to do with limited demand for this information from analysts and investors.

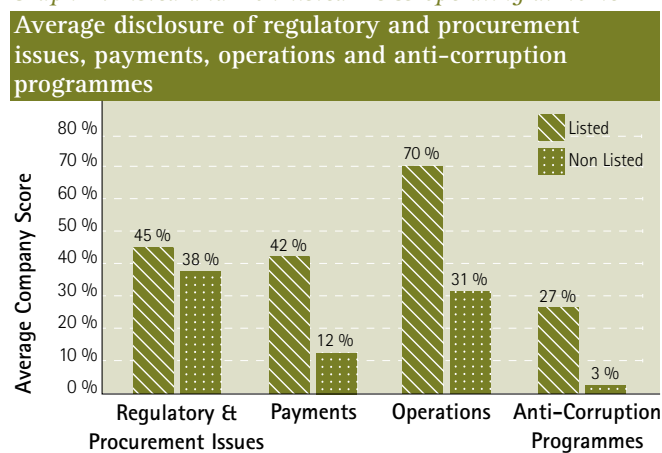
As comparisons between Table 1 and Table 3 indicate, disclosure of NOC operations solely in their national territories, versus their operations abroad offer some interesting results. NOCs operating at home tend to show better results, as in the case of Petronas and Oil and Natural Gas Corporation Ltd. (ONGC). StatoilHydro and Petrobras are consistently among the NOC leaders for their reporting on operations both at home and abroad. In the case of the former this is related to home government regulations in Norway that mandate disclosure.

In general, StatoilHydro along with Petróleos Mexicanos (Pemex) and Petrobras, which are among the leading group of NOCs, provide an important benchmark for revenue transparency among NOCs and particularly among listed NOCs, followed by Oil and Natural Gas Corporation Ltd. (ONGC), PetroChina and Sinopec.

2.1 NOCs report most on operations, regulation and procurement issues, less on payments to governments

The most notable feature of NOCs' revenue transparency practices is the strong tendency for companies to report data on operations and regulatory and procurement issues¹⁹ (the latter a special feature of NOCs) rather than on payments to the government or on anti-corruption programmes. One reason may be that such information is needed for government macroeconomic analysis and demanded by international financial institutions. In contrast, weak results in reporting

Graph 4: Listed and Non-listed NOCs operating at home

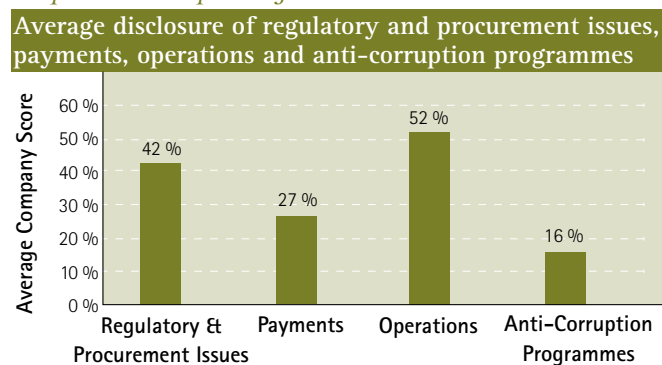


Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context.

payments to governments or anti-corruption programmes can be associated with a number of factors, including governmental restrictions on disclosure by state-owned companies, as is currently the case in Indonesia, for example.

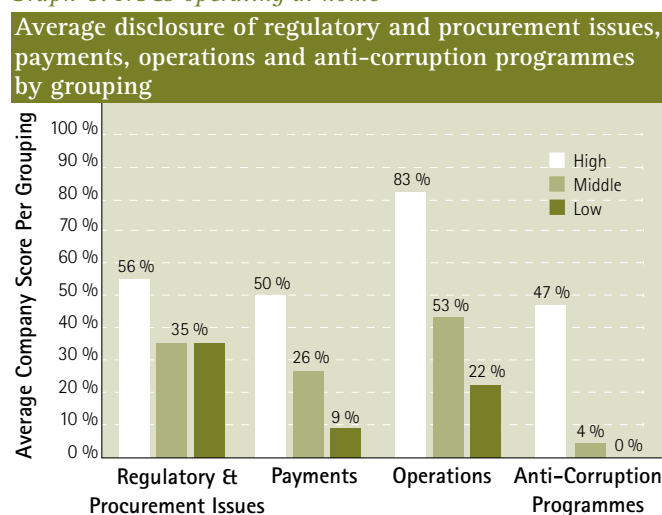
As is shown in Graph 6, NOCs in the middle and low performing groups show very low or close to nonexistent pay-

Graph 5: NOCs operating at home



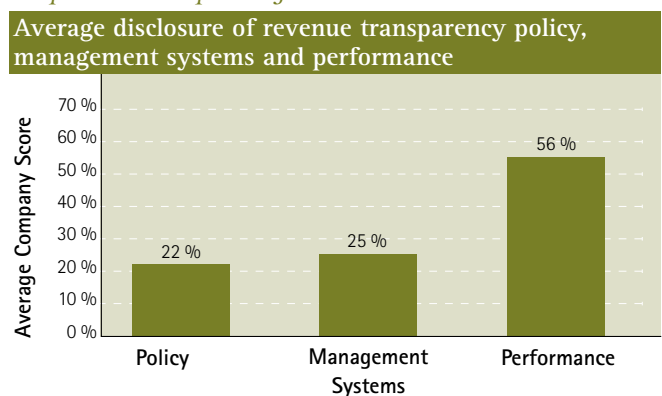
Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context.

Graph 6: NOCs operating at home



Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context.

Graph 7: NOCs operating at home



Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context.

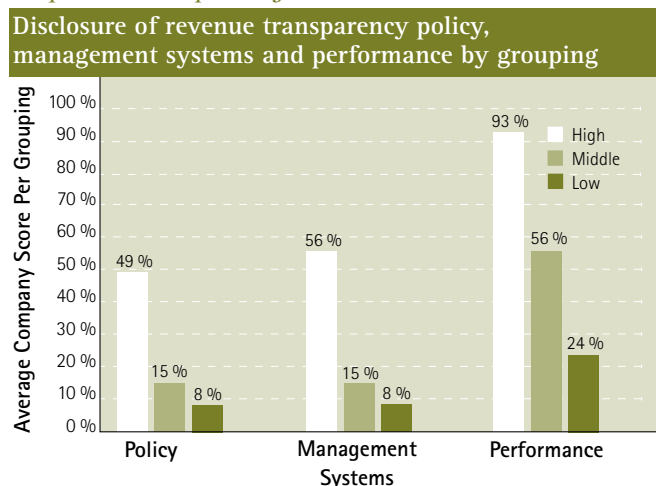
¹⁹ In evaluating the disclosure of regulation and procurement the indicators used do not make any judgments on a particular type of regulatory arrangement for NOCs as better or worse, such as whether commercial and non-commercial functions are separated. Rather, the questions probe the transparency of the arrangement.

ments disclosure. There are also strikingly poor results for public disclosure of anti-corruption programmes in these two groups.

2.2 NOCs disclose revenue transparency performance

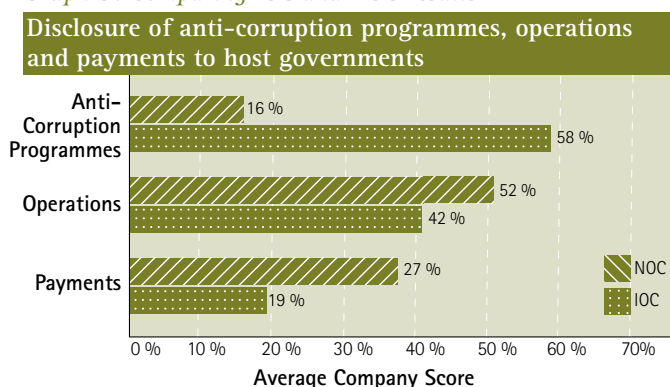
On average, NOCs tend to show better results for the category

Graph 8: NOCs operating at home



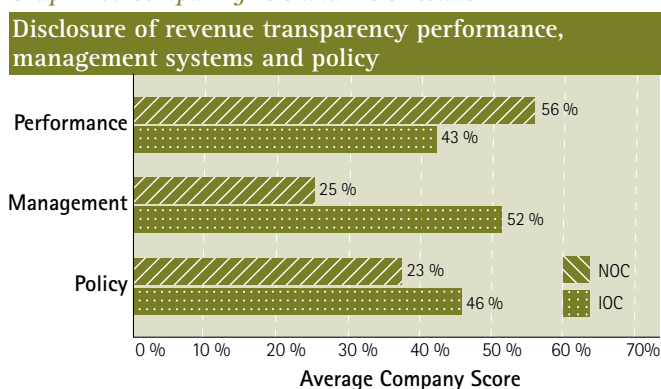
Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context.

Graph 9: Comparing IOC and NOC results



Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context.

Graph 10: Comparing IOC and NOC results



Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context.

ry of performance than for policy and management systems (see Graph 7). Examples of this include China National Offshore Oil Corporation (CNOOC), Gazprom, Sonatrach and Rosneft. This may be due to the fact that, in this case, the indicators are applied to only one country of operation: their home territory. Also, as noted earlier, this strong level of performance reporting may be driven by their in-country interaction with IOCs, leading NOCs to perform to standards higher than their own stated policies.

As Graph 8 illustrates, the NOCs with best overall disclosure report much more than their middle and low performing peers, and these companies have clearly established an encouragingly high benchmark. Not surprisingly, this group consists mainly of NOCs listed on a stock exchange that operate abroad and are required to publish specific information related to revenue transparency.

3. IOC AND NOC TRENDS

At the aggregate level,²⁰ there are some noteworthy trends when comparing IOCs and NOCs. Both NOCs and IOCs show weakest results in terms of disclosure of payments to host governments compared with the other areas of transparency assessed. This indicates that country-by-country disclosure of revenue payments is not yet standard practice.

NOCs listed on stock exchanges tend to perform similarly to IOCs. Low-performing IOCs tend to follow average NOC patterns.

Both IOCs and NOCs provide relatively detailed information on their operations, which could be a result of the commercial demand from investors and analysts. In the case of NOCs, it could also be the result of information required for macroeconomic or investor analysis. Finally, IOCs demonstrated far better results than NOCs in terms of disclosure of anti-corruption programmes (see Graph 9).

IOCs tend to show better results in policy and management systems than in performance reporting, while on average, NOC results are the opposite: performance results are higher than policy and management systems reporting (see Graph 10). The differences in reporting on performance between both categories of companies are not substantial.²¹

4. COMPANY ACTIONS MATTER MORE THAN LOCAL CONDITIONS: IN-COUNTRY ANALYSIS

The research leading to the TI 2008 Report on Revenue Transparency of Oil and Gas Companies shows that a company will generally perform similarly in all countries in which it operates. This is the case, for example, for compa-

²⁰ Detailed comparisons between IOC and NOC results are difficult due to their diverse nature and structure.

²¹ A direct comparison of the disclosure of performance score for NOCs and IOCs is not feasible as it reflects different types of operations. This is because NOC scores reflect performance reporting at home, while the IOC scores reflect the reporting performance of IOCs abroad and, in many cases, in more than one host country.

panies with markedly different levels of reporting such as StatoilHydro and China National Petroleum Corporation (CNPC). Any variations from this norm often relate to how relevant or material, in terms of production volumes or revenue, a particular country is for the company.

Some companies report systematically on a country-by-country basis even if operating in countries that place restrictions on disclosure or in environments that lack explicit measures promoting revenue transparency, for example StatoilHydro in Angola and Talisman Energy in Algeria. This

Table 4: IOCs and NOCs operating outside their territories

Performance by Country of Operation					
Host Country	Companies (1) (2)				Number of companies covered
	very high above country average scores	above country average scores	below country average scores	very below country average scores	
ALGERIA	StatoilHydro, Talisman Energy	BHP Billiton, ConocoPhillips, Eni	BP, Hess, Repsol YPF, Woodside, Total	China National Petroleum Corporation (CNPC)	11
ANGOLA	StatoilHydro	Eni, Total	BP, Chevron, Petrobras	ExxonMobil	7
AZERBAIJAN	StatoilHydro	BP, Chevron, Hess	Devon Energy, ExxonMobil	INPEX	7
BRAZIL	N.A.	Shell	Repsol YPF	N.A.	2
CHINA	StatoilHydro	ConocoPhillips, Eni, Shell	Chevron, Devon Energy	INPEX, Kuwait Petroleum Corporation	8
CONGO BRAZZAVILLE	N.A.	Eni	Chevron, Total	N.A.	3
EQUATORIAL GUINEA	Hess	ExxonMobil, Devon Energy, Marathon Oil	N.A.	N.A.	4
INDONESIA	Chevron, Talisman Energy	BP, ConocoPhillips, China National Offshore Oil Corporation (CNOOC), Eni, ExxonMobil, Hess, Total	INPEX	China National Petroleum Corporation (CNPC), Kuwait Petroleum Corporation, Petronas	13
KAZAKHSTAN	BG Group	BP, Chevron, Eni, ExxonMobil	Lukoil	China National Petroleum Corporation (CNPC)	7
MALAYSIA	Talisman Energy	Hess, Shell	ExxonMobil	Kuwait Petroleum Corporation	5
NIGERIA	Shell	Total	Chevron, ConocoPhillips, Eni	ExxonMobil	6
NORWAY	Talisman Energy	BP, Eni, Shell	Chevron, ConocoPhillips, ExxonMobil, Hess, Marathon Oil, Total	N.A.	10
QATAR	N.A.	Total	ExxonMobil	N.A.	2
RUSSIA	BP	ConocoPhillips, Shell, Total	Devon Energy, ExxonMobil, Lukoil	Oil and Natural Gas Corporation Ltd. (ONGC)	8
USA	Chevron, Nexen, Talisman Energy	BP, ConocoPhillips, Hess, Marathon Oil, Shell	BHP Billiton, Devon Energy, Eni, ExxonMobil, Petrobras, Petro-Canada	Repsol YPF, Total, Woodside	17
VENEZUELA	StatoilHydro	Chevron, ConocoPhillips, Eni, Petrobras, Repsol YPF, Shell	BP, ExxonMobil, Total	China National Petroleum Corporation (CNPC)	11

* Only includes countries with more than one company operating in them covered in this report. It therefore does not include Saudi Arabia and India nor the countries where the sole operator included was the NOC operating in its home country. Groups in this table are determined in relation to the country average score and their distance around the standard deviation.

(1) Table refers to IOCs and NOCs operating outside their home territories only.

(2) Companies are listed alphabetically in each group. Sequencing in each group is therefore unrelated to relative performance within that section. The information in this Table is based on the results of the research and the methodology used in this report and it cannot be interpreted to assess if host or home legal requirements are being fulfilled.

Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies.

consistency of company disclosure regardless of operating environment reflects the significant impact of both a company's choice to disclose and the regulatory environment in which it operates, as determined by where it is registered (home government regulations) or where it raises capital (stock exchange regulations).

In addition, there are a few individual cases of company disclosure efforts in restrictive environments that challenge the view that restrictions in host countries are impossible to overcome. Examples include disclosure in Algeria, Angola, Equatorial Guinea and Kazakhstan.

Table 4 illustrates performance by IOCs and NOCs operating in countries outside their home territories. In some countries there are significant differences in disclosure among companies. The countries with the most marked differences between high performers and low performers are Algeria, Azerbaijan, China, Indonesia, Kazakhstan, Malaysia and Venezuela. This substantial performance gap indicates that some companies exhibit a lack of disclosure, while others in fact disclose. When operating in these countries companies such as BG Group, StatoilHydro and Talisman Energy achieve results that appear in stark contrast to those of INPEX, Kuwait Petroleum Corporation, China National Petroleum Corporation (CNPC), Petronas and Lukoil. This disparity demonstrates that better disclosure in these countries is possible and should be attainable by others.

In most of these cases where there is high in-country variation, the majority of companies are located in the group of middle performers. The presence of this middle group holds promise: improvements should be possible as companies can upgrade practices to the higher level and could therefore spur political support for host government reforms in this direction.

Host countries with comparatively low differences of company scores are Angola, Brazil, Congo Brazzaville, Equatorial Guinea, Nigeria, Norway, Qatar, Russia and the United States.²² Less difference in company results per country indicate the existence of a good opportunity for reform, since the playing field is already level. If reporting practices are low, the cost of upgrading them would be more or less the same for all companies operating in that country. Given the low level of reporting practices, there is also likely to be political support for regulation aimed at improving revenue transparency disclosure.

5. THE 'EITI EFFECT' REMAINS LIMITED BUT HOLDS PROMISE

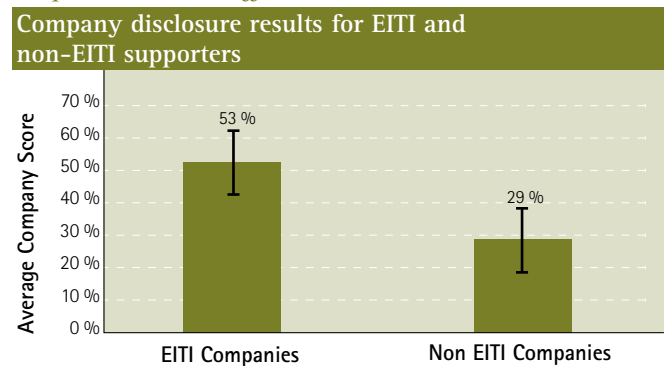
The Extractive Industries Transparency Initiative (EITI) is the most significant multi-stakeholder initiative to promote rev-

enue payment transparency. EITI 'aims to strengthen governance by improving transparency and accountability in the extractives sector'.²³ EITI was launched in 2002 as a voluntary initiative under which a government and extractive companies operating in that country agree to parallel disclosure of company payments related to extractive activities and government receipts respectively, with independent reconciliation of the data streams. As of February 2008, 17 of the 42 companies covered in this report had joined as supporters of the initiative: BG Group, BHP Billiton, BP, Chevron, ConocoPhillips, Eni, ExxonMobil, Hess, Marathon Oil, Pemex, Petrobras, Repsol YPF, Shell, StatoilHydro, Talisman Energy, Total and Woodside. EITI itself does not require supporting companies to disclose on a country-by-country basis in countries of operations other than in those countries implementing EITI.

Countries that join EITI commit themselves to implement disclosure and a validation process in order to become fully compliant with EITI standards. Of the 21 countries of operation included in this report, Azerbaijan, Congo Brazzaville, Equatorial Guinea, Kazakhstan and Nigeria were approved as candidates for EITI as of February 2008.²⁴

Average disclosure results for companies that support EITI tend to be higher than for those companies that are not yet EITI supporters, but not significantly higher. That this difference is only marginal could be due to a number of circumstances, among them the fact that EITI does not mandate country-by-country disaggregated disclosure by company (and hence disaggregated data may not be published in certain countries). It may also reflect the low number of EITI candidate countries included in this report. However, it also appears that EITI participation does not translate into more widespread company disclosure. Despite strong declarations of support for EITI and its goals from its supporting companies, only a few appear to be applying EITI transparency principles systematically across all countries of operation. Most companies are letting governments take the lead, and disclose only the minimum required in each country.

Graph 11: The EITI Effect



Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies. Results are weighted by context. Bars indicate estimated error.

²² The difference between high and low performers was taken from the standard deviation of company scores per country of operation.

²³ More information can be found at www.eitransparency.org.

²⁴ Candidate countries have two years to become validated as a compliant country.

Nigeria is the only EITI candidate where disaggregated disclosure by companies is required.

EITI seems to be having a positive effect on the transparency of company payments to host governments in EITI countries (most noticeably in Azerbaijan and Nigeria). This provides a basis and a framework for company disclosure. However, in most cases, this information is not broken down into various revenue streams, such as fees, taxes, or royalties. Nigeria is the only EITI candidate country where disaggregated information is available by company and is so far the only country to publish payments by the federal government to the states and local governments in the country.

Without it being required by governments, commitment to EITI by companies has not yet translated into systematic disclosure across all their countries of operation, whether or not these countries have signed up to EITI. This means that the companies included for analysis in the *2008 Report on Revenue Transparency of Oil and Gas Companies* that support EITI are not necessarily publicising disaggregated data for all their countries of operation covered in this report.

6. THE QUALITY OF ACCESS TO INFORMATION: DISCLOSURE AND REPORTING FORMATS

Disparities in reporting styles characterise the 42 companies covered in this report. Most companies use tabular reporting to present information. But the topics included in tables and the level of aggregation varies significantly. Some information is presented on a country-by-country basis and some is shown by geographic region. In contrast to tabular formats for reporting, other companies employ a narrative style. The latter creates a greater volume of reporting and makes it difficult to ascertain whether all relevant information has been disclosed. Samples of different reporting formats can be seen in Annex 7.

The differences are even more pronounced in the area of payments to host governments. Few companies use tables to present this information. Most fail to provide it in any form consistently across their operations. Among the notable exceptions is Talisman Energy, which breaks down taxes and royalties by country. Other companies that disclose this information for single countries tend to do so in a narrative format, such as Shell in Nigeria.

Increasingly companies report operational information such as revenue and production costs on a country-specific basis. For some, however, particularly for large companies, operational information disclosed in tables is usually aggregated by region. ExxonMobil and Shell, for instance, with operations spanning a large number of countries, report this way. In some cases, companies reporting broke down production information in a greater level of detail, and data on production per property was made available. An example of good practice is ConocoPhillips, which presented this information

across all countries of operations. As with revenue payments, country-specific reporting on operations is of maximum use for establishing clarity and creating accountability about the use of natural resources and the revenues they generate.

KEY FINDINGS

The results of this report indicate that proactive disclosure efforts are the main driver of good performance in revenue transparency. Disclosure efforts made by companies themselves do make a difference in individual countries. Efforts by companies do have a visible impact on extractive industry revenue management by providing necessary information publicly, in a clear and concise manner, regarding revenue payments. Home government regulations help to mainstream these efforts and to ensure they apply across the board in all countries in which a company operates. However, reporting patterns vary and home government regulation of companies is not uniform.

Leading NOCs show that home government regulation which is supportive of disclosure also makes a difference. Not surprisingly, stock exchange listing has proved to be a driving factor for good performance by NOCs. Companies already listed on a stock exchange show a marked difference in comparison to their non-listed peers in all areas of transparency and its implementation. It is possible that for non-listed NOCs actual performance is also driven by voluntary efforts or by interaction with IOCs in their home countries.

Within this broad picture, the following key findings emerge from the TI 2008 *Report on Revenue Transparency of Oil and Gas Companies*.

REVENUE TRANSPARENCY is not yet common practice in the industry.

Revenue transparency by oil and gas companies is comprised of more than just reporting on payments to home governments on a country-by-country basis. It also requires disclosure of operations data and anti-corruption programmes both of which support such transparency and enable its sustainability by the company. Revenue transparency, as understood in this report, has important implications for stakeholders such as civil society, who can then use this information to monitor a government's use of natural resource revenues and demand accountability.

As the research results indicate, most of the 42 oil and gas companies assessed do not make sufficient efforts to report on their payments to host governments on a country-by-country basis or to disclose the accompanying information on their operations and anti-corruption programmes. The results on payments disclosure are low for both IOCs and NOCs. In contrast, relatively good availability of information on IOC and NOC operations demonstrates the power of

stakeholder demand for such information – in this case from analysts and investors. As demands for revenue transparency information from stakeholders continue to grow, companies may improve disclosure in other areas. Enhanced transparency and accompanying accountability will serve the needs of the public interest more broadly.

While disclosure of anti-corruption programmes by IOCs is fairly comprehensive, as compared with other areas of transparency, there is still room for improvement. Inevitably, efforts that are not disclosed cannot be rewarded. In the case of anti-corruption programmes, company measures and procedures have a much more significant and persuasive effect if they are disclosed, creating a standard for companies and their employees to follow.

Improvements in all areas of disclosure will be particularly crucial for NOCs wishing to enter international markets, as it will facilitate partnerships with key international players and help provide access to capital. Many of the high NOC performers in terms of their revenue transparency disclosure are listed on stock exchanges and already operate outside their home market. They provide a benchmark for NOCs that are aiming to extend their operational reach – or for those seeking to raise standards at home.

WIDE VARIATION exists in company practice.

The results show that there is a lot of variability and lack of consistency in reporting. There are leading companies among the IOCs and the NOCs assessed who demonstrate that comprehensive and systematic disclosure on a country-by-country basis is possible. Many companies exhibit much weaker reporting results.

Reporting of payments is particularly limited and in most of the cases limited to geographical areas, even though transparency of government earnings from extractives remains a key theme of the multi-stakeholder transparency movement. Differences in reporting practices among companies in particular countries also show there is great scope for improved disclosure. The examples of good practice offer practical approaches that other companies may find useful (see Annex 7).

Revenue transparency is not easy to achieve, not least because confidentiality clauses in concession contracts often allow host governments to inhibit disclosure of payments, contract details and other information by companies. More-

over, EITI itself does not mandate corporate country-by-country disclosure – leaving this to the discretion of implementing countries. At present StatoilHydro and Talisman Energy stand out with the most comprehensive and systematic payments disclosure; this result is a combination of home country governments requiring such data to be published and proactive company efforts. A similar finding emerges for leading NOCs operating at home. In this case, good results come from a combination of the stock exchange listing regulations, home regulations and proactive efforts.

GOOD PRACTICE in revenue transparency starts at home.

Research results per country indicate that companies tend to behave consistently irrespective of their countries of operation. This indicates that host government regulations are necessary but not sufficient, particularly when it comes to systematic country-by-country disclosure. This also indicates that home governments' mandates on revenue transparency disclosure can make a significant difference, by helping to create a playing field for companies that is both level and at a uniformly high standard. Home country regulation mandating revenue transparency would also support host government reform efforts. Ultimately, while voluntary efforts are significant, they do not play as significant a role in improving industry-wide performance as more comprehensive home government regulation would.

NOC results show that there is an urgent need for a home-based mandatory disclosure of revenue payments, anti-corruption programmes and operations information. This is confirmed when comparing the results of NOC operations at home and abroad. Home-based reforms for NOCs have the advantage of being simultaneously host-based reforms, since they establish in-country parameters applicable to IOCs operating there as well as NOCs. NOCs need to set best standards for disclosure of revenue transparency-related information at home. This will raise the bar for all companies operating in that country.

Good results in the anti-corruption programmes indicators mostly reflect a combination of company efforts, stock exchange listing regulations and compliance with home and international legislation, such as the Foreign Corrupt Practices Act or the OECD Anti-Bribery Convention. This is also consistent with the fact that most corporate anti-corruption strategies are set from companies' headquarters. By contrast, NOCs score poorly on anti-corruption measures.

Countries where there is a large group of companies in the “middle group” offer a good opportunity for both host and home government reforms. From the host government perspective, there already exists a level playing field that would make requiring greater transparency easier to implement. In this context, a home-based reform would enhance the efforts of (host) implementing countries also committed to revenue transparency.

The results of this report suggest that the time is right to push home countries to require revenue transparency of companies registered or raising capital in their territories.

REGULATORY APPROACHES produce systematic impacts.

Where mandatory requirements exist they result in uniform reporting across all companies and help generate a level playing field. There are two main types of regulations that are having some impact. However, this impact is still limited because the requirements are currently minimal:

- *Regulations that have a multi-country impact, affecting companies in all of the countries in which they operate.* Stock exchange requirements and accounting standards are two examples of such regulations. The data shows that listed NOCs score significantly higher than the non-listed NOCs largely because there are some listing requirements for reporting. However, the requirements are currently too weak to generate high scores, especially for payments disclosure.
- *Host government requirements, that is, regulations that affect all companies operating in a particular country.* For example, these would include the regulations regarding payments and operations information introduced in Nigeria in the context of its EITI application and the existing disclosure regulations in Norway. Nigeria requires revenue payments disclosure by each company operating in the country. This is reflected in this report by the better results for companies operating in Nigeria. However, this may only have an impact on company actions with respect to a particular country and can vary in other countries of operation that do not have similar regulations as regards revenue transparency.

DISCLOSURE OF INFORMATION on revenue transparency is hindered by diverse formats of reporting that are difficult to obtain, interpret and compare across companies and countries.

Disclosure is currently hindered by complicated formats of reporting that are often difficult to obtain and interpret and which combine information from multiple countries into single figures. Each company has its own format and this makes comparisons difficult across companies and countries.

The wide variety of disclosure styles is problematic not only for analysts and investors, but also for civil society organisations that need access to such information in order to hold governments accountable for revenue expenditure. For example, a citizens' group faces a difficult task when it tries to compare the revenues reported by the national oil company and the multiple international oil companies operating in its country with figures disclosed by the government. Creating

comparability of information, however, is beyond an individual company's remit and can only be implemented through regulation that applies to its competitors as well. This is where uniform stock exchange listing requirements or international accounting standards can play a significant role.

It is worth noting that some companies are making significant efforts to consider stakeholders' needs in the contents and formats of their sustainability reports. For the last two years, for example, Shell has invited an External Review Committee to review its report and to comment on how well it addresses stakeholder interests.²⁵ Efforts such as this could be extended to revenue transparency related reporting by oil and gas companies around the globe.

²⁵ The report can be found at <http://sustainabilityreport.shell.com/ourreporting/externalreviewcommittee.html>.

RECOMMENDATIONS

FIRST, oil and gas companies should proactively report in all areas relevant to revenue transparency on a country-by-country basis.

Proactive disclosure of payments, operations and anti-corruption programmes on a country-by-country basis by companies is the fastest way to enhance revenue transparency. This disclosure would provide civil society and other stakeholders with the information they need to hold governments to account for how revenues from extractive industries are spent.

Oil and gas companies that have already started to disclose in some countries should extend their reporting to all the countries where they operate. Oil and gas companies should also do their best to discourage governments from including confidentiality clauses in contracts that obstruct revenue transparency.

The types of information, benchmarks and examples of good practice in systematic reporting identified in this report, as well as the categories of information used by the Extractive Industries Transparency Initiative should be used as guidelines for such reporting.

Leadership in voluntary transparency will help build investor and citizen trust.

SECOND, home governments and appropriate regulatory agencies should urgently consider introducing mandatory revenue transparency reporting for the operations of companies at home and abroad.

Home government regulations that apply to companies irrespective of their countries of operation are needed, since individual efforts are significant but will not translate into sustainable industry-wide revenue transparency.

In cases where governments such as Canada and Norway make disclosure of revenues paid to host countries mandatory, revenue transparency reaches a high level and confidentiality restrictions in host countries are overcome. If all governments were to call for revenue transparency by companies on a country-by-country basis, a level playing field would be created for companies and all host governments could be held accountable. Based on this aspiration, we recommend the following:

- Home governments should require revenue transparency from their companies. Home governments that

are currently supporting EITI should extend the transparency requirement of their companies to all of their host countries of operation. Other home countries whether or not considering joining the EITI should take similar action.

- Home governments should ensure their NOCs operate under the highest standards of transparency in their operations at home and abroad. NOCs in resource-rich countries should be driving the EITI processes and setting an example by using the highest standards of disclosure. To assist NOCs, home governments need to lift the regulations that prevent them from full revenue disclosure both at home and abroad.
- Where revenue transparency does not become mandatory by law, stock exchange listing regulations and international accounting standards should be adapted to encourage revenue transparency disclosure. This should encompass country-by-country disclosure of payments, in addition to the necessary operations and anti-corruption information supportive of revenue transparency. These regulations should consider the need for disaggregated information on a country-by-country basis and the use of reporting templates that enable comparability.

Home government reform, as above, would assist in achieving universal and comparable reporting, with the following positive effects:

- It would level the playing field for all the companies currently making unilateral voluntary disclosure.
- It would strengthen EITI by making it the standard and accepted approach for both home and host countries.
- It would support host-government efforts by increasing the number of 'champions' and setting a high standard.
- It would lay the necessary groundwork for NOCs to bring their policies and practices in line with higher standards.

THIRD, governments from oil and gas producing countries should urgently introduce regulations that require all companies operating in their territories to make public all information relevant to revenue transparency.

More oil and gas producing countries are encouraged to fully implement the EITI and measures that will set the highest standards for revenue transparency in their territories. All countries already taking steps in this direction should ensure regulations are effectively implemented. This includes

disclosure by their National Oil Company (NOC) and other State Owned Enterprises related to the industry.

Along these lines, host countries are encouraged to dispense with those aspects of confidentiality clauses that depart from legally protected information and prevent full revenue transparency in their territories.

Host governments who have not yet done so should urgently consider publishing all revenues received from the extractive industries.

FOURTH, regulatory agencies and companies should improve the accessibility, comprehensiveness and comparability of reporting on all areas of revenue transparency, by adopting a uniform global reporting standard.

Efforts to introduce uniform standards (e.g., international accounting standards, stock exchange listing requirements) should receive full support. Regulatory initiatives need to address the characteristics and the quality of reporting when establishing reporting templates. A tabular approach can combine brevity and clarity, thereby increasing transparency and simultaneously making the information disclosed more user-friendly for all interested stakeholders.

Regulators could also consider what information, in addition to payments to host governments, is helpful in order to assess the appropriateness of the data provided. This content should build on EITI categories, as well as those used by companies demonstrating good practice and should include the elements in the questionnaire used in the data collection for this report.

Examples of information to include are: countries of operation, names of subsidiaries operating in each country, production, costs and reserves per country, and anti-corruption policies and practices.

CONCLUSION

Oil and gas industry leaders are demonstrating that revenue transparency is possible. Big steps have been taken in the last decade, but there is still a long way to go.

Revenue transparency from oil and gas companies can end much of the secrecy that keeps citizens in the dark about resource wealth. Despite the fact that many large companies currently appear to have only a modest propensity to disclose key data, there are positives that can be drawn from the results published in this report: a small, but important number of companies are now disclosing a considerable amount of information. These top performers, which include some of the world's largest corporations, can act as role models for the industry as a whole. The high level of transparency demonstrated by these companies proves that secrecy is both morally and commercially indefensible.

However, there remains a large group of low performers in terms of revenue transparency. This makes things difficult for policy-makers, civil society and others, who may seek to ensure that oil and gas revenues are used by governments for the public good.

The report and its recommendations are intended to improve revenue transparency. Expedient improvements in revenue transparency practices would enable citizens across the globe to demand accountability from their governments. Increased monitoring of resource wealth would reduce waste and inefficiencies and discourage many from pocketing resources that should be allocated towards development.

Host and home governments are, therefore, urged to ensure they provide appropriate contexts for revenue disclosure by companies.

According to the United Nations²⁶, the total cost of supporting the Millennium Development Goals financing gap for every low-income country was estimated at \$73 billion in 2006, and will rise to \$135 billion in 2015. Oil, gas and minerals – the extractive industries – generate great wealth. Oil export revenues alone were estimated at USD \$866 billion for 2006²⁷. If only 10% of one year's estimated revenues could be saved from looting, the future of these low-income countries would be brighter. That is why it is so important to mandate revenue transparency around the world.

TI remains committed to the collaborative approach it has developed with the oil and gas industry and is confident that we can continue to work together towards reversing the resource curse.

²⁶ United Nations. *A Practical Plan to Achieve the Millennium Development Goals*, pp. 56 and Table 7 on page 57. 2005, New York.

²⁷ Nominal billion of dollars. Source: US Energy Information Agency (EIA). *OPEC Revenues Fact Sheet and Major Non-OPEC Revenues*, Jan. 2006.

ANNEX 1.

COMPANY AND COUNTRY SELECTION CRITERIA

This document contains the list of companies and countries of operation included in the *2008 Report on Revenue Transparency of Oil and Gas Companies*. It has been discussed with the project's Working Group and benefited from input by industry experts.

Companies considered are upstream oil and gas production companies. The list aims at being a selection of companies and countries and is not meant to include all companies matching any single criterion but rather includes a selection of companies and countries that as a whole reflects a combination of these criteria. Criteria used for initial selection of the companies are:

1. INDUSTRY MATERIALITY. Include big companies and global players. This was crosschecked against publicly available information on production volumes, revenues or reserves. It was also supported by inclusion and ranking in various lists, including Forbes 2000, Platts Review and PFC Energy 50.

2. COUNTRY MATERIALITY. Big local players. Regionally or nationally relevant companies. These are companies that while not necessarily having operations in many countries, are relevant players for the country of operation that was also selected for inclusion. This criterion is therefore closely linked to the selection of countries of operation (see criteria below).

3. CONTINUITY. Companies that were part of the first report, *2005 Beyond the Rhetoric*. The selection aimed at keeping most of the companies in the first report to facilitate comparability.

4. DIVERSITY. Include a good variety of companies ensuring that different types, structures and categories would be included. This meant, for example, including both listed and non-listed companies, a good number of NOCs, integrated services companies and plain exploration and production companies.

5. CONSISTENCY. Because of the above criteria and to ensure homogeneity across selected countries of operation, the corresponding NOCs for each country of operation selected are also included.

The criteria to select the countries of operation were the following:

1. RESOURCE DEPENDENT COUNTRIES. Concurrently with the selection of companies, we aimed at investigating countries that are heavily resource dependent. The IMF list of resource rich countries was used to determine levels of resource dependency.

2. MATERIALITY. Among the resource dependent countries, we aimed at including the countries currently producing the most oil and gas around the world.

3. KEY LOCAL PLAYERS. The list also aimed at including countries that may not meet the above criteria but are nevertheless key because they are home to relevant NOCs (see company selection criteria above).

The selection of companies and countries was done concurrently. The companies and countries chosen do not constitute a representative sample, but a selection made according to specific criteria. The aim was not to include all big companies, all NOCs, or all listed companies but rather relevant examples of all different types.

The sample size was determined by representativeness and resource limitations.

Country membership of EITI was not a selection criterion since the report is not an assessment of EITI performance. The materiality of countries for the companies is also not a selection criterion.

Annex 1 Table 1

Companies Assessed	
Company	Home Country
BG Group	United Kingdom
BHP Billiton	Australia
BP	United Kingdom
Chevron	United States
China National Offshore Oil Corporation (CNOOC)	China
China National Petroleum Corporation (CNPC)	China
ConocoPhillips	United States
Devon Energy	United States
Eni	Italy
ExxonMobil	United States
Gazprom	Russia
GEPetrol	Equatorial Guinea
Hess	United States
INPEX	Japan
KazMunaiGaz (KMG)	Kazakhstan
Kuwait Petroleum Corporation (KPC)	Kuwait
Lukoil	Russia
Marathon Oil	United States
National Iranian Oil Company	Iran
Nigerian National Petroleum Company (NNPC)	Nigeria
Nexen	Canada
Oil and Natural Gas Corporation Ltd. (ONGC)	India
Pertamina	Indonesia
PetroChina	China
Petrobras	Brazil
Petro-Canada	Canada
Petróleos Mexicanos (Pemex)	Mexico
Petróleos de Venezuela (PDVSA)	Venezuela
Petronas	Malaysia
Qatar Petroleum	Qatar
Repsol YPF	Spain
Rosneft	Russia
Saudi Aramco	Saudi Arabia
Shell	The Netherlands
Sinopec	China
Société Nationale des Pétroles du Congo (SNPC)	Congo Brazzaville
Sonangol	Angola
Sonatrach	Algeria
StatoilHydro	Norway
Talisman Energy	Canada
Total	France
Woodside	Australia

Annex 1 Table 2

Countries of Operation	
Algeria	Kuwait
Angola	Malaysia
Azerbaijan	Mexico
Brazil	Nigeria
China	Norway
Congo Brazzaville	Qatar
Equatorial Guinea	Russia
India	Saudi Arabia
Indonesia	United States (and Gulf of Mexico)
Iran	Venezuela
Kazakhstan	

ANNEX 2

DETAILED METHODOLOGY

The *2008 Report on Revenue Transparency of Oil and Gas Companies* assesses the disclosure of revenue transparency policies, management systems and performance of 42 oil and gas companies in their upstream operations in 21 countries, as published by companies in publicly available documents. Primarily a desk study, it uses a questionnaire, or 'framework of indicators' to create scores for companies in the countries of operation also included for analysis in this report.

Framework of indicators

The framework of indicators used for research assesses oil and gas companies in terms of: A. areas of transparency and B. areas of implementation. These two dimensions intersect. For example, to assess the area of revenue payments disclosure, the questions explored policy, management systems and performance.

The framework draws on existing standards in the field, including :

- EITI Principles and Validation Grid
- International Monetary Fund Guidelines for Revenue Transparency
- UN Anti-Corruption Convention and Global Compact and Global Reporting Initiative (GRI)²⁷
- TI's Business Principles for Countering Bribery

Annex 2 Graph 1: Framework of Indicators

Areas of Transparency			
Apply to IOCs and NOCs that have operations abroad			Only NOCs
Payments to Host Governments	Operations	Anti-corruption	Regulation and Procurement
Policy Indicators			
Management System Indicators			
Performance Indicators			

AREAS OF TRANSPARENCY

For both IOCs and NOCs company disclosure as it contributes to the transparency of revenue flows was assessed in three ways: in terms of revenue payments, operations and anti-corruption programmes. For NOCs, a fourth area was also assessed: the regulatory and procurement aspects of NOC home operations.

1. Payments to Host Governments

The questions in this section directly assess the transparency of payments made by the company. The category covers a company's public commitment to disclosure of revenue payments, as well as its practice of country-by-country disclosure of payments made to the governments of the countries where it operates (restricted to the countries of operation selected). The categories of payments – many of which are drawn directly from the EITI validation grid – are production entitlements, royalty payments, taxes, bonuses, dividends, fees, other payments and quasi-fiscal activities. Questions on payments also cover the management issues surrounding disclosure, such as whether a person is made responsible for disclosure and whether stakeholders are engaged in the process.

2. Operations

This section covers disclosure of details regarding company operations that are relevant to revenue transparency. The questions cover country-by-country company disclosure of general information on subsidiaries, contract details and key properties, current and future production volumes and value of reserves, company financials (i.e. revenues), as well as production costs and profits. They also probe whether companies' accounts have been prepared and audited using an internationally accepted standard. This category is supportive of revenue payments disclosure as it addresses information that gives a sense of the magnitude of the revenues that should be flowing and an indication of the level of company involvement in each country.

3. Disclosure of Anti-corruption programmes

The third section assesses the disclosure of a company's anti-corruption programmes. Companies need to provide an environment that generally supports transparency and good

²⁷ The questionnaire asks whether the companies support or participate in the UN Global Compact or the GRI. These are quoted in the questionnaire as they are international standards with relevance to integrity and transparency. We have received a suggestion that future editions of the companies report could refer to a longer list of initiatives that follow similar criteria.

governance in order for revenue transparency to become sustainable. A genuine commitment to disclosure is consistent with efforts to instil integrity into company operations. If anti-corruption programmes are disclosed, companies are not only committing publicly to these efforts but can also be held accountable for them by their customers, shareholders and citizens.

The third section covers the disclosure of a company's anti-corruption programmes. It notes whether a company's anti-corruption policy and practices are publicly available and, if so, whether the company discloses the substance of those policies, including information on their scope and implementation. It also examines whether the company publicises the existence of its whistle-blowing process, has systems in place to sanction employees, and assesses the nature and disposition of corruption allegations reported to the company. The questions in this section were largely shaped by Transparency International's Business Principles for Countering Bribery. The questions were not designed and cannot be read as an assessment of whether a company has met all legal requirements of its home and host countries

4. Regulatory and procurement issues (applicable to NOC operations at home only)

As many NOCs often perform a mix of commercial and non-commercial or regulatory functions in their home jurisdictions, an additional set of indicators dealt with regulatory and procurement issues in NOCs only. The questions included the assessment of whether disclosure was made of oil and gas functions by the NOC on behalf of the government, of pricing policy for the supply of goods and services, and of licensing processes and payments made by the NOCs as part of the public budget. The questions in this section do not aim to judge which NOC model works best. Rather, they focus on the availability of information about regulation and procurement provisions and practices.

AREAS OF IMPLEMENTATION

In the *2008 Report on Oil and Gas Companies*, oil and gas company commitment to disclosing revenue transparency is assessed along three dimensions: in terms of policy, management systems and performance. 'Policy' refers to the written policy or company rules. 'Management systems' relate to what resources and systems are in place to support performance. 'Performance' is the reflection of outcomes in terms of actually reporting and putting anti-corruption systems in place.

It is important to note that, as with all questions in the report, the review of policy, management systems and performance with regard to revenue transparency uses only information put into the public domain by companies, not an independent verification of that information. This reflects the report's focus on transparency through public reporting. Companies were assessed in both the company's headquarters and the countries of operation included in this study.

In the questionnaire, revenue payments, operations and anti-corruption programmes are all evaluated according to policy and performance, but only revenue payments and anti-corruption programmes are assessed in terms of their disclosure as regards management systems. More of the information tested for in terms of transparency of operations is disclosed pursuant to accounting standards or securities regulations determined by the home country in which the company is registered. As the minimal levels of disclosure are not set by companies, it was not appropriate to examine transparency of operations in relation to the management systems area.

Company information

The framework also includes questions on particular characteristics of the companies, including state shares, countries of operation and whether the company is listed on a stock exchange. Companies are not scored with respect to the disclosure of this information. However, the information was thought to be useful for further analysis, such as in the comparison of listed versus non-listed companies.

Operating environment

The framework includes a set of indicators to test the operating environment in which companies are expected to disclose information. These so-called 'context indicators' assess the degree to which the operating environments in host countries (the resource-rich nations) and home countries (where company headquarters are located) limit or encourage disclosure. Combining these results with whether or not the company was listed on a stock exchange produces one of three possible operating scenarios for revenue transparency in a country: restrictive, mixed or supportive.

The use of context indicators responds to concerns that companies would be held responsible for home-government and host-government requirements or that company efforts would be assessed without consideration of their operating environments. By incorporating context indicators into the analysis, the report provides a more nuanced assessment of the disclosure performance of each company. This helps in the review of a company's own efforts, in light of whether it is required to disclose or prevented from doing so.

For more on the use of the operating environment indicators, see the section on weighting below.

Company and country selection criteria

Criteria used for the initial selection of the upstream oil and gas production companies were:

- Industry Materiality – big companies and global players.
- Country Materiality – big local players: regionally or nationally relevant companies.
- Continuity – companies that were covered in the *2005 Beyond the Rhetoric* report, to facilitate comparability.
- Diversity – a good variety of different types, structures and categories of companies.
- Consistency – National Oil Companies (NOCs) for each

country of operation to ensure homogeneity across selected countries of operation.

- Country Coverage – companies that reflect a good proportion (though not all) of the companies operating in each country.

The 21 countries of operation (see Annex 1 Table 2) were selected based on the following criteria:

- Resource Dependence
- Materiality – countries currently producing the most oil and gas around the world
- Key Local Players – countries that are home to NOCs that are relevant according to the company selection criteria.

Country membership of EITI was not a selection criterion since the report is not an assessment of EITI performance. The materiality of countries for the companies is also not a selection criterion, which explains why some seemingly relevant countries were not included (e.g. the United Kingdom). For more detailed selection criteria see Annex 1.

On the basis of these criteria, a diverse group of companies was selected for coverage in the report (see Annex 1 Table 1). The intention was not to include all companies matching each criterion but rather to include a group that, as a whole, reflected a combination of the criteria. The group size was determined with consideration of resource limitations and representativeness.

Data gathering and checking and sources of data

The data were gathered by consultants²⁸. The data-gathering process did not include interviews with any of the executives or staff of the companies, but was based on desk-research of publicly available company documentation. Since the very focus of the *2008 Report on Revenue Transparency of Oil and Gas Companies* is the disclosure of information that enables revenue transparency, the questions were designed to be answered on the basis of information in the public domain. In a limited number of instances, published information provided by companies as part of their data review process was used to determine a result. Neither the questions nor their responses seek to test the quality or accuracy of the information disclosed.

Data was checked via an extensive review process that consisted both internal and independent checking and included the consultants' own checks in addition to revision, but a number of experts, advisors, the partners to the project, and the companies themselves.²⁹

The materials examined in the course of the research included annual reports, quarterly reports, Securities Exchange Commission filings, annual information forms, corporate responsibility and sustainability reports or equivalents, country-specific reports or codes of conduct or equivalents,

statements of policy, press releases, fact books, and other operation-specific information. A full list of sources consulted for each company can be found in Annex 6.

Scoring and Groupings

The framework is largely based on a binary scoring system and included a column containing a description of the scoring criteria or key definitions for each indicator. Either the information is available in the public domain (score 1) or is not (score 0). For a few indicators, a sliding scale is used for scoring, allowing partial disclosure of information to be acknowledged (for example, disclosure regarding some but not all countries of operation).

Some questions, particularly a number on revenue payments, can be answered as positive (1), negative (0) or 'not applicable' to the particular circumstance. When the question is not applicable to the company in that particular circumstance, the maximum amount of points for that section is reduced accordingly. For 'not applicable' to be selected as the appropriate response, the company needs to indicate publicly that this is the case or provide a way to confirm non-applicability. The companies were given the opportunity to review their data to clarify instances where the questions were considered not applicable but where there was no publicly available information to back this up.

The scores per section were expressed as a percentage of the points achieved out of the total possible points awarded for each section. (See Annex 2 Table 1). The same procedure led to the total final score.

Weighting

Although the number of points per section carries an implicit weighting, other than the 'context weightings' described here, the total points scored by the companies are not weighted by section or by topic.

Annex 2 Table 1

Maximum Points by Areas of Transparency		
Topic	IOC Maximum Score	NOC operating at home Maximum Score
Revenue payments	22	22
Operations	15	13
Anti-corruption programmes	18	18
Regulatory and procurement issues	N.A	6
Maximum per company (total) by Areas of Transparency	55	59
Policy	16	19
Management systems	9	11
Performance	30	29
Maximum per company (total) by Areas of Implementation	55	59

²⁸ The questions in the area of anti-corruption have been gathered for TI by other consultants engaged under a different research effort provisionally known as the Corporate Anti-Corruption Transparency Index (CACTI).

²⁹ See Annex 3 for a full description of data checking.

The information gathered using the context indicators is used to establish weights per operating environment. (See Annex 2 Table 2) *This weighting is applied only to the performance scores*; policies and management systems are not necessarily affected by legislation but rather are an expression of the companies' will. The context weighting accounted for the realities that companies face in their operating environments and facilitated a more nuanced comparison and analysis.

These indicators are based on answers to a specific set of broad questions³⁰ that assesses the company's operation environment (host and home country) from the perspective of existing laws and regulations, to determine whether the combination of these factors places the company in a restrictive, mixed or supportive environment in terms of revenue transparency. According to the weights indicated in Annex 2 Table 2, depending on which is the resulting category (restrictive, enabling or mixed) a specific weight is then applied to the performance results, rewarding a company's performance disclosure under restrictive circumstances by giving additional credit to that given to reporting *per se* and discounting it under supportive settings. In cases where the environment is mixed, the situation is understood to be "neutral" and the scores are not affected.

As indicated in Annex 2 Box 1, the weightings worked as follows: the individual score of the performance indicators of company Y in a particular country Z was multiplied by the corresponding weighting factor to the operating environment, given its home and host country. This result was averaged with the scores resulting from the policy and management sections in order to obtain the total weighted company score in that country. The indicators used to assess each environment can be found in the questionnaire.

In practice, this means that company performance is viewed more generously when it occurs in restrictive environments where disclosure is either prohibited or at least not encouraged. It also slightly discounts performance in environments where, for example, disclosure is mandatory and therefore does not depend solely on company effort. A company's score in a restrictive environment is therefore increased by the weighting factor, remains unaltered if the environment is mixed and is slightly discounted if the environment is supportive. All references in this report to weighted scores refer solely to this context weighting.

Annex 2 Table 2

Operating Environment Weightings	
Operating Environments	Weighting Factors
Restrictive	A = 1.50
Mixed	B = 1
Supportive	C = 0.9

Limitations of the methodology

Some of the limitations of the methodology used in this research are a result of the design while others are related to existing restrictions on access to information.

- *Reporting from other than company sources was not allowed.* The requirement that the information used be publicly available directly from the companies meant that the scores could not include efforts that were not reported by the companies themselves. Thus the scores do not reflect cases where there is an arrangement for a government or a third party to disclose information on behalf of companies (as in Norway and Nigeria³¹). Every effort has been made in the report to reflect where these arrangements affect company scores.
- *Company demands for special consideration of operating conditions created problems for data verification.* The accuracy of information depends greatly on the available information on both contract and disclosure arrangements. As a result of companies' feedback, the possibility of 'not applicable' was introduced for some questions. For example, if operations in Country X are not done through a production-sharing agreement but through a simple concession scheme, then the company does not have to disclose 'entitlements'. Instead the company needs to only report royalties. Determining

Annex 2 Box 1

Weighting Examples

Company Y with headquarters (home) in country M and operating in (host) Country Z and (host) Country W

1. Calculating context indicators:

Context indicator for the combination of home M and host Z = restrictive environment

Context indicator for the combination of home M and host W = mixed environment

2. Weighting performance indicators:

Performance score of Company Y in country Z x 1.5
 = Weighted performance score of Company Y in country Z
 Performance score of Company Y in country W x 1
 = Weighted performance score of Company Y in country W

3. Calculating total weighted scores per country:

Total weighted score of company Y in country Z
 = Policy + Management + Weighted Performance in Z
 Total weighted score of company Y in country W
 = Policy + Management + Weighted Performance in W

4. Calculating total company scores:

Total weighted score of company Y = (total weighted score in country Z + total weighted score in country W) / 2. This, therefore, produces an average score across two countries.

³⁰ See questionnaire in Annex 4 for the actual questions.

³¹ In Nigeria and Norway arrangements exist for company disclosure to be channelled through the government. In Nigeria disclosure arrangements are a result of EITI, while in Norway disclosure is done in line with industry regulations. In these cases corporate disclosure takes place but was beyond the scope of this report.

whether an indicator is 'not applicable' has proved a difficult exercise from publicly available materials. This is partly because there is still poor disclosure of contracts concerning public natural resources and partly because not all companies reviewed their data.

- *Context information was only approximate.* Country data used to answer context questions did not reflect all the various dimensions of home- and host-government influence on companies with regard to supporting or restricting revenue transparency. It was, however, an effort to address some companies' concerns that their efforts to disclose in difficult environments would not be properly acknowledged and that the analysis would unduly favour companies complying with mandatory disclosure regulations in their home jurisdiction. (These aspects will be dealt with in the report on host governments expected in 2008/2009.)
- *Country materiality for the companies was not a country selection criterion.* The criteria used to select the countries of operation to be covered in this report did not include whether the country was material for the operations of the companies. In some cases this may mean that the report does not cover countries where some of the companies have substantial operations and high levels of relevant disclosure. Resource dependence was the most relevant criteria for selection of countries, together with an effort to have sufficient geographical coverage.

ANNEX 3

RESEARCH PROCESS: A PARTICIPATORY, MULTI-STAKEHOLDER APPROACH

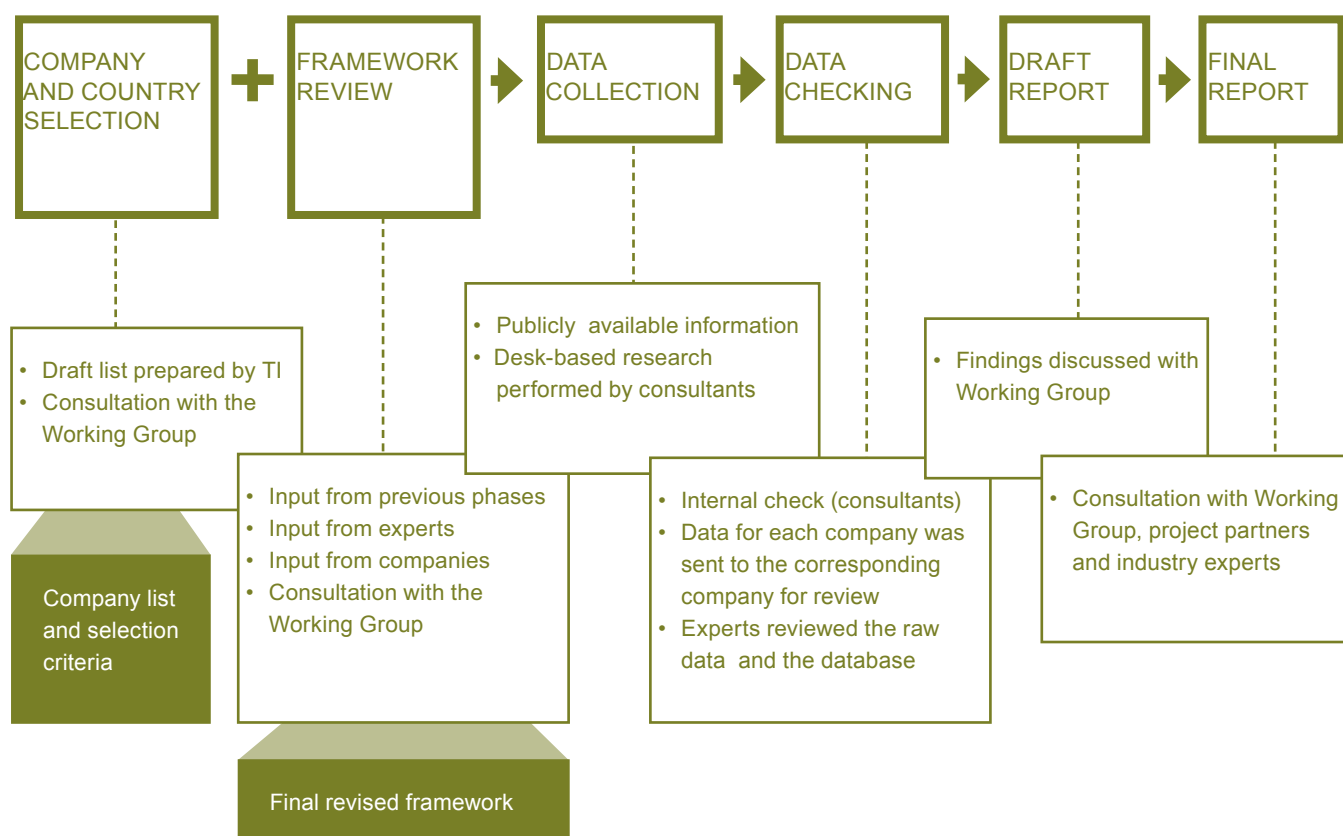
The production process of the *2008 Report on Revenue Transparency of Oil and Gas Companies* incorporated multi-stakeholder input through a Working Group and a broader Reference Group. Participatory engagement of key stakeholders is one of the essential elements of the Promoting Revenue Transparency Project's approach and methodology. The project is grounded in the belief that impact and change in this field can only be achieved through a collaborative effort.

The Working Group included TI and Revenue Watch Institute representatives as well as other project partners (Secours Catholique-Caritas France, Publish What You Pay and CARE International UK), methods experts, industry experts, investors, company and industry representatives and the EITI Secretariat. The Working Group played an important role in providing guidance on company and country selection, as well as on framework development, and the analysis and presentation of the findings.

The Reference Group included a wider group of experts and stakeholders from whom the project sought advice and feedback, including industry associations, governments, consultants, analysts, investors, rating agencies and international financial institutions. The companies covered in the report were considered to be part of this Reference Group and their active participation in the Working Group was also sought.

Annex 3 Graph 1 indicates the stages of the process that led to this report. The process started with the selection of companies and countries and revision of the questionnaire used in the *2005 Beyond the Rhetoric* report. It was based on guidance from the Working Group, feedback from earlier stages of the project and input from methods and industry experts, international financial institutions, companies, and civil society specialists. The most salient adjustments to the questionnaire were inclusion of specific questions for NOCs, introduction of context indicators and the 'not applicable'

Annex 3 Graph 1: Research Process



Annex 3 Table 1

Data Review Results	
Fully checked data	●
Partially checked data	◐
Didn't check data	○
Company	Response to Data Checking
BG Group	○
BHP Billiton	○
BP	○
Chevron	○
China National Offshore Oil Corporation (CNOOC)	○
China National Petroleum Corporation (CNPC)	○
ConocoPhillips	○
Devon Energy	○
Eni	○
ExxonMobil	○
Gazprom	○
GEPetrol	○
Hess	○
INPEX	○
KazMunaiGaz (KMG)	○
Kuwait Petroleum Corporation (KPC)	○
Lukoil	○
Marathon Oil	○
National Iranian Oil Company	○
Nigerian National Petroleum Company (NNPC)	○
Nexen	●
Oil and Natural Gas Corporation Ltd. (ONGC)	○
Pertamina	●
PetroChina	○
Petrobras	●
Petro-Canada	●
Petróleos Mexicanos (Pemex)	●
Petróleos de Venezuela (PDVSA)	○
Petronas	●
Qatar Petroleum	◐
Repsol YPF	○
Rosneft	○
Saudi Aramco	○
Shell	○
Sinopec	○
Société Nationale des Pétroles du Congo (SNPC)	○
Sonangol	○
Sonatrach	○
StatoilHydro	◐
Talisman Energy	●
Total	●
Woodside	○
Total responses	10

option for certain questions. In addition, some individual questions were revised and anti-corruption questions were added.

Once the questionnaire was finalised, the consultants collected data on each company. The data were then sent to each company for review, and the consultants did their own internal data checking. This stage included data submitted for checking to each company, revision of context indicators by some TI chapters, an industry experts and an external volunteer consultant, and revision of all data points by an expert group. As a result of these revisions some adjustments were introduced. Detailed annotations to the data can be found in Annex 5, together with the full scores for each company. The consultants conducted additional checks and updates in order to ensure that the final data reflect accurate responses and that the results are based on publicly available information.

Not all companies reviewed their data, and this may have had an impact on the accuracy of the data. In light of this, the project tried to provide further reassurance regarding accuracy by asking a group of industry experts to review the data again and make suggestions and comments. This exercise was not meant to replace the data review by companies. It had value in and of itself, as an exercise on assessing access to information on these corporations. Ideally, publicly available information should be sufficient to make assessments and test the relevance of reports. The expert group suggested some changes to the data gathered on companies that had not used the opportunity to review their data, particularly in response to correcting the 'not applicable' questions. Those changes are clearly annotated in the data to be found in Annex 5.

Company engagement

The engagement of the companies covered by this research was sought through various avenues.

The companies were kept informed of the project and its progress. This included a continuous opportunity for dialogue and feedback about the framework as well as available avenues to address issues and concerns in person, or via telephone or mail.

Company engagement started early. Many companies requested additional information and clarifications about the process and scope of the project. In December 2006 a letter was sent to the CEOs of 47 companies on a preliminary list, providing information on the project and inviting further exchanges. Once the final selection of the companies took place at the end of January 2007, a new letter confirmed which companies were to be included in the study. The companies not chosen were also notified. At this point, Nexen and Qatar Petroleum, which had not been included in the initial company selection asked to be included. Their requests were accepted after consultation with the Working Group.

Some companies started responding and designating specific contact points. Further letters and e-mails (when there was a contact person) were sent to the companies informing them of the next stages in the process. When no specific contact was supplied, the project continued to use the address and contact details publicly available on company websites.

In addition, and in order to secure industry input during the whole process, the International Association of Oil and Gas Producers, the American Petroleum Institute and the International Council of Mining & Metals were kept informed on an ongoing basis and were invited to participate in Working Group meetings.

Input into methodology

The project created space for companies to provide input from the earliest stages and this influenced the methodology and framework revision. This also included the possibility of companies participating in the Working Group. All companies in the report were invited to provide input during the revision and development of the questionnaire. A few offered written comments. In addition, the project offered to hold meetings with groups of companies in different locations to facilitate input. One such meeting took place in London on 16 March 2007 with representatives from BP, Exxon-Mobil, Qatar Petroleum, Shell, StatoilHydro and Total. This input was invaluable in the final design of the methodology.

Opportunity to review their data

The companies were informed that the consultants gathering data would contact them so they could check the data. The data review process started when each company received its own data and was asked to indicate any errors or misinterpretations. The process was subject to a set of conditions to facilitate the data review (see Annex 9). The consultants conducted meetings and teleconferences or received the results via e-mail. All results were recorded in meeting notes or 'data checking' notes for each company. Some companies responded positively to the invitation and made use of the opportunity to check their company data. Others did not answer at all or indicated why they were unwilling to participate in this process. A few companies explicitly stated that they would not check their data. (Annex 3 Table 1 indicates each company's response to the data review process) Where possible, revisions were made on the basis of this data check by companies.

The refusal by some companies to use the opportunity to review their own data had consequences for the report. First, companies indicated that it is not always possible to provide information on their websites but that there is nevertheless an important amount of information available upon request. Refusals to review data thus denied the project access to this information and meant that the report does not reflect efforts on revenue transparency in cases where they exist but are not publicly available on websites.

Second, certain questions introduced during consultation in the questionnaire design stage may have been 'not applicable' to particular companies. This option, however, is difficult to discern on the basis of publicly available information because information on the particular operation scheme per country is required. In many cases information on particular contracts or operations is either not disclosed (commercially confidential) or unclear. The project had anticipated that companies would be willing to produce public documents and would provide the consultants with such materials in the data-checking stage. Third, lack of data checking by companies meant that the project was unable to control for information that may be publicly available but was missed by researchers.

ANNEX 4 QUESTIONNAIRE

OPERATING ENVIRONMENT CONTEXT.

This section will allow us to define categories of operating environments.

Number	Indicator	Maximum Score	Comment/Definitions
Host Country-related			
C1	Does host country X have legislation and/or regulations that mandate a public bidding process for licensing or concessioning of contracts?	1	"Contracts" refers to agreements governing activity in the upstream oil and gas industry. The forms of agreement may include concession agreements, production sharing agreements, joint ventures, etc.
C2	Does host country X make the award criteria by which licensing and concessioning bids are evaluated publicly available?	1	
C3	Does host country X permit the disclosure of revenue payments information?	1	"Revenue payments information" refers to forms of payment such as production entitlements, royalties, dividends, profit taxes, bonuses, fees or other payments.
C4	Does host country X impose revenue payments reporting requirements on companies operating locally and are these requirements publicly disclosed?	1	
C5	Is country X involved with EITI?	2	2 awarded to a country that has released an EITI report, 1 awarded to a country that has published an EITI workplan and 0 awarded to a country that has expressed support for EITI but has not performed any of the above or to a country that has no EITI involvement.
Host Country-related Section Total		6	
Home Country-related			
C6	Does home country Y have legislation and/or regulations requiring companies to disclose operational information by country of operation?	1	"Operational information" refers to information typically found in a company's financial statements and business review. It includes elements such as revenue, production costs, development and exploration costs, profits and productions volumes.
C7	Does home country Y have legislation and/or regulations requiring companies to disclose revenue payments information by country of operation?	1	"Revenue payments information" refers to forms of payment such as production entitlements, royalties, dividends, profit taxes, bonuses, fees or other payments.
C8	Does home country Y have legislation and/or regulations requiring companies to disclose details of contracts?	1	"Details" refers to the type of contract regime used (i.e. production sharing, concession system, joint venture company, risk services), names of parties, rights and obligations and consideration.
C9	Do the legislation and/or regulations in home country Y require companies to disclose revenue payments broken down into relevant categories (as illustrated in questions 29-37 below) by country of operation?	1	Scoring positively does not require that legislation and/or regulations mandate the exact breakdown given in questions 29-37 below, but that a general breakdown of revenue payments by type and by country is required.
C10	Is the company listed? If yes, then where?	1	
Home Country-related Section Total		5	

Categorisation Legend for OPERATING ENVIRONMENT CONTEXT	Weighting Factors
A: Restrictive Environment = If both sections are restrictive	1.5
B: Mixed Environment = If only one section is restrictive	1
C: Supportive Environment = If both sections are unrestrictive	0.9

APPLIES TO NATIONAL OIL COMPANIES – HOME OPERATIONS

Policy

	Number	Indicator	Maximum Score	Comment/Definitions
Regulatory and Procurement Issues	N1	Are any upstream oil and gas functions of the NOC on behalf of the government, whether commercial or non-commercial, made publicly available?	1	<p>"Commercial activities" refers to upstream activities, i.e. the exploration for, development of and production of oil and gas.</p> <p>"Non-commercial activities" include regulatory functions as well as licensing and concession granting powers.</p> <p>"Publicly available" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy, or any other similar document available on the company's website or upon request.</p>
	N2	Is the NOC's pricing policy for the supply of goods and services to the government and related parties publicly disclosed?	1	<p>In this case, it does not matter if the government or the NOC sets the pricing policy, all that is required for a positive score is that the policy is publicly disclosed by the NOC.</p> <p>If no pricing policy exists, the question is not scored and will be categorised as N.A.</p> <p>"Publicly disclosed" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website or upon request.</p>
	N3	Are the procurement procedures used by the NOC publicly disclosed or subject to public bidding?	1	<p>"Publicly disclosed" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website or upon request.</p>
	N4	Is the process for hiring local employees based on publicly available criteria?	1	<p>"Publicly available" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website or upon request.</p>
Payments	N5	Has the company made a public declaration committing itself to the transparency of revenue payments?	1	<p>"Public declaration" requires that any expression of commitment must appear in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website or upon request.</p>
		Has the company made a public declaration committing itself to...		<p>"Public declaration" requires that any expression of commitment appear in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.</p>
	N6	...publishing the breakdown of revenue payments into relevant categories (as illustrated in questions N36-N45 below)?	1	<p>Scoring positively does not require that a company commit to the exact breakdown given in questions N36-N45, but that it has made a commitment to a general breakdown of revenue payments by type and by country.</p>
	N7	...the disclosure of material payments in cash or in kind to parties related to contracts?	1	<p>"Contracts" refers to oil and gas production contracts</p> <p>To score positively on this indicator, a company must disclose what standard it uses to determine materiality. The standard used is not considered, and a positive score is awarded if any standard is disclosed, along with the payments. The payments referred to are those that are made to contracting parties, not to payments made to non-contracting parties.</p>
	N8	Is the company supporting EITI?	1	<p>This indicator is scored by consulting the EITI website. The EITI website provides a list of countries and companies that are supporting EITI.</p>
N9	Is the company a GRI Organisational Stakeholder and/or does it support the UN Global Compact?	1	<p>This indicator is measured by consulting the list of GRI organisational stakeholders and checking the list of active members of the UN Global Compact. If a company appears on either of these lists, a positive score will be awarded.</p>	

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➤➤ APPLIES TO NATIONAL OIL COMPANIES – HOME OPERATIONS
Policy

	Number	Indicator	Maximum Score	Comment/Definitions
Operations	N10	Has the company made a public declaration committing itself to public corporate reporting?	1	<p>"Public declaration" means that the company commits to making information available in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website or upon request.</p> <p>"Public" means that the company commits to making information available in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website or upon request.</p> <p>"Corporate reporting" refers to information typically found in a company's financial statements and business review. It includes elements such as revenue, production costs, development and exploration costs, profits and production volumes.</p>
	N11	Does the company have a publicly available global policy covering corrupt activities?	1	<p>"Global" means that the code of conduct applies to all subsidiaries of the company.</p> <p>"Publicly available" means that the information appears in a Corporate Responsibility Report, Annual Report, Code of Conduct, description of company policy or any other similar document available on the company's website or upon request.</p> <p>"Policy" does not refer to a particular format or type of document but rather to a policy that governs ethical behaviour in the company and of mandatory application within it. It therefore includes both general policy statements as well as more detailed codes of conduct in a strict sense.</p> <p>"Corrupt activities" include fraud, extortion, bribery and other manifestations of corrupt behaviour.</p>
Anti-corruption		Does the policy address:		
	N12	...bribery	1	Bribery of an official or another private sector individual or entity.
	N13	...political contributions	1	
	N15	...gifts	1	Refers to giving or receiving of gifts.
	N16	...lobbying	1	
	N17	...facilitation payments	1	
		Does the policy apply:		"Apply" includes entire or partial applications
	N18	...to employees, management or Board members	1	
	N19	...to agents or contractors	1	
	N20	...to joint venture or other business partners	1	
Section Score			19	

APPLIES TO NATIONAL OIL COMPANIES – HOME OPERATIONS

Management Systems

	Number	Indicator	Maximum Score	Comment/Definitions
Regulatory and Procurement Issues	N21	Is the process of awarding exploration, development and production licenses to foreign companies publicly disclosed?	1	<p>"Publicly disclosed" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website or upon request.</p> <p>If the NOC does not have the function of awarding licenses, the question is not scored and will be categorised as N.A.</p>
	N22	Are payments from the NOC to the government part of the public budget?	1	If the NOC does not make payments to the government, the question is not scored and will be categorised as N.A.
Payments	N23	Does the company publicly provide evidence of the assignment of responsibility for transparency of revenue payments at the board or senior management level?	1	<p>"Publicly provide" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website or upon request.</p> <p>Scoring positively requires that a specific individual be named as being responsible for revenue payments transparency.</p>
	N24	Does the company publicly provide evidence of engagement with stakeholders on issues of revenue transparency?	1	<p>"Publicly provide" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website or upon request.</p> <p>"Evidence of engagement" will include qualitative statements about receiving feedback through meetings, phone surveys, questionnaires, correspondence, etc.</p> <p>"Stakeholders" includes government and civil society. This indicator will be measured on a global level, rather than on a country-specific basis.</p>
	N25	Do the company's contracts in the country permit the disclosure of revenue payments information?	1	If the company discloses any details of revenue payments under N37-N45, we assume the contracts do NOT have a confidentiality clause. If the company does not disclose revenue payment information in those indicators, then the burden of proof will be on the company to prove that their contracts do not contain confidentiality clauses. One way companies could prove their contracts do not contain confidentiality clauses would be to provide information on revenue payments. This information will be obtained through meetings, telephone conversations or correspondence with company representatives.
Anti-corruption	N26	Does the company censure employees, management or Board members involved in corrupt activities?	1	<p>"Censure" includes any form of disciplinary action.</p> <p>"Corrupt activities" refers to activities covered by the company-specific global policy tested for in questions N12-N17.</p>
	N27	Does the company have procedures in place for facilitating whistle-blowing information provided by whistleblowers?	1	<p>"Procedures" includes, but is not limited to, mechanisms for reporting violations such as telephone complaint lines, written reports, the existence of an internal Ombudsman (or equivalent), and a review structure for dealing with complaints.</p> <p>A positive score will be awarded if a company has any of the mechanisms enumerated above in place.</p>
	N28	Is there a commitment to no victimisation for bona fide reporting of corruption?	1	"Commitment" includes a statement that anyone reporting through the company's whistleblowing or any other internal system, will not be victimised for bona fide reporting.
	N29	Is training in anti-corruption policy provided?	2	2 points are awarded if training applies to employees, management, board members and agents. 1 point is awarded if training applies to employees and Board members but not agents.
	N30	Are there monitoring and review procedures in place to follow up the implementation of the anti-corruption policy?	1	These can include, for example, monitoring and review by senior management, or the provision of regular reports to senior management, board or audit committees on complaints made.
Section Score			11	

APPLIES TO NATIONAL OIL COMPANIES – HOME OPERATIONS

Performance

	Number	Indicator	Maximum Score	Comment/Definitions	
Payments	<i>EITI-based Revenue Disclosure Indicators</i>				
	Are NOC benefit streams broken down into...				
	N31	...the NOC's equity share of the government's production entitlement?	1	If the company does not have an equity share of the government's production entitlement, the question is not scored and will be categorised as N.A.	
	N32	...production received by the NOC's production stream	1	If the company does not have a production stream, the question is not scored and will be categorised as N.A.	
	N33	...the NOC's production entitlement as a contracting party separate from its own production stream?	1	If the company does not have a production entitlement separate from its own production stream, the question is not scored and will be categorised as N.A.	
	N34	...production entitlements received on behalf of the government?	1	If the company does not receive production entitlements on behalf of the government, the question is not scored and will be categorised as N.A.	
	Are payments from the NOC to the government publicly disclosed and are they broken down into...				
	N35	...production entitlements?	1	If the company does not pay production entitlements to the government, the question is not scored and will be categorised as N.A.	
	N36	...royalties (in cash or kind)?	1	If the company does not pay royalties to the government, the question is not scored and will be categorised as N.A.	
	N37	...dividends?	1	If the company does not pay dividends to the government, the question is not scored and will be categorised as N.A.	
	N38	...profit taxes?	1	If the company does not pay profit taxes to the government, the question is not scored and will be categorised as N.A.	
	N39	...bonuses?	1	If the company does not pay bonuses to the government, the question is not scored and will be categorised as N.A.	
	N40	...profit oil?	1	If the company does not pay profit oil to the government, the question is not scored and will be categorised as N.A.	
	N41	...fees (including licensing fees)?	1	If the company does not pay fees to the government, the question is not scored and will be categorised as N.A.	
	N42	...other payments to the government?	1	If the company does not make other payments to the government, the question is not scored and will be categorised as N.A.	
	<i>Non-EITI-based Revenue Disclosure Indicators</i>				
Are payments from the NOC to the government publicly disclosed and are they broken down into...					
N43	...quasi-fiscal activities or extrabudgetary expenditures	1	"Quasi-fiscal activities" refers to arrangements whereby companies undertake social or environmental expenditure, provide subsidies without explicit budget support, or permit discretionary spending on social budgets. If the company does not make payments to the government in the form of quasi-fiscal activities or extrabudgetary expenditure as described above, the question is not scored and will be categorised as N.A.		
N44	...other transfers in cash or in kind to or on behalf of any governmental body	1	To score positively on this indicator, the NOC must disclose transfers to government bodies and on behalf of government bodies. If the company does not make other transfers to or on behalf of any government body, the question is not scored and will be categorised as N.A.		

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	Number	Indicator	Maximum Score	Comment/Definitions	
Operations		Does the company publicly disclose for its local production operations...		"Publicly disclose" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website or upon request.	
	N45	...the names of all of its subsidiaries operating in the country?	1	"Subsidiaries" are separate corporate entities in which the parent company controls more than 50% of the voting shares. If the company does not have any subsidiaries operating locally, the question is not scored and will be categorised as N.A.	
	N46details of material oil and gas contracts?	1	"Contracts" refers to oil and gas production contracts. "Details" refers to the type of contract regime used (i.e. production sharing, concession system, joint venture company, risk services), names of parties, rights and obligations and consideration. To score positively on this indicator, a company must disclose what standard it uses to determine materiality. The standard used is not considered, and a positive score is awarded if any standard is disclosed, along with the contracts. In the absence of a standard of materiality, a negative score will be awarded.	
	N47	...names and production of material properties?	1	"Properties" refers to areas where oil or gas is being produced. These may also be referred to as Cash Producing Units. To score positively on this indicator, a company must disclose what standard it uses to determine materiality. The standard used is not considered, and a positive score is awarded if any standard is disclosed, along with the agreements and contracts. In the absence of a standard of materiality, the sum of the properties listed must include at least 75% of total production in the country. To score positively, a figure for total production in the country must be disclosed to allow calculation of the 75% standard. In the absence of both, a negative score will be awarded.	
	<i>Production and Reserves</i>				
		Does the company publicly disclose...			"Publicly disclose" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.
	N48	...production volumes?	1		May be provided in barrels of oil equivalent per day (boe/d) or cubic feet per day (cf/d)
	N49	...an estimate of future production volumes?	1		May be provided in barrels of oil equivalent per day (boe/d) or cubic feet per day (cf/d)
	N50	...a measure of reserves?	1		The method of calculation is not tested, all that is required is disclosure of a figure.

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>> APPLIES TO NATIONAL OIL COMPANIES – HOME OPERATIONS
Performance

	Number	Indicator	Maximum Score	Comment/Definitions
Operations		<i>Company Financials</i>		
		Does the company publicly disclose...		"Publicly disclose" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.
	N51	...its revenue?	1	May be denoted in any currency.
	N52	...its production costs?	1	May be denoted in any currency.
	N53	...its development and exploration costs or capital expenditures?	1	May be denoted in any currency.
	N54	...its profit before tax?	1	May be denoted in any currency.
	N55	Does the NOC produce accounts in accordance with internationally accepted accounting standards?	1	Scoring positively on this indicator requires that the company's annual report or equivalent document clearly states that it has been prepared in accordance with internationally accepted accounting standards such as the IFRS.
	N56	Are the NOCs accounts subject to an independent external audit in accordance with internationally accepted accounting standards?	1	Scoring positively on this indicator requires that the company's accounts are prepared or reviewed by an external auditor who clearly states that the review has been conducted in accordance with internationally accepted accounting standards such as the IFRS.
Anti-corruption	N57	Does the company disclose the number and nature of complaints received for corrupt activities?	1	Disclosure should cover all those to whom the policy is applicable according to questions N18-N20 above.
	N58	Does the company disclose if any of its employees were censured for corrupt activities?	1	"Censured" includes any form of disciplinary action. To score positively disclosure should include the number and nature of cases against employees.
	N59	Is there an audit report on the effectiveness of the company's anticorruption programme?	1	To score positively, the report must be either publicly available or be publicly acknowledged to exist.
Section Score			29	

APPLIES TO IOCS AND NOCS OUTSIDE THEIR HOME JURISDICTION

Policy

	Number	Indicator	Maximum Score	Comment/Definitions
Payments		HQ-level Indicators		
	1	Has the company made a public declaration committing itself to the disclosure of revenue payments in all countries of operation?	1	"Public declaration" requires that any expression of commitment must appear in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.
		Has the company made a public declaration committing itself to...		"Public declaration" requires that any expression of commitment appear in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.
	2	...publishing the breakdown of revenue payments into relevant categories (as illustrated in questions 29-37 below)?	1	Scoring positively does not require that a company commit to the exact breakdown given in questions 29-37, but that it has made a commitment to a general breakdown of revenue payments by type and by country.
	3	...the disclosure of material payments in cash or in kind to parties related to contracts?	1	"Contracts" refers to oil and gas exploration and production contracts To score positively on this indicator, a company must disclose what standard it uses to determine materiality. The standard used is not considered, and a positive score is awarded if any standard is disclosed, along with payments. The payments referred to are those that are made under the contracts, not to payments made to non-contracting parties.
	4	Does the company have an active policy on, and involvement with, EITI implementation?	1	This indicator is measured by consulting the EITI website. The EITI website provides a list of organisations that have an active policy on, and involvement with, EITI implementation.
	5	Is the company a GRI Organisational Stakeholder and/or does it support the UN Global Compact?	1	This indicator is measured by consulting the list of GRI organisational stakeholders and checking the list of active members of the UN Global Compact. If a company appears on either of these lists, a positive score will be awarded.
Operations		HQ-level Indicators		
		Has the company made a public declaration committing itself to...		"Public declaration" requires that any expression of commitment appear in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.
	6	...public corporate reporting on a national basis?	1	"Public" means that the company commits to making information available in an Annual Report or similar document which can be obtained from the company's website. "Corporate reporting" refers to information typically found in a company's financial statements and business review. It includes elements such as revenue, production costs, development and exploration costs, profits and productions volumes.
	7	...the disclosure of material contracts for all host countries?	1	"Contracts" refers to oil and gas exploration and production contracts. To score positively on this indicator, a company must disclose what standard it uses to determine materiality. The standard used is not considered, and a positive score is awarded if any standard is disclosed, along with the contracts.

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» APPLIES TO IOCS AND NOCS OUTSIDE THEIR HOME JURISDICTION
Policy

	Number	Indicator	Maximum Score	Comment/Definitions
Anti-corruption		HQ-level Indicators		
	8	Does the company have a publicly available global policy covering corrupt activities?	1	<p>"Global" means that the code of conduct applies to all subsidiaries of the company.</p> <p>"Publicly available" means that the information appears in a Corporate Responsibility Report, Annual Report, Code of Conduct, description of company policy or any other similar document available on the company's website or upon request.</p> <p>"Policy" does not refer to a particular format or type of document but rather to a policy that governs ethical behaviour in the company and of mandatory application within it. It therefore includes both general policy statements as well as more detailed codes of conduct in a strict sense.</p> <p>"Corrupt activities" include fraud, extortion, bribery and other manifestations of corrupt behaviour.</p>
		Does the policy address:		
	9	...bribery	1	Bribery of an official or another private sector individual or entity.
	10	...political contributions	1	
	12	...gifts	1	Refers to giving or receiving of gifts.
	13	...lobbying	1	
	14	...facilitation payments	1	
		Does the policy apply:		"Apply" includes entire or partial applications.
	15	...to employees, management or Board members	1	
	16	...to agents or contractors	1	
17	...to joint venture or other business partners	1		
Section Score			16	

APPLIES TO IOCS AND NOCS OUTSIDE THEIR HOME JURISDICTION

Management Systems

	Number	Indicator	Maximum Score	Comment/Definitions
Payments		HQ-level Indicators		
	18	Does the company publicly provide evidence of the assignment of strategic responsibility for transparency of revenue payments at the board or senior management level?	1	<p>"Publicly provide" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.</p> <p>Scoring positively requires that a specific individual be named as being responsible for revenue payments transparency.</p>
	19	Does the company publicly provide evidence of engagement with stakeholders on issues of revenue transparency?	1	<p>"Publicly provide" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.</p> <p>"Evidence of engagement" will include qualitative statements about receiving feedback through meetings, phone surveys, questionnaires, correspondence, etc.</p> <p>"Stakeholders" includes government and civil society. This indicator will be measured on a global level, rather than on a country-specific basis.</p>
		Country-Level Indicators		
	20	Do the company's contracts in country X permit the disclosure of revenue payments information?	1	If the company discloses any details of revenue payments for country X under 29-37, we assume the contracts do NOT have a confidentiality clause. If the company does not disclose revenue payment information in those indicators, then the burden of proof will be on the company to prove that their contracts do not contain confidentiality clauses. One way companies could prove their contracts do not contain confidentiality clauses would be to provide information on revenue payments. This information will be obtained through meetings, telephone conversations or correspondence with company representatives.
Anti-corruption		HQ-level Indicators		
	21	Does the company censure employees, management or Board members involved in corrupt activities?	1	<p>"Censure" includes any form of disciplinary action.</p> <p>"Corrupt activities" refers to activities covered by the company-specific global policy tested for in questions 9-14.</p>
	22	Does the company have procedures in place for facilitating whistleblowing information provided by whistleblowers?	1	<p>"Procedures" includes, but is not limited to, mechanisms for reporting violations such as telephone complaint lines, written reports, the existence of an internal Ombudsman (or equivalent), and a review structure for dealing with complaints.</p> <p>A positive score will be awarded if a company has any of the mechanisms enumerated above in place.</p>
	23	Is there a commitment to no victimisation for bona fide reporting of corruption?	1	"Commitment" includes a statement that anyone reporting through the company's whistleblowing or any other internal system, will not be victimised for bona fide reporting.
	24	Is training in anti-corruption policy provided?	2	2 points are awarded if training applies to employees, management, board members and agents. 1 point is awarded if training applies to employees and Board members but not agents
	25	Are there monitoring and review procedures in place to follow up the implementation of the anti-corruption policy?	1	These can include, for example, monitoring and review by senior management, or the provision of regular reports to senior management, board or audit committees on complaints made.
Section Score			9	

APPLIES TO IOCS AND NOCS OUTSIDE THEIR HOME JURISDICTION

Performance

	Number	Indicator	Maximum Score	Comment/Definitions
Payments	HQ-level Indicators			
	26	Does the company disclose payments (in cash or in kind) to host governments or host government's entities on a country by country basis?	4	Points are awarded on a sliding scale as follows: 1 point for country-level disclosure of 25-50% of total payments 2 points for country-level disclosure of 51-75% of total payments 3 points for country-level disclosure of 76-90% of total payments 4 points for country-level disclosure of 91-100% of total payments To determine if the thresholds are being met, companies will have to include a total of their payments, or an "Other" category that will allow a total to be calculated. In the absence of both of these, a score of zero will be recorded.
	Country-level Indicators			
	27	Are the recipients broken down by levels of government, parastatals, and other related companies?	1	"Levels of government" In the absence of a country-specific definition, this term will be considered to have 3 components: 1) national; 2) regional; 3) local, as far as a country has these levels. To receive a positive score, a company must name the specific recipients at each level that exists. It will not be sufficient to simply provide the sum of payments to all governments at a particular level.
	<i>EITI-based Revenue Disclosure Indicators</i>			
		Are the payments for operations in country X broken down into...		
	28	...production entitlements?	1	If the company does not pay production entitlements to the government, the question is not scored and will be categorised as N.A.
	29	...royalties (in cash or kind)?	1	If the company does not pay royalties to the government, the question is not scored and will be categorised as N.A.
	30	...dividends?	1	If the company does not pay dividends to the government, the question is not scored and will be categorised as N.A.
	31	...profit taxes?	1	If the company does not pay profit taxes to the government, the question is not scored and will be categorised as N.A.
	32	...bonuses?	1	If the company does not pay bonuses to the government, the question is not scored and will be categorised as N.A.
	33	...profit oil?	1	If the company does not pay profit oil to the government, the question is not scored and will be categorised as N.A.
	34	...fees (including licensing fees)?	1	If the company does not pay fees to the government, the question is not scored and will be categorised as N.A.
	35	...other payments to host governments?	1	If the company does not make other payments to the government, the question is not scored and will be categorised as N.A.
<i>Non-EITI-based Revenue Disclosure Indicators</i>				
36	...quasi fiscal activities or extrabudgetary expenditures	1	"Quasi-fiscal activities" refers to arrangements whereby companies undertake social or environmental expenditure, provide subsidies without explicit budget support, or permit discretionary spending on social budgets. If the company does not make payments to the government in the form of quasi-fiscal activities or extrabudgetary expenditure as described above, the question is not scored and will be categorised as N.A.	

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	Number	Indicator	Maximum Score	Comment/Definitions
Operations		HQ-level Indicators		
		<i>General Information</i>		
	37	Does the company publicly disclose the names of its significant or material subsidiaries and their countries of incorporation?	1	To score positively on this indicator, a company must disclose what standard it uses to exclude immaterial or non-significant subsidiaries. The standard used is not considered, and a positive score is awarded if any standard is disclosed. " Subsidiaries " are separate corporate entities in which the parent company controls more than 50% of the voting shares.
		Country-level Indicators		
		<i>General Information</i>		
		Does the company publicly disclose for its operations in country X...		" Publicly disclose " means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.
	38	...the names of all of its subsidiaries operating in the country?	1	" Subsidiaries " are separate corporate entities in which the parent company controls more than 50% of the voting shares. If the company does not have any subsidiaries operating locally, the question is not scored and will be categorised as N.A.
	39details of material oil and gas contracts?	1	" Contracts " refers to oil and gas production contracts. " Details " refers to the type of contract regime used (i.e. production sharing, concession system, joint venture company, risk services), names of parties, rights and obligations and consideration. To score positively on this indicator, a company must disclose what standard it uses to determine materiality. The standard used is not considered, and a positive score is awarded if any standard is disclosed, along with the contracts. In the absence of a standard of materiality, a negative score will be awarded.
	40	...names and production of material properties?	1	To score positively on this indicator, a company must disclose what standard it uses to determine materiality. The standard used is not considered, and a positive score is awarded if any standard is disclosed, along with the agreements and contracts. In the absence of a standard of materiality, the sum of the properties listed must include at least 75% of total production in the country. To score positively, a figure for total production in the country must be disclosed to allow calculation of the 75% standard. In the absence of both, a negative score will be awarded.
		<i>Production and Reserves</i>		
		Does the company publicly disclose for its operations in country X...		" Publicly disclose " means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.
	41	...production volumes?	1	May be provided in barrels of oil equivalent per day (boe/d) or cubic feet per day (cf/d)
	42	...an estimate of future production volumes?	1	May be provided in barrels of oil equivalent per day (boe/d) or cubic feet per day (cf/d)
43	...a measure of reserves?	1	The method of calculation is not tested, all that is required is disclosure of a figure	

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➤ APPLIES TO IOCS AND NOCS OUTSIDE THEIR HOME JURISDICTION
Performance

	Number	Indicator	Maximum Score	Comment/Definitions
Operations		<i>Company Financials</i>		
		Does the company publicly disclose for its operations in country X...		"Publicly disclose" means that the information appears in a Corporate Responsibility Report, Annual Report, description of company policy or any other similar document available on the company's website.
	44	...its revenue?	1	May be denoted in any currency.
	45	...its production costs?	1	May be denoted in any currency.
	46	...its development and exploration costs or capital expenditures?	1	May be denoted in any currency.
	47	...its profit before tax?	1	May be denoted in any currency.
	48	Does the company produce accounts in accordance with internationally accepted accounting standards?	1	Scoring positively on this indicator requires that the company's annual report or equivalent document clearly states that it has been prepared in accordance with internationally accepted accounting standards such as the IFRS.
	49	Are the company's accounts subject to an independent external audit in accordance with internationally accepted accounting standards?	1	Scoring positively on this indicator requires that the company's accounts are prepared or reviewed by an external auditor who clearly states that the review has been conducted in accordance with internationally accepted accounting standards such as the IFRS.
Anti-corruption		HQ-level Indicators		
	50	Does the company disclose the number and nature of complaints received for corrupt activities?	1	Disclosure should cover all those to whom the policy is applicable according to questions 15-17 above.
	51	Does the company disclose if any of its employees were censured for corrupt activities?	1	"Censured" includes any form of disciplinary action. To score positively disclosure should include the number and nature of cases against employees.
	52	Is there an audit report on the effectiveness of company's anticorruption programme?	1	To score positively, the report must be either publicly available or be publicly acknowledged to exist.
Section Score			30	

COMPANY CHARACTERISTICS - THESE QUESTIONS DO NOT IMPACT SCORE.

The purpose of these questions is to gather some information that may be used for analysis.

Number	Indicator	Response	Comment/Detail
HQ-level Indicators			
D1	Does the state have an ownership interest in the company?	Y/N	
D2	...If D1 is yes, what is the percentage of its stake?	% of ownership	
D3	...If D1 is yes, what are the state owned voting shares in it?	% of voting shares	If this information is available.
D4	% of revenues originated out of home	% of revenue earned abroad	
D5	Total number of countries of operation of this company	Number	Refers to the countries of operation covered in this report
D6	Classification		Use the following: 1. NOC -non listed 2. NOC- Listed 3. Big IOC 4. Medium IOC . Reference to establish Big or Medium is an existing industry or equally relevant survey. (Penwell, Goldman Sachs criteria)
Country-level indicators			
D7	Is the primary local operating entity a subsidiary?	Y/N	
D8	Is this a non-listed service (subsidiary) of a listed company?	Y/N	

ANNEX 5

DATA AND DATA ANNOTATIONS

IOCs and NOCs that have operations abroad

			Policy Questions															Management Systems Questions								
Company	Home Country	Host Country	Payments					Operations			Anti-Corruption							Payments			Anti-Corruption					
			1	2	3	4	5	6	7	8	9	10	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Question Numbers			1	2	3	4	5	6	7	8	9	10	12	13	14	15	16	17	18	19	20	21	22	23	24	25
BG Group	UK																									
		India	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	0	0	1	0	1	1	1	2	1
		Kazakhstan	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	0	0	1	0	1	1	1	2	1
BHP Billiton	Australia																									
		Algeria	0	0	0	1	1	0	0	1	1	1	1	1	1	1	0	1	0	1	0	1	1	1	2	1
		USA	0	0	0	1	1	0	0	1	1	1	1	1	1	1	0	1	0	1	0	1	1	1	2	1
BP	UK																									
		Algeria	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	1	0	1	1	0	1	1
		Angola	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	1	0	1	1	0	1	1
		Azerbaijan	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	1	1	1	1	0	1	1
		Indonesia	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	1	0	1	1	0	1	1
		Kazakhstan	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	1	0	1	1	0	1	1
		Norway	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	1	0	1	1	0	1	1
		Russia	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	1	0	1	1	0	1	1
		USA	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	1	0	1	1	0	1	1
		Venezuela	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	1	0	1	1	0	1	1
Chevron	USA																									
		Angola	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
		Azerbaijan	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
		China	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
		Congo Brazzaville	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
		Indonesia	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
		Kazakhstan	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
		Nigeria	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
		Norway	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
		Saudi Arabia	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
		USA	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
		Venezuela	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	2	1
CNOOC	China																									
		Indonesia	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	1	1	1	0	0
CNPC	China																									
		Algeria	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Indonesia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Kazakhstan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Venezuela	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

IOCs and NOCs that have operations abroad

			Policy Questions															Management Systems Questions								
Company	Home Country	Host Country	Payments					Operations			Anti-Corruption							Payments			Anti-Corruption					
			1	2	3	4	5	6	7	8	9	10	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Question Numbers			1	2	3	4	5	6	7	8	9	10	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Conoco-Phillips	USA																									
		Algeria	0	0	0	1	0	0	0	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1	1	1
		China	0	0	0	1	0	0	0	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1	1	1
		Indonesia	0	0	0	1	0	0	0	1	1	1	1	1	1	1	1	0	1	1	0	1	1	1	1	1
		Nigeria	0	0	0	1	0	0	0	1	1	1	1	1	1	1	1	0	1	1	0	1	1	1	1	1
		Norway	0	0	0	1	0	0	0	1	1	1	1	1	1	1	1	0	1	1	0	1	1	1	1	1
		Russia	0	0	0	1	0	0	0	1	1	1	1	1	1	1	1	0	1	1	0	1	1	1	1	1
		Venezuela	0	0	0	1	0	0	0	1	1	1	1	1	1	1	1	0	1	1	0	1	1	1	1	1
Devon Energy	USA																									
		Azerbaijan	0	0	0	0	0	0	0	1	1	1	1	0	1	1	0	1	0	0	0	1	1	1	1	1
		China	0	0	0	0	0	0	0	1	1	1	1	0	1	1	0	1	0	0	0	1	1	1	1	1
		Equatorial Guinea	0	0	0	0	0	0	0	1	1	1	1	0	1	1	0	1	0	0	0	1	1	1	1	1
		Russia	0	0	0	0	0	0	0	1	1	1	1	0	1	1	0	1	0	0	0	1	1	1	1	1
		USA	0	0	0	0	0	0	0	1	1	1	1	0	1	1	0	1	0	0	0	1	1	1	1	1
Eni	Italy																									
		Algeria	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	2	1
		Angola	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	2	1
		China	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	2	1
		Congo Brazzaville	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	2	1
		Indonesia	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	2	1
		Kazakhstan	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	2	1
		Nigeria	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	2	1
		USA	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	2	1
		Venezuela	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	2	1
Norway	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	2	1		
Exxon-Mobil	USA																									
		Angola	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
		Azerbaijan	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
		Equatorial Guinea	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
		Indonesia	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
		Kazakhstan	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
		Malaysia	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
		Nigeria	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
		Norway	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
		Russia	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
		USA	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
		Venezuela	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1
Qatar	0	0	0	1	0	0	0	1	1	1	1	1	0	1	0	0	0	1	0	1	1	1	1	1		

IOCs and NOCs that have operations abroad

			Policy Questions															Management Systems Questions									
Company	Home Country	Host Country	Payments					Operations			Anti-Corruption							Payments			Anti-Corruption						
Question Numbers			1	2	3	4	5	6	7	8	9	10	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
Hess	USA																										
		Algeria	0	0	0	1	1	0	0	1	1	1	1	0	1	1	1	1	0	0	0	0	1	1	1	1	
		Azerbaijan	0	0	0	1	1	0	0	1	1	1	1	0	1	1	1	1	0	0	0	0	1	1	1	1	
		Equatorial Guinea	0	0	0	1	1	0	0	1	1	1	1	0	1	1	1	1	0	0	0	0	1	1	1	1	
		Indonesia	0	0	0	1	1	0	0	1	1	1	1	0	1	1	1	1	0	0	0	0	1	1	1	1	
		Malaysia	0	0	0	1	1	0	0	1	1	1	1	0	1	1	1	1	0	0	0	0	1	1	1	1	
		Norway	0	0	0	1	1	0	0	1	1	1	1	0	1	1	1	1	0	0	0	0	1	1	1	1	
		USA	0	0	0	1	1	0	0	1	1	1	1	0	1	1	1	1	0	0	0	0	1	1	1	1	
INPEX	Japan																										
		Azerbaijan	0	0	0	0	0	0	0	1	1	1	1	0	1	1	0	0	0	0	0	0	1	0	1	1	
		China	0	0	0	0	0	0	0	1	1	1	1	0	1	1	0	0	0	0	0	0	1	0	1	1	
		Indonesia	0	0	0	0	0	0	0	1	1	1	1	0	1	1	0	0	0	0	0	0	1	0	1	1	
Kuwait Petroleum Corporation	Kuwait																										
		China	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		Malaysia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		Indonesia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lukoil	Russia																										
		Kazakhstan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		Russia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	
Marathon Oil	USA																										
		Equatorial Guinea	0	0	0	1	0	0	0	1	1	1	1	1	1	1	0	0	0	0	0	1	1	1	1	1	
		Norway	0	0	0	1	0	0	0	1	1	1	1	1	1	1	0	0	0	0	1	1	1	1	1	1	
		USA	0	0	0	1	0	0	0	1	1	1	1	1	1	1	0	0	0	0	0	1	1	1	1	1	
Nexen	Canada																										
		USA	1	1	0	0	1	0	0	1	1	1	1	0	1	1	1	1	0	0	1	0	1	1	2	1	
ONGC	India																										
		Russia	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Petrobras	Brazil																										
		Angola	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	1	1	
		USA	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	1	1	
		Venezuela	0	0	0	1	1	0	0	1	1	1	1	0	0	1	1	1	0	1	0	1	1	1	1	1	
Petro-Canada	Canada																										
		USA	0	0	1	0	1	0	1	1	1	0	1	1	1	1	1	1	1	0	1	1	1	1	2	1	
Petronas	Malaysia																										
		Indonesia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Repsol YPF	Spain																										
		Algeria	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	0	0	1	1	0	0	1	
		Brazil	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	0	0	1	1	0	0	1	
		USA	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	0	0	1	1	0	0	1	
		Venezuela	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	0	0	0	1	1	0	0	1	

IOCs and NOCs that have operations abroad

			Policy Questions															Management Systems Questions											
Company	Home Country	Host Country	Payments					Operations			Anti-Corruption							Payments			Anti-Corruption								
			1	2	3	4	5	6	7	8	9	10	12	13	14	15	16	17	18	19	20	21	22	23	24	25			
Shell	Netherlands																												
		Brazil	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0	1	0	1	1	1	2	1
		Malaysia	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0	1	0	1	1	1	2	1
		Nigeria	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	2	1
		Norway	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0	1	0	1	1	1	2	1
		Russia	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0	1	0	1	1	1	2	1
		USA	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0	1	0	1	1	1	2	1
		Venezuela	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	0	1	0	1	1	1	2	1
		China	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	1	0	1	0	1	1	1	2	1	
Statoil-Hydro	Norway																												
		Algeria	1	1	0	1	1	0	0	1	1	0	1	1	1	1	1	1	1	1	0	1	0	1	1	1	1	1	
		Angola	1	1	0	1	1	0	0	1	1	0	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1	1	
		Azerbaijan	1	1	0	1	1	0	0	1	1	0	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1	1	
		China	1	1	0	1	1	0	0	1	1	0	1	1	1	1	1	1	1	1	0	1	0	1	1	1	1	1	
		Venezuela	1	1	0	1	1	0	0	1	1	0	1	1	1	1	1	1	1	1	0	1	0	1	1	1	1	1	
Talisman Energy	Canada																												
		Algeria	1	1	1	1	1	0	0	1	1	1	1	0	1	1	1	1	1	0	1	1	0	1	1	2	1		
		Indonesia	1	1	1	1	1	0	0	1	1	1	1	0	1	1	1	1	1	0	1	1	0	1	1	2	1		
		Malaysia	1	1	1	1	1	0	0	1	1	1	1	0	1	1	1	1	1	0	1	1	0	1	1	2	1		
		USA	1	1	1	1	1	0	0	1	1	1	1	0	1	1	1	1	1	0	1	1	0	1	1	2	1		
		Norway	1	1	1	1	1	0	0	1	1	1	1	0	1	1	1	1	1	0	1	1	0	1	1	2	1		
Total	France																												
		Algeria	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	1	0	0	1	1	1	1		
		Angola	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	1	1	0	1	1	1	1		
		Congo Brazzaville	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	1	0	0	1	1	1	1		
		Indonesia	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	1	0	0	1	1	1	1		
		Nigeria	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	1	1	0	1	1	1	1		
		Norway	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	1	0	0	1	1	1	1		
		Qatar	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	1	0	0	1	1	1	1		
		Russia	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	1	0	0	1	1	1	1		
		USA	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	1	0	0	1	1	1	1		
Venezuela	0	0	0	1	1	0	0	1	1	1	1	1	1	1	1	1	1	0	1	0	0	1	1	1	1				
Woodside	Australia																												
		Algeria	0	0	0	1	0	0	0	1	1	1	0	0	0	1	1	1	0	0	0	1	1	1	0	1			
		USA	0	0	0	1	0	0	0	1	1	1	0	0	0	1	1	1	0	0	0	1	1	1	0	1			

IOCs and NOCs that have operations abroad

			Performance Questions																				Anti-Corruption						
Company	Home Country	Host Country	Payments										Operations										Anti-Corruption						
			26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
Question Numbers			26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
BG Group	UK																												
		India	0	N.A.	N.A.	0	N.A.	0	N.A.	0	N.A.	0	0	1	1	1	0	1	1	0	0	0	0	0	1	1	1	0	1
		Kazakhstan	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	1	1	1	1	0	0	0	0	0	0	1	1	1	0	1
BHP Billiton	Australia																												
		Algeria	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	1	1	1	0	0	0	0	1	0	1	1	1	0	0
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	1	0	1	0	0	0	0	0	0	1	1	1	0	0
BP	UK																												
		Algeria	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	0	0	0	0	0	0	1	1	0	0	0	
		Angola	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	0	0	0
		Azerbaijan	0	N.A.	1	N.A.	N.A.	N.A.	N.A.	N.A.	1	1	1	1	0	1	1	0	1	0	0	0	0	1	1	0	0	0	
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	0	0	0
		Kazakhstan	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	1	1	1	0	0	0	0	0	1	1	0	0	0
		Norway	0	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	0	0	1	1	0	1	1	0	0	1	0	0	1	1	1	0	0	0
		Russia	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	1	1	1	1	1	1	1	0	0	0
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	1	1	1	1	1	1	1	0	0	0
		Venezuela	0	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	0	0	0
Chevron	USA																												
		Angola	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	1	1	0	1	1	1	0	0	0	0	0	0	1	1	1	0	0
		Azerbaijan	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	1	1	1	1	0	0	0	0	0	1	1	1	0	0
		China	0	N.A.	N.A.	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	1	0	0
		Congo Brazzaville	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	1	0	0
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	1	1	1	1	0	1	1	0	0	1	1	1	1	0	0
		Kazakhstan	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	1	1	1	0	0	0	0	0	0	1	1	1	0	0
		Nigeria	0	N.A.	0	0	N.A.	0	N.A.	0	N.A.	0	1	1	0	1	0	1	0	0	0	0	0	0	1	1	1	0	0
		Norway	0	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	0	1	1	0	0	0	0	0	0	1	1	1	0	0
		Saudi Arabia	0	N.A.	0	0	N.A.	0	N.A.	0	N.A.	0	0	1	0	1	1	1	1	0	0	0	1	0	1	1	1	0	0
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	1	1	1	0	1	1	0	1	1	1	1	1	1	1	1	0	0
		Venezuela	0	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	1	1	1	0	1	0	0	0	0	1	1	1	0	0
CNOOC	China																												
		Indonesia	0	N.A.	0	0	N.A.	1	0	0	N.A.	0	0	1	1	0	0	1	0	1	1	1	1	0	1	1	0	0	0
CNPC	China																												
		Algeria	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Kazakhstan	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	1	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0
		Venezuela	0	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	N.A.	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0

IOCs and NOCs that have operations abroad

			Performance Questions																				Anti-Corruption						
Company	Home Country	Host Country	Payments										Operations										Anti-Corruption						
Question Numbers			26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52
Conoco-Phillips	USA																												
		Algeria	0	N.A.	0	0	N.A.	1	0	0	N.A.	0	0	1	0	1	1	1	0	0	0	0	0	0	1	1	0	0	0
		China	0	N.A.	N.A.	0	N.A.	0	0	0	N.A.	1	0	1	0	1	1	1	0	0	0	0	0	0	1	1	0	0	0
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	1	1	1	0	0	0	0	0	0	1	1	0	0	0
		Nigeria	0	N.A.	0	0	N.A.	0	N.A.	0	N.A.	0	0	1	0	1	0	1	0	0	0	0	0	0	1	1	0	0	0
		Norway	0	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	1	1	1	0	0	1	0	0	0	1	1	0	0	0
		Russia	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	1	1	1	0	0	0	0	0	0	1	1	0	0	0
		Venezuela	0	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	1	1	1	0	0	1	0	0	0	1	1	0	0	0
Devon Energy	USA																												
		Azerbaijan	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	1	1	0	0	0	0	1	1	0	0	0
		China	0	N.A.	N.A.	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	0	1	0	0	0	0	1	1	0	0	0
		Equatorial Guinea	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	0	1	0	0	0	0	1	1	0	0	0
		Russia	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	1	1	0	1	0	0	0	0	1	1	0	0	0
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1
Eni	Italy																												
		Algeria	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	0	1	0	0	0	0	1	1	1	0	0
		Angola	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	0	1	0	0	0	0	1	1	1	0	0
		China	0	N.A.	N.A.	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	1	0	0	0	0	1	1	1	0	0
		Congo Brazzaville	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	1	0	0	1	0	1	0	0	0	0	1	1	1	0	0
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	1	0	0	0	0	1	1	1	0	0
		Kazakhstan	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	1	1	0	1	0	0	0	0	1	1	1	0	0
		Nigeria	0	N.A.	0	0	N.A.	0	N.A.	0	N.A.	0	0	1	0	0	0	1	0	1	0	0	0	0	1	1	1	0	0
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	1	0	0	0	0	1	1	1	1	0
		Venezuela	0	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	0	1	1	0	1	0	0	0	0	1	1	1	0	0
Norway	0	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	0	0	1	1	1	0	1	0	1	1	1	1	1	1	1	1	1	0		
Exxon-Mobil	USA																												
		Angola	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	1	0	0	0	0	1	1	0	0	0
		Azerbaijan	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	1	0	0	0	0	0	1	1	0	0	0
		Equatorial Guinea	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	1	1	0	0	1	1	0	0	0	0	0	0	1	1	0	0	0
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	0	0	0
		Kazakhstan	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	1	1	0	0	0	0	0	0	1	1	0	0	0
		Malaysia	0	N.A.	0	0	N.A.	0	N.A.	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	0	0	0
		Nigeria	0	N.A.	0	0	N.A.	0	N.A.	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	0	0	0
		Norway	0	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	1	1	1	0	1	1	0	1	1	1	1	1	0	0
		Russia	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	1	1	0	0	0	0	0	0	1	1	0	0	0
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	1	1	0	0	0	1	0	1	1	1	1	1	1	1	1	0	0
		Venezuela	0	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	0	1	1	0	0	0	0	0	0	1	1	0	0	0
Qatar	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	0	1	0	0	0	0	1	1	0	0	0		

IOCs and NOCs that have operations abroad

			IOC Performance																											
Company	Home Country	Host Country	Payments												Operations												Anti-Corruption			
			26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	
Question Numbers			26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	
Hess	USA																													
		Algeria	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	0	0	0	0	0	0	1	1	1	0	1	
		Azerbaijan	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	1	0	0	0	0	0	1	1	1	0	1	
		Equatorial Guinea	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	1	1	0	0	1	1	0	0	0	0	0	0	1	1	1	0	1	
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	0	0	0	0	0	0	1	1	1	0	1	
		Malaysia	0	N.A.	0	0	N.A.	0	N.A.	0	N.A.	0	0	1	0	1	1	1	1	0	0	0	0	0	1	1	1	0	1	
		Norway	0	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	1	0	1	
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	1	1	1	1	1	1	1	1	1	0	1
INPEX	Japan																													
		Azerbaijan	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	
		China	0	N.A.	N.A.	0	N.A.	0	0	0	N.A.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0		
Kuwait Petroleum Corporation	Kuwait																													
		China	0	N.A.	N.A.	0	N.A.	0	0	0	N.A.	0	0	0	0	0	1	1	0	0	0	0	0	0	1	1	0	0	0	
		Malaysia	0	N.A.	0	0	N.A.	0	N.A.	0	N.A.	0	0	0	0	1	1	1	0	0	0	0	0	0	1	1	0	0	0	
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	0	0	1	1	1	0	0	0	0	0	0	1	1	0	0	0	
Lukoil	Russia																													
		Kazakhstan	3	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	0	0	1	1	1	0	1	0	0	0	0	1	1	0	0	0	
		Russia	3	N.A.	N.A.	0	N.A.	1	0	N.A.	N.A.	1	0	0	0	1	1	0	1	1	1	1	1	1	1	1	0	0	0	
Marathon	USA																													
		Equatorial Guinea	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	0	0	0	0	0	0	1	1	1	0	0	
		Norway	0	N.A.	N.A.	N.A.	N.A.	1	N.A.	N.A.	N.A.	0	0	1	0	0	1	1	0	0	0	0	0	0	1	1	1	0	0	
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	1	1	0	1	1	1	1	1	1	1	0	0		
Nexen	Canada																													
		USA	4	N.A.	N.A.	1	N.A.	0	0	N.A.	N.A.	0	1	1	0	0	0	1	1	1	1	1	1	1	1	1	1	1	0	
ONGC	India																													
		Russia	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	1	1	1	1	0	1	1	1	1	1	0	0	0	0	0	
Petrobras	Brazil																													
		Angola	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	1	1	0	0	0	1	1	1	0	0	0	
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	1	1	0	0	1	1	1	1	0	0	0	
		Venezuela	0	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	0	0	1	0	0	0	1	1	1	0	0	1	1	1	1	0	0	0		
Petro-Canada	Canada																													
		USA	0	N.A.	N.A.	1	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	0	1	1	1	0	1	1	0	0	0	
Petronas	Malaysia																													
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	
Repsol YPF	Spain																													
		Algeria	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	1	0	0	0	0	1	1	0	1	1	
		Brazil	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	0	0	1	0	0	0	0	1	1	0	1	1	
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	1	0	0	0	0	1	1	0	1	1	
		Venezuela	0	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	0	0	1	0	0	0	1	0	1	0	0	0	0	1	1	0	1	1		

IOCs and NOCs that have operations abroad

			IOC Performance																				Anti-Corruption							
Company	Home Country	Host Country	Payments										Operations										Anti-Corruption							
			26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	
Question Numbers			26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	
Shell	Netherlands		0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	1	1	1	1	0		
		Brazil	0	N.A.	0	0	N.A.	0	N.A.	0	N.A.	0	0	1	1	0	0	1	0	0	0	0	0	0	1	1	1	1	0	
		Malaysia	0	N.A.	0	1	N.A.	1	N.A.	0	N.A.	1	1	1	1	1	0	1	0	0	0	0	0	0	1	1	1	1	0	
		Nigeria	0	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	1	1	0	
		Norway	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	1	1	0	
		Russia	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	1	1	0	
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	1	1	1	1	1	0	1	1	1	1	0
		Venezuela	0	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1	1	1	0	
		China	0	N.A.	N.A.	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	1	1	1	1	0		
Statoil-Hydro	Norway		4	N.A.	0	0	N.A.	0	1	0	N.A.	0	0	1	0	1	1	1	0	0	1	0	0	1	1	1	0	0		
		Algeria	4	N.A.	0	0	N.A.	0	1	0	N.A.	0	0	1	0	1	1	1	0	0	1	0	0	1	1	1	0	0		
		Angola	4	N.A.	0	0	N.A.	0	1	0	N.A.	0	0	1	0	1	1	1	0	0	1	0	0	1	1	1	0	0		
		Azerbaijan	4	N.A.	0	0	N.A.	0	1	0	N.A.	0	0	1	0	1	1	1	1	0	1	0	0	1	1	1	0	0		
		China	4	N.A.	N.A.	0	N.A.	0	1	0	N.A.	0	0	1	0	1	1	1	0	0	1	0	0	0	1	1	1	0	0	
		Venezuela	4	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	1	1	1	0	0	1	0	0	0	1	1	1	0	0	
Talisman Energy	Canada		4	N.A.	0	1	N.A.	1	0	0	N.A.	0	1	1	1	1	1	1	0	1	1	0	1	1	0	0	0			
		Algeria	4	N.A.	0	1	N.A.	1	1	0	N.A.	0	1	1	1	1	1	1	0	1	1	0	1	1	0	0	0			
		Indonesia	4	N.A.	0	1	N.A.	1	N.A.	0	N.A.	0	1	1	1	1	1	1	0	1	1	0	1	1	0	0	0			
		Malaysia	4	N.A.	0	1	N.A.	1	N.A.	0	N.A.	0	1	1	1	1	1	1	0	0	1	0	1	1	0	0	0			
		USA	4	N.A.	N.A.	1	N.A.	1	0	N.A.	N.A.	0	1	1	1	1	1	1	0	0	1	0	1	1	0	0	0			
		Norway	4	N.A.	N.A.	1	N.A.	1	N.A.	N.A.	N.A.	0	1	1	1	0	0	1	0	1	1	0	1	1	0	0	0			
Total	France		0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	1	1	1	0	0		
		Algeria	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	1	1	0	1	0	0	0	0	0	1	1	1	0	0		
		Angola	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	1	1	0	1	0	0	0	0	0	1	1	1	0	0		
		Congo Brazzaville	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	1	1	1	0	0		
		Indonesia	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	1	1	1	0	0		
		Nigeria	0	N.A.	0	1	N.A.	1	N.A.	0	N.A.	1	1	1	1	1	1	1	0	0	0	0	0	0	1	1	1	0	0	
		Norway	0	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	0	1	1	0	0	0	0	0	1	1	1	0	0		
		Qatar	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	0	1	1	0	0	0	0	0	1	1	1	0	0		
		Russia	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	1	1	1	0	0		
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	1	1	1	0	0		
		Venezuela	0	N.A.	N.A.	0	N.A.	0	N.A.	N.A.	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	1	1	1	0	0		
Woodside	Australia		0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	1	1	1	0	1	1	0	0	1	1	0	0	0		
		Algeria	0	N.A.	0	0	N.A.	0	0	0	N.A.	0	0	1	0	1	1	1	0	1	1	0	0	1	1	0	0	0		
		USA	0	N.A.	N.A.	0	N.A.	0	0	N.A.	N.A.	0	0	1	0	0	0	1	0	1	1	1	1	1	1	0	0	0		

NOCs – HOME OPERATIONS

Host Country	Company	Home Country	Performance																																			
			Payments														Operations												Anti-Corruption									
			Question Numbers														N45	N46	N47	N48	N49	N50	N51	N52	N53	N54	N55	N56	N57	N58	N59							
Algeria	Sonatrach	Algeria	0	1	0	0	0	1	0	0	0	0	N.A.	0	0	0	1	0	0	1	0	1	1	0	1	1	0	0	0	0	0	0	0	0	0	0		
Angola	Sonangol	Angola	0	0	0	0	0	0	0	0	0	0	N.A.	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Brazil	Petrobras	Brazil	N.A.	1	N.A.	N.A.	N.A.	1	1	1	1	N.A.	N.A.	1	1	N.A.	0	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0		
China	CNPC	China	N.A.	1	N.A.	N.A.	N.A.	0	0	0	0	0	N.A.	0	1	0	0	0	0	1	0	1	1	0	1	1	0	0	1	0	0	0	0	0	0	0	0	
China	CNOOC	China	N.A.	1	N.A.	N.A.	N.A.	0	0	1	0	1	N.A.	0	0	0	1	0	1	1	0	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	
China	PetroChina	China	N.A.	1	N.A.	N.A.	N.A.	0	1	1	0	0	N.A.	0	0	0	0	0	1	1	0	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	
China	Sinopec	China	N.A.	1	N.A.	N.A.	N.A.	0	1	1	0	0	N.A.	1	0	0	1	0	0	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	
Congo	SNPC	Congo	0	1	0	0	0	0	0	0	0	0	N.A.	0	0	0	1	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Equatorial Guinea	GEPetrol	Equatorial Guinea	0	1	0	0	0	0	0	0	0	0	N.A.	0	0	0	N.A.	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
India	ONGC	India	N.A.	1	N.A.	N.A.	N.A.	1	1	0	N.A.	0	N.A.	1	1	0	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	
Indonesia	Pertamina	Indonesia	N.A.	0	0	N.A.	0	0	0	0	0	0	N.A.	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Iran	National Iranian Oil Company	Iran	N.A.	1	N.A.	N.A.	N.A.	0	1	0	N.A.	0	N.A.	1	0	0	1	0	0	1	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Kazakhstan	KazMunai-Gaz	Kazakhstan	N.A.	1	N.A.	N.A.	N.A.	0	1	0	0	N.A.	N.A.	1	1	0	0	0	0	1	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Kuwait	Kuwait Petroleum Corporation	Kuwait	0	1	0	0	0	0	1	0	N.A.	0	N.A.	0	0	1	0	0	0	1	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0
Malaysia	Petronas	Malaysia	0	1	0	0	0	1	1	0	N.A.	0	N.A.	1	1	0	1	1	0	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Mexico	Pemex	Mexico	N.A.	1	N.A.	N.A.	N.A.	1	N.A.	1	N.A.	N.A.	N.A.	N.A.	0	0	1	N.A.	1	1	0	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	1	
Nigeria	NNPC	Nigeria	0	1	0	0	0	0	0	0	0	0	N.A.	0	0	0	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Norway	StatoilHydro	Norway	N.A.	1	N.A.	N.A.	N.A.	N.A.	N.A.	1	N.A.	N.A.	N.A.	1	0	1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0
Qatar	Qatar Petroleum	Qatar	0	0	0	0	0	1	0	1	0	0	N.A.	1	0	0	1	1	1	0	0	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0
Russia	Gazprom	Russia	N.A.	1	N.A.	N.A.	N.A.	0	1	1	0	N.A.	N.A.	1	0	0	0	0	0	1	1	1	1	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0
Russia	Rosneft	Russia	N.A.	1	N.A.	N.A.	N.A.	0	0	1	0	N.A.	N.A.	1	1	0	1	0	1	1	0	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0
Saudi Arabia	Saudi Aramco	Saudi Arabia	0	1	0	0	0	0	0	0	0	0	N.A.	0	0	0	1	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Venezuela	PDVSA	Venezuela	N.A.	1	N.A.	N.A.	N.A.	0	0	0	N.A.	N.A.	N.A.	0	1	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Annotations to Data by Indicator Number		
IOC Indicator	NOC Indicator	Annotation
		The data for the questions in the area of anti-corruption have been gathered for TI by other consultants engaged under a different research effort provisionally called "Corporate Anti-Corruption Transparency Index" or CACTI.
11	N14	This question referred to charitable contributions. It has been deleted from the set of indicators to mirror approach taken in CACTI Project.
12	N15	Standard of assessment changed to credit a policy that covers giving or receiving of gifts, rather than only giving credit for including both.
14	N17	Upon data review with TOTAL, it was discussed that the reference to facilitation payments, while implicit in the broad statement of their code of conduct and included under the French Law, could still be made clearer in their code of conduct. TOTAL expressed its willingness to clarify this in the near future.
15	N18	Employees deemed to cover management and board members. In the case of the latter, the change was made following suggestions from the Expert Group. There are 8 companies in the study for which it was inconclusive as to whether the term employee includes executive board members. These are: BP, Eni, Nexen, PetroChina, Qatar Petroleum, Shell, Total and Woodside.
16	N19	Standard of assessment changed to credit a policy that covers agents or contractors, rather than only giving credit for including both.
17	N20	Standard of assessment changed to credit a policy that covers joint venture or other business partners, rather than only giving credit for including both.
None	N21	This indicator was scored as Not Applicable in the following countries after data review and/or expert input: Brazil, China, India, Indonesia, Kazakhstan, Mexico, Nigeria, Norway and Russia.
21	N26	Wording of question adjusted to match CACTI standard.
22	N27	Wording of question adjusted to match standard of assessment used in CACTI more closely.
23	N28	Wording of question adjusted to match CACTI standard.
24	N29	Employees deemed to cover management and board members. In the case of the latter, the change was made following suggestions from the expert group.
27	None	Following suggestions from the expert group, this question was deemed to be a desirable standard, but not feasible to assess at this stage of development in revenue reporting. All IOC scores were recorded as Not Applicable.
None	N31	Following suggestions from the expert group, this indicator was scored as Not Applicable in the following countries: China, India, Iran, Kazakhstan, Norway, Russia, the US and Venezuela.
None	N33	Following suggestions from the expert group, this indicator was scored as Not Applicable in the following countries: China, India, Iran, Kazakhstan, Norway, Russia, the US and Venezuela.
None	N34	Following suggestions from the expert group, this indicator was scored as Not Applicable in the following countries: China, India, Iran, Kazakhstan, Norway, Russia, the US and Venezuela
28	N35	Following suggestions from the expert group, production entitlement was scored as Not Applicable in the following countries: China, India, Iran, Kazakhstan, Norway, Russia, the US and Venezuela
29	N36	Following suggestions from the expert group, royalties were scored as Not Applicable in the following countries: Norway
30	N37	Following suggestions from the expert group, dividends were scored as Not Applicable for all IOC operations. Changes were not made to equivalent NOC data.
32	N39	Following suggestions from the expert group, bonuses were scored as Not Applicable in the following countries: India, Iran, Kuwait, Malaysia, Mexico, Nigeria, Norway, Saudi Arabia and Venezuela.
33	N40	Following suggestions from the expert group, profit oil was scored as Not Applicable in the following countries: Kazakhstan, Norway, Russia, the US and Venezuela.
34	N41	Following suggestions from the expert group, fees were deemed to be too small to be reported on. All scores were recorded as Not Applicable for IOCs and NOCs.
35	N42	Expert group meeting concluded that this is consistent with EITI.
36	N43	Following discussion from the expert group, the language of the question was amended to adapt better to the IOCs, referring to "discretionary spending on social budgets".
48	N55	Credit given for adherence to IFRS or US GAAP.
49	N56	Credit given for adherence to IFRS or US GAAP.

ANNEX 6

SOURCES OF COMPANY INFORMATION

The research was based on publicly available information drawn from the following sources. The data was gathered by consultants between March and August 2007. Sources and locations may have changed since that time.

Company	Sources
BG Group	Company Website
	2006 Corporate Social Responsibility Report
	2006 Annual Review
	2006 20-F Form
	2006 Annual Report
	2006 Data Book
	2007 Data Book
	BG Group Form 6K
BHP Billiton	Company Website
	Sustainability Report Website
	2006 Sustainability Report
	Sustainable Development Policy
	Terms of Reference Sustainability Committee
	Guide to Business Conduct
	Petroleum Operational and Financial Review
	Speaking Oil & Gas
	Production Reports
	Corporate Governance Statement
Market Disclosure and Communications Policy	
BP	Company Website
	BP Code of Conduct (Chapter on Government and Communities)
	2006 Annual Report and Accounts
	2006 Annual Review
	2002-2006 BP Financial and Operating Information
	2006 Form 20-F
	Azerbaijan Sustainability Report
Chevron	Company Website
	Annual Report 2006
	Annual Report Supplement 2006
	2006 CR Report
	Pertinent Country Fact Sheets
	Corporate Fact Sheet
	The Chevron Way
	Business Conduct and Ethics Code
	2006 10-K Form

Company	Sources
China National Petroleum Corporation (CNPC)	Company Website
	2006 Annual Global Report
	2006 Social Responsibility Report
China National Offshore Oil Corporation (CNOOC)	Company Website
	2005 Social Responsibility Report
	2005 Annual Report
	20-F Form
ConocoPhillips	Company Website
	Code of Ethics and Conduct
	2006 Annual Report
	2007 Proxy Statement
	Sustainable Development Report
	2006 10-K
	Fact Book
Devon Energy	Company Website
	2006 Annual Report
	2006 Form 10-K
	Code of Business Conduct and Ethics
	Corporate Governance Guidelines
	2007 Proxy Statement
	2007 CSR Report
Eni	Company Website
	Eni in 2006
	Fact Book
	2006 Annual Report
	2006 Quarterly Reports
	2007 First Quarter Report
	2006 Corporate Responsibility at Eni: Values and Practices
	Eni Sustainability Report
	Governance and Corporate Responsibility
	2006 Form 20-F
Eni Norge Annual Report	

Company	Sources
ExxonMobil	Company Website
	Standards of Business Conduct, January (2006)
	2006 Corporate Citizenship Report
	2006 Financial and Operating Review
	2006 Summary Annual Report
	2006 Form 10-K
	2007 Proxy Statement
	2005-07 Press Releases
Gazprom	Company Website
	2006 Annual Report
	2006 Financial Report
	September 30, 2006 Interim Condensed Financial Information
GEPetrol	Company Website
	License Map
	Activity Map
Hess	Company Website
	2006 10-K Form
	2006 Annual Report
INPEX	Company Website
	INPEX Holdings 2006 Annual Report
	2006 Consolidated Financial Report for INPEX Holdings
	2006 Consolidated Financial Report for INPEX
	Production Report
	Proved Reserves Report
KazMunaiGaz (KMG)	Company Website
	2005/2006 Performance Report
	Press Releases
Kuwait Petroleum Corporation	Company Website
	KGOC 2003 Annual Report
	KPC 2006 Annual Report
	KUFPEC Financial Information
	KUFPEC 2005 Annual Report
Lukoil	Company Website
	2003-2004 Social Responsibility Report
	2005 Annual Report
	2005 Analyst Databook
	2005-2006 Consolidated Financial Report
	2004-2006 Results of Operations
	2006 Fact Book
Marathon Oil	Company Website
	10-K 2006
	2006 Annual Report
	2007 Proxy Statement
	2006 "Living Our Values Report"
	2006 Fact Book

Company	Sources
National Iranian Oil Company	Company Website
	Message of Petroleum Minister
	Message of Managing Director
	Invitation to the Tender for Exploration and Development Projects
	Charts 1-4
	2003 NIOC Annual Report
Nigerian National Petroleum Company (NNPC)	Company Website
	Annual Report 2005
	Monthly Petroleum Information (MPI)
	NNPC's Annual Statistical Bulletin 2005
	National Petroleum Investment Management Services Website
	Department of Petroleum Resources
	EITI-Transparency Initiative Bill, Executive Summary Report
	Ministry of Finance Website <ul style="list-style-type: none"> • Department of Budget • Revenue • Revenue Division, Petroleum Division and Research and Statistics Division
	Central Bank of Nigeria
	NEITI Bill 2004
Nexen	Company Website
	2006 Annual Report
	Compliance Disclosure- 58-101F1 Canadian
	Policies – Ext. Communications, Corporate Governance
	Corporate Documents – By-Law No. 3, Restated Articles of Incorporation
	Archives –By-Law No. 2, Cert. of Amalgamation, Articles of Amalgamation, International Code of Ethics for Canadian Business
	Sustainability Report 2005
Oil and Natural Gas Corporation Ltd. (ONGC)	Company Website
	Annual Report 2005/2006
	Financial Audit Report 2007
	Distribution of Shareholding
	ONGC Videsh Website
	ONGC Videsh 2005/2006 Annual Report
	Sakhalin-1 Project Website
	Indian Government Website
	Ministry of Finance Website <ul style="list-style-type: none"> • Department of Revenue • Reserve Bank of India
Pertamina	Company Website
	Annual Report (2004 data)
	Bureau of Statistics: National and Regional Accounts

Company	Sources
PetroChina	Company Website
	Annual Report 2006
	Form 20-F 2006
	Announcement of 2006 Annual Results
	Corporate Governance Report
	Financial Report
	Chinese Government Website
	National Bureau of Statistics
Petrobras	Company Website
	2006 Social and Environmental Report
	2006 Annual Report
	2007 1 st quarter SEC filing
Petro-Canada	Company Website
	Report to the Community
	2006 Annual Report
	Code of Business Conduct
	Prevention of Improper Payments
	Public Disclosure Standards
	2006 Annual Information Form
	2006 Statistical Supplement
40-F Form 2006	
Petróleos Mexicanos (Pemex)	Company Website
	Financial Statement 2006
	2007 First Quarter Financial Statement
	2006 CSR Report ('Social Support')
	Transparency Legislation and Documents
Petróleos de Venezuela (PDVSA)	Company Website
Petronas	Company Website
	Annual Report 2006
	Financial Highlights 2007
	Consolidated Figures Document 2006
	Balance Sheet
	Fortune 500
	Malaysian Government Website
	Economic Planning Unit
	Department of Statistics
	Ministry of Energy, Water and Communications
	National Petroleum Policy
	Treasury Memorandum on the Federal Government's Revenue Estimates for the Year 2003
	Malaysian Government Website
	<ul style="list-style-type: none"> • Information and Policies • Ministry of Information • Malaysia-Thailand Joint Authority (Standards of Petroleum Operations) Regulations 1997 • Finance Act 2005, Act 644 • Financial Reporting (Amendment) Act 2004 • Financial Reporting Act 1997

Company	Sources
Qatar Petroleum	Company Website
	2005 Annual Report
	Ethics Letter Issued by H.E. Al-Attayah
	Qatar Petroleum regulations related to the Code of Ethics
Repsol YPF	Company Website
	2006 Corporate Responsibility Report
	2006 Corporate Governance Report
	2006 Annual Report
	2006 Form 20-F
	Consolidated Management Report
	Ethics and Conduct Regulation Report
	2006 Fact Book
2005-2009 Strategic Presentation	
Rosneft	Company Website
	2006 Consolidated Financial Statements
	2006 Management's Discussion and Analysis of Financial Position
	Rosneft Social Programs Report
	2006 Annual Report
Saudi Aramco	Company Website
	2006 Annual Review
	2006 Facts and Figures
Shell	Company Website
	Dealing with Bribery and Corruption
	2006 Sustainability Report
	Code of Conduct
	2006 Financial and Operational Information
	2006 Annual Report
	2006 Annual Review
	2007 1 st quarter financial results
	Shell General Business Principles
	Shell Nigeria Annual Report 2006
	2006 Shell Refining Company (Federation of Malaya) Berhad Annual Report
Delivery and Growth: Shell in Norway 2006	
Sinopec	Company Website
	2006 20 - F
	2006 Annual Report
	2007 1 st quarter SEC filing
	Operational Data
La Société Nationale des Pétroles du Congo (SNPC)	Company Website
	Ministère des Hydrocarbures Homepage
	Official Website of the Congolese Government
	Ministere de l'Economie, des Finances et du Budget Website
Sonangol	Company Website

Company	Sources
Sonatrach	Company Website
	2006 Annual Report
	2006 Financial Report
	Politique Ressources Humaines
	Algerian Ministry of Energy and Mining Homepage
StatoilHydro	Company Website
	We in Statoil
	Ethics in Statoil Report
	Sustainability Report 2006
	2006 20-F Form
	2006 Annual Report
	Code of Ethics for Senior Financial Officers
Talisman Energy	Company Website
	2006 CR Report
	2006 Annual Information Form
	2006 Annual Financial Report
	2006 Annual Report Summary
Total	Company Website
	Form 20-F 2006
	Corporate Social Responsibility Report 2006
	TOTAL Code of Conduct
	TOTAL in 2006 "Global Report"
	2006 Registration Document
	Nigeria Financial Transparency Report
	Angola Financial Transparency Report (Total in Angola)
Woodside	Company Website
	Full Financial Report 2006
	1 st Quarter 2007 Financial Report
	2006 Sustainable Development Report
	Hydrocarbons Reserves Policy
	Summary of Code of Conduct
	Continuous Disclosure and Market Communications Policy
	Woodside Reserves Statement 31 December 2006
	Woodside Health, Safety, Environment and Community Report 2005

ANNEX 7

REPORTING FORMATS

This Annex includes some samples of reporting formats to illustrate the findings described in the corresponding section in the report.

- Information on production volumes was generally the most readily available data; even large companies such as Chevron and ExxonMobil provided this in tables. (See Example 1)
- In some cases, production information was broken down in a greater level of detail, and data on production per property were available. For example, ConocoPhillips used tables to present this information across all countries of operation. (See Example 2)
- More companies increasingly report operational information such as revenue and production costs on a country-specific basis. For some, however, particularly for large companies, operational information disclosed in tables was aggregated by region. (See Examples 3 and 4)
- The differences were even more pronounced in the area of revenue payments. Few companies used tables to present this information or even provided it in any form consistently across operations. Among the notable exceptions was Talisman Energy, which broke down taxes and royalties by country. (See Example 5)

- Other companies that disclose this information tended to do so in a narrative format. Shell Nigeria provided the following revenue payment information on p. 11 of its Annual Report 2006:

SPDC and SNEPCo paid royalties, Petroleum Profit Tax (PPT) and other levies to the Nigerian government during the year. SPDC paid \$2.1 billion in PPT, a 32 per cent decrease from 2005 due to lower oil production. Similarly, it paid \$771.7 million in royalties compared to \$1.2 billion in 2005. The SPDC joint venture also made a statutory contribution of \$75.2 million (of which the Shell share was \$22.6 million) to the Niger Delta Development Commission (NDDC). The company also paid \$54 million into the Education Tax Fund. Over the past six years, SPDC has paid a total of \$154.5 million into this fund. In 2006, SNEPCo paid \$594.8 million in royalties and profit oil from Shell-funded interests in Bonga, Abo and Erha deep water fields. The company also paid education tax of \$4.7 million and contributed \$38.9 million to the NDDC.

(source: http://www.shell.com/static/nigeria/downloads/pdfs/2006_shell_nigeria_report.pdf)

Example 1. Data on Production Volumes (Chevron)

NET OIL-EQUIVALENT PRODUCTION

Thousands of Barrels per Day	Year Ended December 31				
	2006	2005	2004	2003	2002
NET OIL-EQUIVALENT PRODUCTION^{1,2}					
CONSOLIDATED COMPANIES					
UNITED STATES					
Alabama - Onshore	11	10	11	12	13
- Offshore	11	10	12	18	21
Alaska	40	24	15	14	13
California	224	235	239	250	264
Colorado	27	26	25	26	27
Louisiana - Onshore	5	7	10	18	34
- Offshore	175	174	254	299	316
New Mexico	40	36	35	41	44
Oklahoma	13	14	15	15	19
Texas - Onshore	150	124	125	161	174
- Offshore	22	20	21	18	12
Utah	8	9	14	17	18
Wyoming	33	36	38	40	45
Other States	4	2	3	4	3
TOTAL UNITED STATES	763	727	817	933	1,003
AFRICA					
Angola	164	145	144	154	164
Chad	35	39	37	8	-
Democratic Republic of the Congo	3	1	4	9	8
Nigeria	144	136	129	131	139
Republic of the Congo	12	12	12	13	16
TOTAL AFRICA	358	333	326	315	327
ASIA-PACIFIC					
Australia	99	102	93	95	96
Azerbaijan	47	13	-	-	-
Bangladesh	21	10	-	-	-
China	26	26	18	23	27
Kazakhstan	62	61	52	42	36
Myanmar	15	5	-	-	-
Papua New Guinea	-	-	-	4	6
Partitioned Neutral Zone	114	116	120	136	142
Philippines	24	35	28	31	25
Thailand	216	111	35	42	33
TOTAL ASIA-PACIFIC	624	479	346	373	365
TOTAL INDONESIA	248	237	240	251	288
OTHER INTERNATIONAL					
Argentina	47	52	56	65	67
Canada	47	57	71	91	93
Colombia	29	31	35	35	37
Denmark	68	71	68	59	59
Netherlands	4	3	-	-	-
Norway	6	9	11	10	16
Trinidad and Tobago	29	19	23	19	18
United Kingdom	115	133	163	179	173
Venezuela ³	7	10	11	9	4
TOTAL OTHER INTERNATIONAL	352	385	438	467	467
TOTAL INTERNATIONAL	1,582	1,434	1,350	1,406	1,447
TOTAL CONSOLIDATED COMPANIES	2,345	2,161	2,167	2,339	2,450
EQUITY SHARE IN AFFILIATES					
TCO	167	172	178	167	170
Hamaca	38	41	24	17	6
Petroboscan ⁴	7	-	-	-	-
Petroindependiente ⁴	1	-	-	-	-
TOTAL EQUITY SHARE IN AFFILIATES	213	213	202	184	176
TOTAL CONSOLIDATED COMPANIES AND AFFILIATES	2,558	2,374	2,369	2,523	2,626
OTHER PRODUCED VOLUMES					
Athabasca Oil Sands in Canada	27	32	27	15	-
Boscan Operating Service Agreement in Venezuela ⁵	82	111	113	99	97
TOTAL OTHER PRODUCED VOLUMES	109	143	140	114	97
TOTAL WORLDWIDE	2,667	2,517	2,509	2,637	2,723

¹ Net oil-equivalent production excludes royalty interests (and a government's agreed-upon share of production under a production-sharing contract).

² Includes volumes from August 1, 2005, associated with the acquisition of Unocal Corporation.

³ Includes production from LL-652 through September 30, 2006.

⁴ Joint stock company formed on October 1, 2006.

⁵ Includes volumes through September 30, 2006.

Source: Chevron Corporation, 2006 Supplement to the Annual Report, p. 41³², (extract)
<http://www.chevron.com/documents/pdf/chevron2006annualreportsupplement.pdf>

³² N.B.: All page numbers in this section refer to page numbers in the actual reports, not to PDF numbering.

Example 2. Data on Production per Property (ConocoPhillips)

U.S. Lower 48 Average Daily Net Production, 2006						
Areas	Interest	Operator	Oil MBD	Gas MCFD	NGL MBD	Total MBOED
San Juan	Various	Various	1	851	40	183
Piceance	Various	Various	--	--	--	--
Permian	Various	Various	24	124	5	49
Wind River	Various	Various	--	89	--	15
Williston	Various	Various	33	11	1	36
Anadarko	Various	Various	--	60	2	12
Fort Worth	Various	Various	1	42	3	11
Panhandle	Various	Various	1	118	4	25
Lobo	Various	Various	1	264	--	45
Bossier	Various	Various	--	118	--	20
South Louisiana	Various	Various	5	72	1	18
Onshore Other	Various	Various	5	194	2	39
Ursa/Princess	15.9%	Shell	13	18	1	17
Magnolia	75.0%	ConocoPhillips	15	44	3	25
K2	12.4%	Anadarko	2	1	--	2
Offshore Other	Various	Various	3	22	--	7
			104	2,028	62	504

Source: ConocoPhillips, 2006 Fact Book, p. 13 (extract)

http://www.conocophillips.com/NR/rdonlyres/16162D79-DCCA-4C00-82B7-93453EB69ACC/0/fb_northamerica.pdf

Example 3. Report on Operations, by region (Shell)

2006	Eastern Hemisphere						Western Hemisphere		Total
	Europe	Africa ^(A)	Asia Pacific ^(B)	Middle East, Russia, CIS ^(C)	USA	Other			
Revenue:									
Third parties	5,937	389	2,204	2,352	2,339	1,567		14,788	
Intra-group	11,287	7,393	1,606	7,764	6,266	1,388		35,704	
Production costs	17,224	7,782	3,810	10,116	8,605	2,955		50,492	
Exploration expense	2,636	1,597	848	1,018	1,270	774		8,143	
Depreciation, depletion and amortisation	214	269	165	100	471	179		1,398	
Other income/(costs)	3,498	1,508	797	505	1,823	1,034		9,165	
	(781)	(187)	(17)	(1,372)	(649)	(494)		(3,500)	
Earnings before taxation	10,095	4,221	1,983	7,121	4,392	474		28,286	
Taxation	6,381	2,170	740	5,857	1,538	131		16,817	
Earnings after taxation	3,714	2,051	1,243	1,264	2,854	343		11,469	
Earnings after taxation from oil sands	-	-	-	-	-	651		651	

Source: Shell, Annual Report and Form 20-F for the year ended December 31, 2006, p. 150 (extract)

http://www.shell.com/static/investor-en/downloads/financial_information/reports/2006/2006_annual_report.pdf

Example 4. Report on Operations, by Country (Nexen)

(Cdn\$ millions)	Oil and Gas					
	Total Oil and Gas	Yemen	Canada ¹	United States	United Kingdom	Other Countries ¹
Year Ended December 31, 2006						
Net Sales	3,032	1,328	459	629	477	139
Production Costs	491	151	146	106	80	8
Exploration Expense	362	4	26	214	46	72
Depreciation, Depletion, Amortization and Impairment	1,011	327	162	296	216	10
Other Expenses (Income)	71	15	106	(23)	(71)	44
	1,097	831	19	36	206	5
Income Tax Provision	687	289	6	13	378	1
Results of Operations	410	542	13	23	(172)	4

Source: Nexen, 2006 Annual Report, p.134 (extract)

http://www.nexeninc.com/files/Annual_Reports/2006AR/2006_AnnualReport.pdf

Example 5. Report on Revenue Payments, by Country (Talisman Energy)

ECONOMIC PERFORMANCE DATA*

KPI	Year	Canada	US	UK	Netherlands	Norway	Denmark	Indonesia	Malaysia	Vietnam	Australia	Algeria	Tunisia	Trinidad and Tobago	Colombia	Peru	Qatar	Other	Total	Footnote	
Production	2006	188.4	16.5	120.1	3.5	31.8	3.1	44.9	46.2	1.8	7.3	12.4	0.8	8.4					485.2	mboe/d.	
	2005	191.3	17.4	122.2	3.3	26.8	0.4	36.3	43.8	2	0.7	15.3	0.1	10.1					469.7		
	2004	190.1	14.8	131.7	2.7	6.4			36.7	40.2	2		13.5						438.1		
Financial Performance																					
Gross sales revenue EC1	2006	3,192	295	2,919	70	809	81	874	1,025	36	190	304	17	218						10,030	Gross sales revenue from oil, natural gas and natural gas liquids before hedging and royalties.
	2005	3,730	399	2,654	52	604	10	661	833	33		347	2	229						9,554	
	2004	2,851	264	2,241	34	110			551	434	135		254							6,874	
Indirect Economic Impacts																					
Exploration and development expenditures EC13	2006	2,215	265	1,212	12	324	9	76	200	41	14	70	4	84	3	3	22	24	4,578	The majority of expenditures in Other relates to unallocated head office exploration costs. UK total includes \$6 million spent in Germany.	
	2005	1,501	158	848	17	167		56	220	27	2	26	1	72	24	20	14	26	3,179		
	2004	1,317	198	502	1	4			23	214	18		8		191	17	13	11	21		2,538
Employee remuneration EC5	2006	347	9	58	0.6	20		0.6	15										450.2	Expatriate remuneration is included in the home country totals. Norway data has been restated for 2004 and 2005 to reflect benefit costs that were previously omitted. Malaysian totals include Vietnam data.	
	2005	325	5	53	0.6	13		0.6	12										409.2		
	2004	240	3	44	0.4	14		1.0	12										314.4		
Fiscal Contributions to Host Governments																					
Total taxes EC8	2006	46	(15)	438	21	200	15	203	117	8	89	37	4	60				3	1,226	Taxes represent current tax expense and current production taxes.	
	2005	48	47	437	22	236		156	141	7		47		64				3	1,208		
	2004	28	15	348	18	14			92	47	5		33					2	602		
Total royalties EC8	2006	541					4	316	475	6		131	3	32					1,508	**	
	2005	680	4					254	293	6		135		35					1,407		
	2004	499	1					205	183	3		97							988		
Amount of money paid to political parties SO5	2006	36,000																	36,000	\$ Canadian.	
	2005	34,600																	34,600		
	2004	32,300																	32,300		
Community Investments																					
Community contributions EC10	2006	3,590	299	586		169		547	30	32		59		296	62	158	0		6,187	Thousands of Canadian dollars. Includes corporate contributions in both operated and larger non-operated international projects. Project information and spending details on these non-operated properties provided by the operator. Totals include spending in Sudan.	
	2005	3,039	233	570				395	98			64		502	199	77	12		5,578		
	2004	1,697	82	445					377	26				209	168	78	20		3,748		

* Except where noted by bold font, the economic performance data presented here, with the exception of production statistics, has been extracted from our Audited Financial Statements for the year ended December 31, 2006.

** Royalties represent cash payments and in certain foreign operations, the entitlement of the respective governments to a portion of Talisman's share of production. Royalties and taxes paid to the Government of Malaysia include the Government of Vietnam's share of the PM-3 CAA royalties and taxes. For additional information, see the Notes to Talisman Energy Inc.'s Consolidated Financial Statements for the year ended December 31, 2006.

Source: Talisman Energy 2006 Corporate Responsibility Report, economic performance data, p.42 (extract) http://www.talisman-energy.com/analysts_investors/reports_filings/

ANNEX 8

COMPARISON WITH

SAVE THE CHILDREN COMPANIES

REPORT 2005

In terms of the research process, there are a number of differences between the *2008 Report on Revenue Transparency of Oil and Gas Companies* and the companies report included in *2005 Beyond the Rhetoric* published by Save the Children UK in 2005. For this report, TI has engaged with the companies assessed in the report from the start of the process. This resulted in important company and industry input along the way, particularly at the methodology development and data review stages. In terms of the method, the 2005 report considered in-country research in addition to desk-based research. However, feedback from consultants and researchers indicated that the in-country research did not provide any information not already available on the Internet or from other sources. Therefore in-country research was not done as part of this report.

Annex 8 Table 1 indicates the main differences between the two reports as well as the changes introduced to the questionnaire and to the way the data were processed into final scores.

Changes in results

The comparison of the results the *2005 Beyond the Rhetoric* report and the *2008 Report on Revenue Transparency of Oil and Gas Companies* Report includes only the companies evaluated in both. The results are positive, showing an increase in the scores for almost all companies. This can indicate a positive change over time which would be consistent with the increased awareness in the last few years of the need for revenue transparency. However, the approach used to assess disclosure changed (via, for instance, the context weightings, questions that were not-applicable to all companies and the addition of a number of anti-corruption questions), making a straightforward conclusion about changes over time difficult.

Annex 8 Table 1

Differences between the 2005 and the 2008 Questionnaires and Data Processing		
Aspect	2005 <i>Beyond the Rhetoric</i>	2008 <i>Report on Revenue Transparency of Oil and Gas Companies</i>
Coverage	15 companies and their operations in 6 countries; 5 of them were NOCs	42 companies and their operations in 21 countries. 23 of them were NOCs.
Weightings per area of transparency	Revenue Payments: 45% Supportive Disclosure: 45% Anti-corruption: 10%	None. All categories receive the same weight.
Anti-corruption questions	Present	Introduced new questions that clarified aspects of anti-corruption strategy in policy and management systems.
Context indicators	Absent	Introduced with corresponding weighting on performance indicators to address context-related concerns.
Special NOC questions	Absent	Introduced due to the substantial number of NOCs covered in the report and the need to consider NOC-specific aspects.
Use of 'not applicable' option for certain questions	Absent	Introduced to address concerns that questions were not relevant to certain specific operation schemes.
Adjustments to existing individual questions according to feedback received	Absent	For example, adjustment to EITI language for questions based on EITI criteria, increases on the sliding scale for questions on disclosure to enable acknowledgement of effort, and elimination of a question on reserves.
Re-labelling of areas of transparency	The second area of transparency was labelled as 'supportive disclosure'	This area of transparency was relabelled as 'transparency of operations' although the contents remain broadly the same.

Annex 8 Graph 1

Comparison of 2005 and 2008 Average Company Results (using 2005 Weightings)



Source: Transparency International 2008 Report on Revenue Transparency of Oil and Gas Companies and Save the Children UK 2005 Beyond the Rhetoric

Annotations to the data used for comparison:

Company*	2005 Beyond the Rhetoric Countries of Operation	2005 Beyond the Rhetoric Countries of Operation Covered in 2008 TI Report	Comment
BP	Angola, Azerbaijan, Indonesia, Venezuela	Angola, Azerbaijan, Indonesia, Venezuela	None.
Chevron	Angola, Indonesia, Nigeria, Venezuela	Angola, Indonesia, Nigeria, Venezuela	None.
China National Petroleum Corporation (CNPC)	Azerbaijan, Venezuela	Venezuela	Azerbaijan was not included in the TI report, because information on the website said there was no production in there.
ConocoPhillips	East Timor, Indonesia, Nigeria, Venezuela	Indonesia, Nigeria, Venezuela	None.
Devon Energy	Azerbaijan	Azerbaijan	None.
Eni	Angola, Indonesia, Nigeria, Venezuela	Angola, Indonesia, Nigeria, Venezuela	None.
ExxonMobil	Angola, Azerbaijan, Indonesia, Nigeria, Venezuela	Angola, Azerbaijan, Indonesia, Nigeria, Venezuela	None.
Hess	Azerbaijan, Indonesia	Azerbaijan, Indonesia	None.
Lukoil	Azerbaijan	None	Production started in December 2006, so was excluded from TI report.
Nexen	Nigeria	None	At the time of the 2005 report, Nexen was producing on the OML 109 site only. They sold this interest and terminated their contractual interest in this block in 2005. Nexen's, OPL 222, is at the development stage. So Nexen was taken out of the comparison.
Petronas	Indonesia	Indonesia	None.
Repsol YPF	Indonesia, Venezuela	Venezuela	In 2005 Beyond the Rhetoric, production volumes for Indonesia were given in the 2003 Fact Book. No mention of Indonesia is made in 2006 Annual Report or Fact Book 2005 or 2006. So Indonesia was not covered in the TI report or in this comparison.
Shell	Nigeria, Venezuela	Nigeria, Venezuela	None.
StatoilHydro	Angola, Azerbaijan, Venezuela	Angola, Azerbaijan, Venezuela	None.
Talisman Energy	Indonesia	Indonesia	None.
Total	Angola, Azerbaijan, Indonesia, Nigeria, Venezuela	Angola, Indonesia, Nigeria, Venezuela	Production in Azerbaijan started in December 2006, so was excluded from TI report. It will also be taken out of this comparison.
Woodside	East Timor	None	None of Woodside's operations overlap from the 2005 study to the TI report, so the company was taken out of the comparison.

* Note that PetroChina was included in the 2005 Report for its Indonesian operations. Information from the website indicates it only produces in China and has been assessed as an NOC there. Therefore it is not included in this comparison.

ANNEX 9

DATA REVIEW PROTOCOL

Below is the Protocol used when submitting data for companies to review³¹.

Validation Protocol

This protocol sets out the procedure that will be followed during the Data Validation stage of the Promoting Revenue Transparency Project, the aims of the exercise and the rules that will be followed. It also provides a brief description of the methodology behind the framework of indicators.

1 Methodology

1.1 General Description

The framework tests companies on disclosure of information based on publicly-available information using a set of binary indicators. The assessment does not seek to test the quality or accuracy of the information disclosed, only whether the information is in the public domain. The majority of the indicators are awarded a 1 or a 0 which correspond to a positive or negative response, respectively, to the question. The framework includes a column containing a description of the scoring criteria (which addresses multi-point questions) or key definitions for each indicator.

In terms of structure, the framework assesses companies on their policies, management systems and performance, each of which appears on a separate worksheet. There are three thematic areas that cut across the framework: revenue payments, operations and anti-corruption. Indicators testing revenue payments, operations and anti-corruption are included on the policy and performance sheets, while only revenue payments and anti-corruption questions are included on the management systems sheet. Since much of the information tested for in the operations area is disclosed pursuant to accounting standards or securities regulations, it was not deemed necessary to test for this thematic area in the management systems section.

The raw scores that are gathered can be weighted or unweighted by section and specific indicators can be examined in isolation from the entire framework for more detailed analysis.

1.2 Distinction between National Oil Companies and Independent Companies

As many National Oil Companies (NOCs) often perform a mix of extractive and regulatory functions in their home jurisdiction, an additional set of indicators dealing with regulatory and procurement issues has been applied to them. These questions only apply to NOCs in their home jurisdiction. NOCs operating beyond their home territory are subject to the same framework of indicators on their foreign operations as any independent company.

³¹ For accuracy, we have kept the language and contents just as it was used, although we have later changed the use of some terms. For example, we referred to "validation" as the stage where data was submitted to companies for review and we no longer refer to it as validation; the context category "enabling" has been relabelled "mixed".

1.3 Application of Context

The context worksheet contains indicators that assess the degree to which host and home operating environments support or restrict disclosure. The results of the separate host and home environments are amalgamated to produce three possible operating scenarios: restrictive, enabling and supportive of revenue transparency. The first step is to determine whether the host and home environments are restrictive or unrestrictive in terms of allowing disclosure of information by companies.

Host questions: total of 6 points.

- If the result is greater than 3 then the environment is considered unrestrictive (U)
- If the result is equal to or lower than 3 then the environment is considered restrictive (R)

Home questions: total of 5 points.

- If the result is greater than 2 then the environment is considered unrestrictive
- If the result is equal to or lower than 2 then the environment is considered restrictive

These results are combined to determine the operating environment based on the following (see Table 1):

- If both are restrictive then the scenario is RESTRICTIVE
- If either host OR home are restrictive and the other is unrestrictive then the scenario is ENABLING
- If both are unrestrictive then the scenario is SUPPORTIVE

Table 1

HOME		R	U
HOST	R	RESTRICTIVE	ENABLING
	U	ENABLING	SUPPORTIVE

The context results can be used to weight the performance scores (to reward good disclosure performance in a restrictive environment, for example) or to group companies for purposes of comparing like to like. The purpose of this is to account for the realities companies face in their operating environments and to facilitate a more nuanced comparison and analysis.

2 Purposes

The primary purposes of the validation process are three-fold:

1. To provide companies with an opportunity to verify the accuracy of the information that has been gathered on their operations.
2. To provide companies with an opportunity to comment on the accuracy of the information that has been gathered on their home and host operating environments.
3. To gather information that can be used to contextualise the scoring of companies and facilitate qualitative comparisons in the final report.

Please note that the methodology has already been through a comprehensive review process and comments along these lines will not be factored into the review of individual company performance. However, a record of feedback on the methodology will be kept and the issues raised will be addressed in the final report.

3 Process

1. Along with this document, you will have received the preliminary research results for your company, accompanied by a list of sources of information consulted during the research. Please review the results and contact the consultants to arrange a follow-up meeting or conference call if you consider this necessary. Meeting slots will be available up to two weeks from the date information was sent, but exact times should be confirmed with the consultants. Please feel free to submit comments on the findings in advance of the meeting/call. If no response is received within two weeks of transmission, it will be assumed that there are no comments on the data. As this study is based on publicly-available information, companies will not be excluded from the report if they choose not to participate in the validation process, and the results will be presented as is.
2. At the validation meeting/conference call, the consultants will review your comments on the research results. The scoring of individual indicators will only be changed if:
 - a. It can be demonstrated that relevant information is disclosed in publicly available material and was available at the time the research was conducted.
 - b. It can be demonstrated that publicly disclosed information relevant to the indicator can be interpreted in a different manner.
3. The consultants will keep a written record of requested changes. This record will include changes agreed during the meeting/call and the reasons for each decision. Changes not agreed during the course of the meeting/call will be reviewed by Project management, in consultation with the Working Group if necessary, and the final decisions will be then be communicated to you within two weeks.
4. Following the completion of validation with all responding companies, data will be collated and analysed in preparation for drafting of the final report on company performance.

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