Johnson and Johnson question tax transparency

There is now significant push for greater corporate tax transparency from both investors and government regulators.

The United Nations’ Principles for Responsible Investment, a network representing investors with more than US$70 trillion in assets under management, has called on companies to publish tax information on a country-by-country basis and to become more transparent on how their tax policy intersects with their business and sustainability strategy.

The Global Reporting Initiative, a standard-setting body that is widely followed by more than 13,000 companies, recently proposed new tax transparency standards that include public country by country reporting.

The United States is one of 80 countries that already require country-by-country reports according to a standard set by the OECD. The EU has proposed mandating large companies publish these reports.

There are real financial and reputational benefits to being viewed as an industry leader in adopting strong social values, which J&J’s credo expressly recognizes.

Johnson and Johnson has the ability to be a leader in tax transparency before being forced to do so by regulators. Will Johnson and Johnson commit to publishing its country-by-country financial report?