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TRANSPARENCY INTERNATIONAL UK
Defence and Security Programme

DEFENCE COMPANIES ANTI-CORRUPTION INDEX 2015

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We would particularly like to thank those companies that participated in providing internal information. We appreciate that it has involved not only a significant commitment but also a degree of trust on their part and we hope that the result will be a significant improvement across the whole defence industry.

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THE INDEX AT A GLANCE

THIS INDEX ASSESSES THE ETHICS AND ANTI-CORRUPTION PROGRAMMES OF 163 DEFENCE COMPANIES FROM 47 COUNTRIES USING PUBLICLY AVAILABLE INFORMATION

COMPANY SELECTION

Companies were selected based on one of three criteria:

- they were included in the 2012 index;
- they lie within the top one hundred global defence companies as measured by defence revenue in 2012;
- they are a significant defence company from a country that would otherwise be unrepresented.

SCORING

Based on the extent of public evidence on their ethics and anti-corruption programmes, companies were placed in one of six bands.

BAND	EVIDENCE LEVEL
A	Extensive evidence
B	Good evidence
C	Moderate evidence
D	Limited evidence
E	Very limited evidence
F	Almost no evidence

COMPANY ENGAGEMENT

Companies were asked to nominate a point of contact; one hundred companies did so. All companies in the index were sent a draft assessment for comment and review.

We also reviewed information that is internal or confidential to companies. Sixty-three companies provided detailed internal information in 2015, almost double the number that did so in 2012.

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THE RESULTS AT A GLANCE

MOST LARGE DEFENCE COMPANIES STILL SHOW LITTLE EVIDENCE OF ETHICS AND ANTI-CORRUPTION PROGRAMMES

Two-thirds (107 companies) perform in the bottom half of the index (bands D to F), with limited to no evidence of such programmes.

23% (37 companies) provide no evidence at all.

HOWEVER, MANY DEFENCE COMPANIES ARE INCREASINGLY ADDRESSING CORRUPTION RISKS

42 companies out of 127 (33%) have improved significantly since 2012, by one or more bands. In total, 76 companies (60%) have improved compared with 2012.

17% of companies are now in bands A and B, compared with only 8% in 2012.

Improvement was evident in companies from every region of the world.

PUBLIC DISCLOSURE IS ACHIEVABLE AND INCREASING

Of the 85 companies that scored in bands D to F in the 2012 index, 29 have substantially improved their public disclosure.

KEY AREAS IN NEED OF IMPROVEMENT ARE AGENTS, WHISTLEBLOWING AND OFFSETS

Only 13 companies provide evidence of regular due diligence on agents. Only 8 companies have whistleblowing mechanisms that encourage reporting. Only 3 companies demonstrate good anti-corruption procedures in offset contracts.

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A SHARED INTEREST

Corruption in defence affects us all. It is not just about commissions on sales: corruption can also mean soldiers operating with equipment that doesn't work, or with no equipment at all. Well intentioned 'defence assistance' can be subverted by corruption in the destination country. We all – citizens, defence companies, governments, and international organisations – have a shared interest in reducing this risk worldwide.

Societal norms and the attitude of markets to corruption have changed for the better over the last thirty years. Practices such as facilitation payments and uncontrolled use of intermediaries, once common, are increasingly recognised as poor practice. Anti-bribery laws have been passed and compliance has become part of the lexicon of today's businesses.

These changes of attitude are happening in defence too, but with greater difficulty. The sale and purchase of weapons usually has a political element, and many defence transactions are protected by secrecy, a practice that can also shield companies from sensible scrutiny in some parts of the world. Major corruption scandals continue to occur.

Nevertheless, it is clear from this analysis that many companies in the industry are paying closer attention to corruption risks. Despite increasing the rigour of the questionnaire, there has been significant net improvement in the results of the second Defence Companies Anti-Corruption Index: this improvement is both among the companies that already had substantive anti-corruption programmes in place in 2012, and those that showed almost no evidence of anti-corruption programmes.

We welcome these improvements in individual companies. Not only do they raise the standard of the whole global industry, they show other companies that have not yet improved how it can be done.

Defence companies have also started to collaborate on industry-wide initiatives. One example is the International Forum on Business Ethical Conduct for the Aerospace and Defence Industry (IFBEC), a global forum for raising defence industry standards. IFBEC is currently working on an initiative to reduce the corruption risks relating to offsets – side contracts in which companies reinvest a significant proportion of the deal with the purchasing country.

Governments have a vital role to play in improving integrity in this sector: many defence ministries still need to improve their own anti-corruption programmes. Transparency International's Government Defence Anti-Corruption Index provides a tool for defence ministries to analyse and improve their anti-corruption programmes.

On the next page we propose ten steps through which this shared interest can be brought closer to reality, through actions by company CEOs, government officials, investors and civil society. This will have a positive impact on citizens, soldiers and budgets.

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RECOMMENDATIONS

CEOs AND BOARDS OF DIRECTORS

1. Ensure that you have a robust ethics and anti-corruption programme. Encourage periodic independent review.
2. Disclose the programme fully on your company's website.
3. Speak up strongly against corruption inside your company and in public fora.

INVESTOR ENGAGEMENT TEAMS, PORTFOLIO MANAGERS, AND ANALYSTS

4. Ask the CEO and the Chair of the Board to explain their ethics and anti-corruption programme.
5. Ask them to show you the results of any independent review of their programme.

PROCUREMENT CHIEFS IN ARMS IMPORTING COUNTRIES

6. Require that all bidding companies have effective ethics and anti-corruption programmes in place, and that they are made public.
7. Where regulations permit, place a requirement in Ministry of Defence (MoD) regulations that all bidding companies must possess an ethics and anti-corruption programme.

GOVERNMENT OFFICIALS RESPONSIBLE FOR OFFSETS

8. Require all bidding companies to publish their detailed offset obligations.
9. Require that they publish annual performance assessments of their offset obligations.

ARMS EXPORTING GOVERNMENTS

10. Require robust ethics and anti-corruption programmes in your national defence companies.

CIVIL SOCIETY

Request that companies are required to have ethics and anti-corruption programmes in place as a condition of bidding for MoD contracts. Discuss the results of this index with national defence companies. Carry out a national defence companies index in your country.

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RESULTS

BASED ON PUBLIC INFORMATION

BECHTEL LOCKHEED MARTIN	**A (4)**	FLUOR CORPORATION RAYTHEON
ACCENTURE BABCOCK COBHAM EXELIS INC. FUJITSU HEWLETT-PACKARD MEGGITT QINETIQ ROCKWELL COLLINS SERCO GROUP THYSSENKRUPP AG UNITED TECHNOLOGIES	**B (23)**	AIRBUS GROUP BAE SYSTEMS CSC FINMECCANICA GENCORP KBR NORTHROP GRUMMAN RAFAEL ADVANCED DEFENSE SYSTEMS ROLLS-ROYCE THALES ULTRA ELECTRONICS
ATK BOOZ ALLEN HAMILTON DAEWOO SHIPBUILDING & MARINE ENGINEERING ELBIT SYSTEMS FINCANTIERI GENERAL DYNAMICS HARRIS CORPORATION ISRAEL AEROSPACE INDUSTRIES KONGSBERG LEIDOS NAMMO OSHKOSH SAAB TEXTRON	**C (29)**	BOEING CHEMRING DAY & ZIMMERMANN DYNCORP INTERNATIONAL EMBRAER GE AVIATION GKN HONEYWELL JACOBS ENGINEERING L-3 COMMUNICATIONS MISSION ESSENTIAL NEC CORPORATION PATRIA SAIC URS
ALION SCIENCE AND TECHNOLOGY AVIO CACI CUBIC DCNS DIEHL STIFTUNG FLIR SYSTEMS HUNTINGTON INGALLS INDUSTRIES MANTECH MITSUBISHI ELECTRIC MTU AERO ENGINES OTOKAR RHEINMETALL SAMSUNG TECHWIN TOSHIBA VSE	**D (31)**	AVIBRAS INDÚSTRIA AEROESPACIAL BALL AEROSPACE & TECHNOLOGIES CORP. CAE CURTISS-WRIGHT CORPORATION DENEL ESTERLINE TECHNOLOGIES HINDUSTAN AERONAUTICS INDRA MBDA MISSILE SYSTEMS MITSUBISHI HEAVY INDUSTRIES NAVISTAR PRECISION CASTPARTS CORP. SAFRAN TELEDYNE TECHNOLOGIES TRIUMPH GROUP

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EVIDENCE OF ANTI-CORRUPTION PROGRAMMES

A — F

EXTENSIVE — ALMOST NONE

E (19)

AAR
AIDC
ASELSAN
BHARAT ELECTRONICS LIMITED
GORKY AUTOMOBILE PLANT
ITOCHU
LIG NEX1
NAVANTIA
RUAG
ZODIAC AEROSPACE

THE AEROSPACE CORPORATION
AM GENERAL
BHARAT EARTH MOVERS LIMITED
DOOSAN DST
ISRAEL MILITARY INDUSTRIES
KAWASAKI HEAVY INDUSTRIES
MOOG
RTI SYSTEMS
SUMITOMO CORPORATION

F (57)

AAL
ADVANCED ELECTRONICS COMPANY
ANTONOV
ARSENAL
ASC
BATTELLE
BELTECHEXPORT COMPANY
CEA TECHNOLOGIES
DAMEN SCHELDE NAVAL SHIPBUILDING
FADEA
HEAVY INDUSTRIES TAXILA
HIRTENBERGER GROUP
INDIAN ORDNANCE FACTORIES
IRKUT CORPORATION
KBP INSTRUMENT DESIGN BUREAU
KING ABDULLAH II DESIGN AND DEVELOPMENT BUREAU
KRAUSS-MAFFEI WEGMANN
THE MITRE CORPORATION
NORINCO
POLISH DEFENCE HOLDING
PT DIRGANTARA INDONESIA
RUSSIAN HELICOPTERS
SATUMA
SRA INTERNATIONAL
ST ENGINEERING
TATRA TRUCKS
TOPAZ
TURKISH AEROSPACE INDUSTRIES
URALVAGONZAVOD
ZASTAVA ARMS

ABU DHABI SHIP BUILDING
ALMAZ-ANTEY
ARAB ORGANIZATION FOR INDUSTRIALIZATION
AVIATION INDUSTRY CORPORATION OF CHINA
BOUSTEAD NAVAL SHIPYARD
CHINA SHIPBUILDING INDUSTRY CORPORATION
DASSAULT AVIATION
GENERAL ATOMICS
HERSTAL GROUP
IGMAN D.D. KONJIC
IRAN ELECTRONICS INDUSTRIES
JAPAN MARINE UNITED
KHARKOV STATE AIRCRAFT MANUFACTURING COMPANY
KOREA AEROSPACE INDUSTRIES
M.C. DEAN
NEXTER GROUP
PAKISTAN ORDNANCE FACTORIES
POONGSAN CORPORATION
RSK MIG
SAPURA SECURED TECHNOLOGIES
SC UZINA MECANICA CUGIR SA
SRC, INC
SUKHOI
TERMA
TACTICAL MISSILES CORPORATION
UNITED ENGINE CORPORATION
WYLE

REGIONAL RESULTS

BASED ON PUBLIC INFORMATION

NORTH AMERICA

A (4)
- BECHTEL
- FLUOR CORPORATION
- LOCKHEED MARTIN
- RAYTHEON

B (8)
- CSC
- EXELIS INC.
- GENCORP
- HEWLETT-PACKARD
- KBR
- NORTHROP GRUMMAN
- ROCKWELL COLLINS
- UNITED TECHNOLOGIES

C (17)
- ATK
- BOEING
- BOOZ ALLEN HAMILTON
- DAY & ZIMMERMANN
- DYNCORP INTERNATIONAL
- GE AVIATION
- GENERAL DYNAMICS
- HARRIS CORPORATION
- HONEYWELL
- JACOBS ENGINEERING
- L-3 COMMUNICATIONS
- LEIDOS
- MISSION ESSENTIAL
- OSHKOSH
- SAIC
- TEXTRON
- URS

D (15)
- ALION SCIENCE AND TECHNOLOGY
- BALL AEROSPACE & TECHNOLOGIES CORP.
- CACI
- CAE
- CUBIC
- CURTISS-WRIGHT CORPORATION
- ESTERLINE TECHNOLOGIES
- FLIR SYSTEMS
- HUNTINGTON INGALLS INDUSTRIES
- MANTECH
- NAVISTAR
- PRECISION CASTPARTS CORP.
- TELEDYNE TECHNOLOGIES
- TRIUMPH GROUP
- VSE

E (4)
- AAR
- THE AEROSPACE CORPORATION
- AM GENERAL
- MOOG

F (7)
- BATTELLE
- GENERAL ATOMICS
- M.C. DEAN
- THE MITRE CORPORATION
- SRA INTERNATIONAL
- SRC, INC
- WYLE

EUROPE & CENTRAL ASIA

B (13)
- AIRBUS GROUP
- ACCENTURE
- BABCOCK
- BAE SYSTEMS
- COBHAM
- FINMECCANICA
- MEGGITT
- QINETIQ
- ROLLS-ROYCE
- SERCO GROUP
- THALES
- THYSSENKRUPP AG
- ULTRA ELECTRONICS

C (7)
- CHEMRING
- FINCANTIERI
- GKN
- KONGSBERG
- NAMMO
- PATRIA
- SAAB

D (9)
- AVIO
- DCNS
- DIEHL STIFTUNG
- INDRA
- MBDA MISSILE SYSTEMS
- MTU AERO ENGINES
- OTOKAR
- RHEINMETALL
- SAFRAN

E (6)
- ASELSAN
- GORKY AUTOMOBILE PLANT
- NAVANTIA
- RTI SYSTEMS
- RUAG
- ZODIAC AEROSPACE

F (27)
- ALMAZ-ANTEY
- ANTONOV
- ARSENAL
- BELTECHEXPORT COMPANY
- DAMEN SCHELDE NAVAL SHIPBUILDING
- DASSAULT AVIATION
- HERSTAL GROUP
- HIRTENBERGER GROUP
- IGMAN D.D. KONJIC
- IRKUT CORPORATION
- KBP INSTRUMENT DESIGN BUREAU
- KHARKOV STATE AIRCRAFT MANUFACTURING COMPANY
- KRAUSS-MAFFEI WEGMANN
- NEXTER GROUP
- POLISH DEFENCE HOLDING
- RSK MIG
- RUSSIAN HELICOPTERS
- SC UZINA MECANICA CUGIR SA
- SUKHOI
- TATRA TRUCKS
- TERMA
- TOPAZ
- TACTICAL MISSILES CORPORATION
- TURKISH AEROSPACE INDUSTRIES
- UNITED ENGINE CORPORATION
- URALVAGONZAVOD
- ZASTAVA ARMS

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EVIDENCE OF ANTI-CORRUPTION PROGRAMMES

EXTENSIVE — ALMOST NONE

ASIA PACIFIC

B (1)
- FUJITSU

C (2)
- DAEWOO SHIPBUILDING & MARINE ENGINEERING
- NEC CORPORATION

D (5)
- HINDUSTAN AERONAUTICS
- MITSUBISHI ELECTRIC
- MITSUBISHI HEAVY INDUSTRIES
- SAMSUNG TECHWIN
- TOSHIBA

E (8)
- AIDC
- BHARAT EARTH MOVERS LIMITED
- BHARAT ELECTRONICS LIMITED
- DOOSAN DST
- ITOCHU
- KAWASAKI HEAVY INDUSTRIES
- LIG NEX1
- SUMITOMO CORPORATION

F (17)
- AAL
- ASC
- AVIATION INDUSTRY CORPORATION OF CHINA
- BOUSTEAD NAVAL SHIPYARD
- CEA TECHNOLOGIES
- CHINA SHIPBUILDING INDUSTRY CORPORATION
- HEAVY INDUSTRIES TAXILA
- INDIAN ORDNANCE FACTORIES
- JAPAN MARINE UNITED
- KOREA AEROSPACE INDUSTRIES
- NORINCO
- PAKISTAN ORDNANCE FACTORIES
- POONGSAN CORPORATION
- PT DIRGANTARA INDONESIA
- SAPURA SECURED TECHNOLOGIES
- SATUMA
- ST ENGINEERING

LATIN AMERICA

C (1)
- EMBRAER

D (1)
- AVIBRAS INDÚSTRIA AEROESPACIAL

F (1)
- FADEA

SUB-SAHARAN AFRICA

D (1)
- DENEL

MIDDLE EAST & NORTH AFRICA

B (1)
- RAFAEL ADVANCED DEFENSE SYSTEMS

C (2)
- ELBIT SYSTEMS
- ISRAEL AEROSPACE INDUSTRIES

E (1)
- ISRAEL MILITARY INDUSTRIES

F (5)
- ARAB ORGANIZATION FOR INDUSTRIALIZATION
- ABU DHABI SHIP BUILDING
- ADVANCED ELECTRONICS COMPANY
- IRAN ELECTRONICS INDUSTRIES
- KING ABDULLAH II DESIGN AND DEVELOPMENT BUREAU

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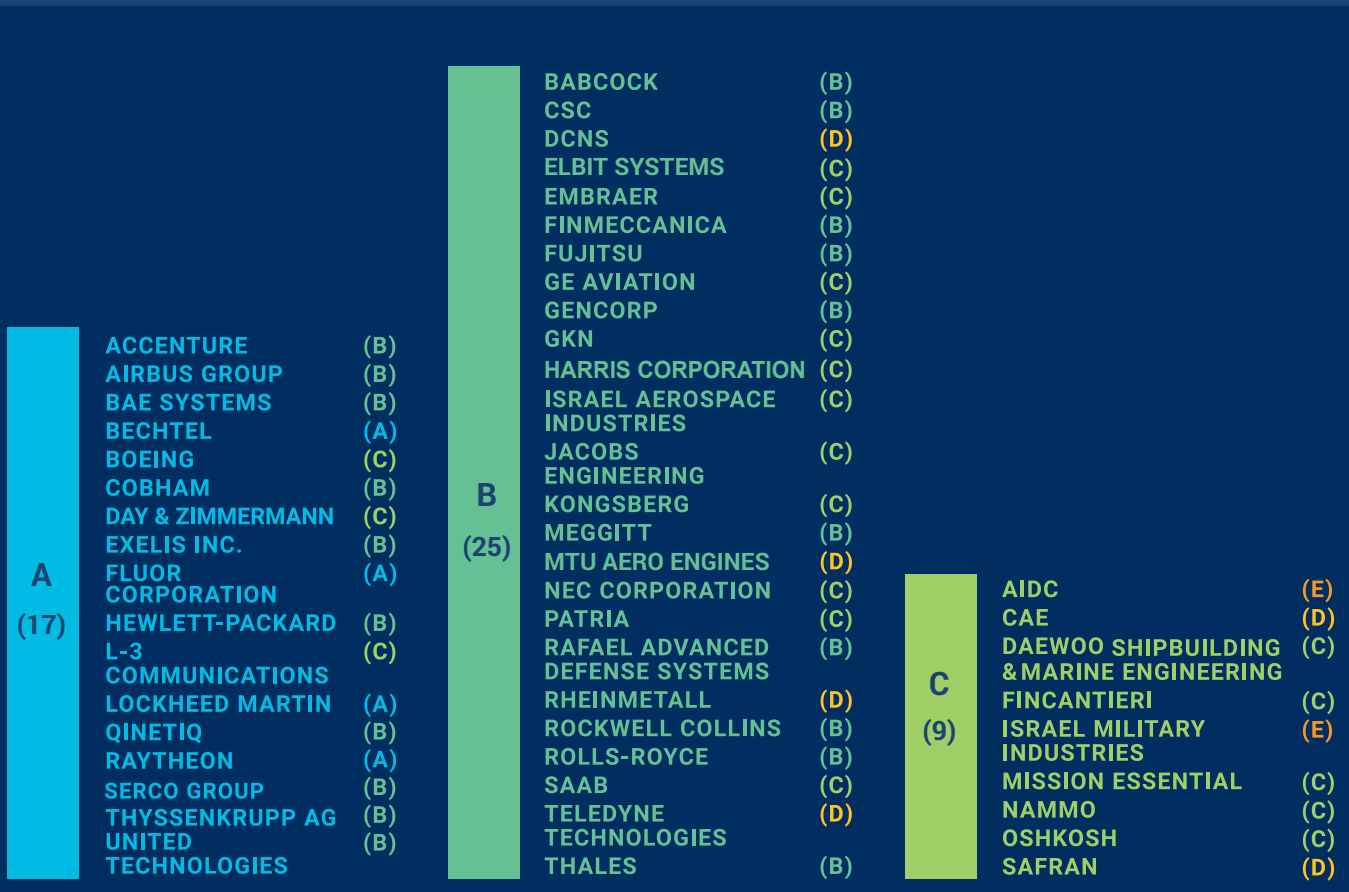
RESULTS BASED ON
INTERNAL INFORMATION

Along with public information, we also review in detail information that is internal or confidential to companies. This gives us a better understanding of companies' ethics and anti-corruption programmes, facilitates a deeper understanding of how anti-corruption processes can be embedded inside a company, and encourages increased transparency.

Reviewing information that is internal to companies has the major limitation that it is not available for public scrutiny. We believe that transparency is central to public accountability and it is for this reason that the main index produced from this analysis is based on public information only. We strongly encourage all companies to put information on their ethics and anti-corruption programmes into the public domain.



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Sixty-three companies provided additional internal information about their ethics and anti-corruption programmes, an 85% increase on the 2012 analysis.

Including internal information, companies improved their results by an average of one band, with 18 companies moving up to band A or B from bands C to F.

The improvement is mostly due to additional information disclosure in two specific areas:

- how the companies assess corruption risk; and
- how staff members are trained on ethics and anti-corruption measures.

THIS TABLE SHOWS THE BAND FOR EACH COMPANY IF INTERNAL INFORMATION WERE MADE PUBLIC. THE LETTER IN PARENTHESIS REPRESENTS THE COMPANY'S BAND BASED ON PUBLIC INFORMATION ONLY.

D (8)

AM GENERAL	(E)
DIEHL STIFTUNG	(D)
INDRA	(D)
KAWASAKI HEAVY INDUSTRIES	(E)
KRAUSS-MAFFEI WEGMANN	(F)
MBDA MISSILE SYSTEMS	(D)
SAPURA SECURED TECHNOLOGIES	(F)
ST ENGINEERING	(F)

E (3)

DOOSAN DST	(E)
LIG NEX1	(E)
ZODIAC AEROSPACE	(E)

F (1) TATRA TRUCKS (F)

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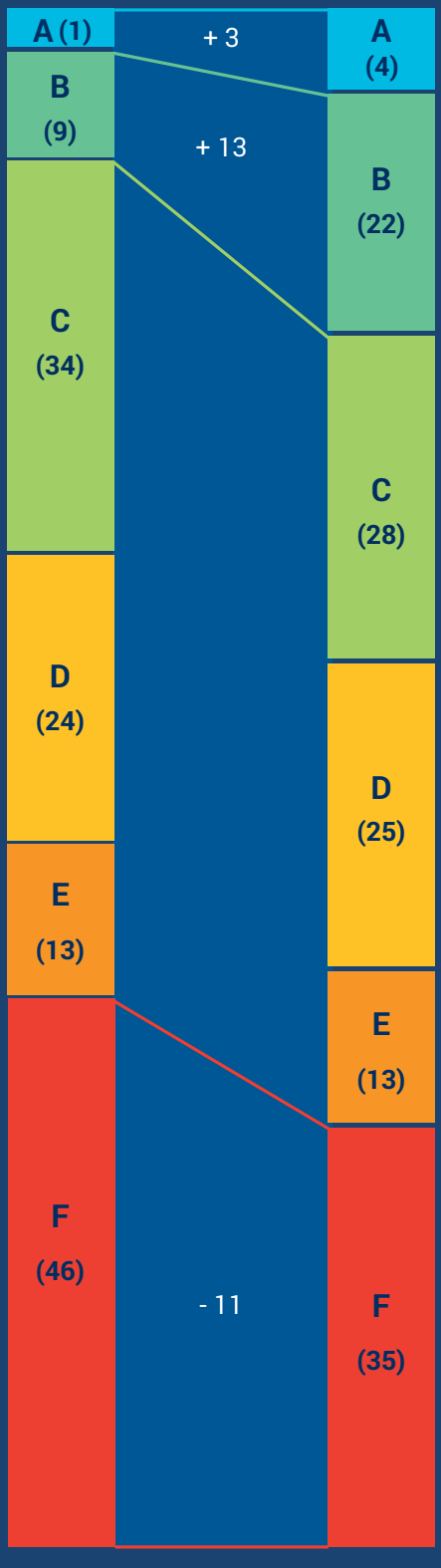
HOW DID COMPANIES IN THE 2012 INDEX SCORE IN 2015?



Of the 163 companies in this index, 127 were assessed in 2012. The results show significant improvement overall. At the upper end, 26 of the 127 companies are now in bands A and B compared with only 10 in 2012. Only 35 companies are in band F, compared with 46 in 2012.

This net improvement has taken place despite the 2015 index being more demanding. Five of the questions are more rigorous, and the scoring criteria for 14 questions are more nuanced. We have added questions on offsets, anti-corruption agenda review, risk assessment, charitable contributions and whistleblowing. Detailed modelling indicates that the 2015 index is up to 7% more demanding than the 2012 index.

TI-UK assessed 129 companies in 2012 index but ARINC, Goodrich Corporation and Tognum have since been acquired. SAIC has been restructured and now appears in the index as both Leidos and SAIC. In 2015, ATK merged with Orbital Sciences Corp. to form Orbital ATK Inc. ATK has been included in this analysis as the merger was completed after the index research period.

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42 COMPANIES HAVE IMPROVED SIGNIFICANTLY SINCE 2012

+3 BANDS

ISRAEL AEROSPACE INDUSTRIES
PATRIA
ULTRA ELECTRONICS

+2 BANDS

AVIBRAS INDÚSTRIA AEROESPACIAL
BABCOCK
BECHTEL
DENEL
FINCANTIERI
LOCKHEED MARTIN
OTOKAR
RAFAEL ADVANCED DEFENSE SYSTEMS
RAYTHEON

+1 BAND

AIRBUS GROUP
ATK
BHARAT EARTH MOVERS LIMITED
BHARAT ELECTRONICS LIMITED
BOOZ ALLEN HAMILTON
COBHAM
CSC
DAEWOO SHIPBUILDING & MARINE ENGINEERING
DCNS
DOOSAN DST
ELBIT SYSTEMS
EMBRAER
EXELIS INC.
FINMECCANICA
ISRAEL MILITARY INDUSTRIES
KAWASAKI HEAVY INDUSTRIES
KBR
LIG NEX1
MITSUBISHI ELECTRIC
MITSUBISHI HEAVY INDUSTRIES
NAMMO
NAVANTIA
NEC CORPORATION
QINETIQ
RHEINMETALL
ROCKWELL COLLINS
ROLLS-ROYCE
SAMSUNG TECHWIN
THYSSENKRUPP AG
ZODIAC AEROSPACE

-1 BAND

AAR
DASSAULT AVIATION
INDRA
JAPAN MARINE UNITED
TELEDYNE TECHNOLOGIES
VSE

We have added 36 new companies to the 2015 analysis. Almost two-thirds of these score in the lowest band, providing almost no or no evidence of ethics and anti-corruption programmes.

36 COMPANIES ADDED TO THE INDEX IN 2015

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ANALYSIS

LEADERSHIP, GOVERNANCE & ORGANISATION

Leaders set a company's stance on ethics and good business conduct, demonstrate that anti-corruption is a priority, and ensure that weaknesses are identified and improvements made.

Sixty-six per cent of the 56 companies in bands A-C show evidence of leadership, regularly speaking out in support of a strong anti-corruption stance. However, only 7 per cent of the 107 companies in bands D-F show similar evidence.

The table below shows the companies achieving the highest scores for Leadership, Governance & Organisation, both on the basis of public information and internal information.

The regional split shows good practice ranging from France, Germany, Italy, the Netherlands, and the UK, to Israel, India, Japan, and the US.

FORMAL BOARD REVIEW

A key high-level governance function is formal board review of a company's ethics and anti-corruption programme. We have seen a significant improvement in the 2015 index compared with 2012. In bands A-C, 37 out of 56 companies score well in 2015, compared with only 13 out of 44 companies in 2012.

Refer to Annex 2 for the detailed scores per company per pillar.

TOP SCORING COMPANIES BASED ON PUBLIC INFORMATION

NORTH AMERICA	EUROPE & CENTRAL ASIA	REST OF THE WORLD
BECHTEL	ACCENTURE	HINDUSTAN AERONAUTICS
FLUOR CORPORATION	AIRBUS GROUP	ISRAEL AEROSPACE INDUSTRIES
HARRIS	BABCOCK	MITSUBISHI HEAVY INDUSTRIES
HEWLETT-PACKARD	FINMECCANICA	NEC CORPORATION
L-3 COMMUNICATIONS	MEGGITT	RAFAEL ADVANCED DEFENSE SYSTEMS
LOCKHEED MARTIN	SAAB	
RAYTHEON	SERCO GROUP	
	THALES	

TOP SCORING COMPANIES BASED ON INTERNAL INFORMATION

AIRBUS GROUP BECHTEL FLUOR CORPORATION HARRIS QINETIQ THYSSENKRUPP AG UNITED TECHNOLOGIES

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RISK MANAGEMENT

A number of companies have substantially improved public disclosure of their risk management processes over the past three years.

Nonetheless, companies overall score lowest in this pillar. Only 22 companies provide good public evidence of enterprise-wide anti-corruption risk assessment processes with detailed mitigation plans. Only nine companies score well on having an anti-corruption risk assessment procedure for assessing proposed business decisions.

Companies achieving the highest scores on risk management are shown below. Outside of North America and Europe, companies from India, Israel and Japan demonstrate the geographic spread of good practice.

THIRD PARTIES

Fifty-four per cent of companies state that they make suppliers aware of their stance on bribery and corruption. This includes all but three of the companies in bands A-C and one third of the companies in bands D-F. However, only 29 per cent of companies provide public evidence of contractual terms for agents and monitoring mechanisms for ensuring that agents abide by these terms.

Many companies are aware of the need to conduct due diligence on agents: 53 companies provide some public evidence of such procedures. However, only 13 companies provide additional evidence that due diligence is refreshed at regular intervals.

TOP SCORING COMPANIES BASED ON PUBLIC INFORMATION

NORTH AMERICA	EUROPE & CENTRAL ASIA	REST OF THE WORLD
BECHTEL	AIRBUS GROUP	FUJITSU
FLUOR CORPORATION	BABCOCK	HINDUSTAN AERONAUTICS
LOCKHEED MARTIN	FINMECCANICA	ISRAEL AEROSPACE INDUSTRIES
MISSION ESSENTIAL	ROLLS-ROYCE	RAFAEL ADVANCED DEFENSE SYSTEMS
RAYTHEON	SERCO GROUP	
	THALES	

TOP SCORING COMPANIES BASED ON INTERNAL INFORMATION

ACCENTURE AIRBUS GROUP BAE SYSTEMS JACOBS ENGINEERING QINETIQ RAYTHEON

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COMPANY POLICIES & CODES

Company policies and codes are traditionally the foundation of an ethics and anti-corruption programme and are most commonly presented as evidence of a company's commitment to ethics and anti-corruption. This is evident from the fact that, on average, companies score highest in this pillar.

The average score for this pillar has risen substantially from 2012.

- Fifty-six companies have increased their scores by at least 10 per cent.
- Of the companies that have increased their scores from zero in the 2012 index, the majority of them achieved the highest number of points in this pillar.

Companies score the most points in this pillar by ensuring that their anti-corruption policies are easily accessible. This was true across all companies: of the 110 companies that score on this question, 51 per cent rank in bands A-C and 49 per cent in bands D-F.

Among the top scoring companies below, the European list is dominated by British companies – perhaps due to the UK Bribery Act, which came into force in 2011. There has since been significant strengthening of policies and codes among UK companies generally.

FACILITATION PAYMENTS

Facilitation payments are small bribes sometimes made to expedite an administrative process. In many jurisdictions national legislation, some with extraterritorial effect, outlaws such payments. The index results were disappointing:

- Seventy-six per cent of companies in the index do not provide evidence that they explicitly prohibit facilitation payments.
- Only 19 companies are explicit in prohibiting facilitation payments and providing guidance on how to respond to requests for such payments.

TOP SCORING COMPANIES BASED ON PUBLIC INFORMATION

NORTH AMERICA	EUROPE & CENTRAL ASIA	REST OF THE WORLD
CSC	BABCOCK	DAEWOO SHIPBUILDING & MARINE ENGINEERING
HEWLETT-PACKARD	BAE SYSTEMS	ELBIT SYSTEMS
LOCKHEED MARTIN	COBHAM	EMBRAER
NORTHROP GRUMMAN	ROLLS-ROYCE	FUJITSU
RAYTHEON	SERCO GROUP	ISRAEL AEROSPACE INDUSTRIES
ROCKWELL COLLINS		RAFAEL ADVANCED DEFENSE SYSTEMS
UNITED TECHNOLOGIES		

TOP SCORING COMPANIES BASED ON INTERNAL INFORMATION

BAE SYSTEMS, COBHAM, CSC, EXELIS INC., HEWLETT-PACKARD, LOCKHEED MARTIN, RAYTHEON, ROCKWELL COLLINS, SERCO GROUP

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TRAINING

Training is a key component of mitigating a company's exposure to corruption risk and publicises a company's commitment to anti-corruption. During the research period for the 2012 index, many companies informed us that they had not considered public disclosure of their anti-corruption training programmes. In 2015, companies are disclosing significantly more about their training programmes.

Fifty-three companies now provide evidence of an explicit anti-corruption training module, compared with only 20 companies in 2012.

Sixy-seven per cent of the companies that provided internal information relating to training scored above 70 per cent. Seven companies achieved 100 per cent in this pillar based on internal information. This suggests that many companies have good practice but are not publishing the details.

The results also show that smaller companies can perform as well as larger companies. For example, QinetiQ (UK) and Kongsberg (Norway) have much smaller defence revenues than BAE Systems (UK), Thales (France) and ThyssenKrupp AG (Germany), but nonetheless achieve some of the highest scores on training.

TRAINING FOR BOARD MEMBERS

Very few companies provide evidence of delivering targeted and regular anti-corruption training to board members: only four companies provide good evidence of this.

TOP SCORING COMPANIES BASED ON PUBLIC INFORMATION

NORTH AMERICA	EUROPE & CENTRAL ASIA	REST OF THE WORLD
BECHTEL	BABCOCK	AVIBRAS INDÚSTRIA AEROESPACIAL
FLUOR CORPORATION	BAE SYSTEMS	DAEWOO SHIPBUILDING & MARINE ENGINEERING
GENCORP	KONGSBERG	ELBIT SYSTEMS
HEWLETT-PACKARD	QINETIQ	EMBRAER
LOCKHEED MARTIN	SAAB	FUJITSU
	THALES	ISRAEL AEROSPACE INDUSTRIES
	THYSSENKRUPP AG	NEC CORPORATION
		RAFAEL ADVANCED DEFENSE SYSTEMS
		TOSHIBA

TOP SCORING COMPANIES BASED ON INTERNAL INFORMATION

ACCENTURE BAE SYSTEMS BECHTEL GENCORP HEWLETT-PACKARD LOCKHEED MARTIN THYSSENKRUPP AG

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PERSONNEL & HELPLINES

The questions in this pillar were made more demanding following feedback from the industry that the 2012 questions on whistleblowing were too generic.

Nevertheless, companies still score relatively well on Personnel & Helplines in comparison with the other pillars.

As shown in the table below, the fact that privately owned companies, in this case Bechtel and Avibras, are among the top scoring companies in this pillar indicates that private ownership need not prevent the publication of personnel and helpline processes.

Again, companies across the globe, from Brazil to South Africa, show evidence of good practice.

WHISTLEBLOWING

For 67 per cent of companies there is public evidence of at least one whistleblowing channel. This includes all the companies in bands A-C and half of the companies in bands D-F.

Two questions on whistleblowing were added to the 2015 index to identify which companies actively encourage whistleblowing, rather than just having a formal mechanism.

- Whilst most companies have whistleblowing mechanisms, only eight actively support and follow-up on their use.
- Even based on internal information, only 19 companies achieved a high score, suggesting that this is not simply an issue of public disclosure.

TOP SCORING COMPANIES BASED ON PUBLIC INFORMATION

NORTH AMERICA	EUROPE & CENTRAL ASIA	REST OF THE WORLD
BECHTEL	BAE SYSTEMS	AVIBRAS INDUSTRIA AEROESPACIAL
BOOZ ALLEN HAMILTON	COBHAM	DENEL
DAY & ZIMMERMANN	GKN	ELBIT SYSTEMS
GENCORP	QINETIQ	EMBRAER
L-3 COMMUNICATIONS	SERCO GROUP	FUJITSU
LOCKHEED MARTIN		NEC CORPORATION
NORTHROP GRUMMAN		RAFAEL ADVANCED DEFENSE SYSTEMS
UNITED TECHNOLOGIES		

TOP SCORING COMPANIES BASED ON INTERNAL INFORMATION

ACCENTURE AIRBUS GROUP BECHTEL BOEING COBHAM DAY & ZIMMERMANN EXELIS INC.
GE AVIATION GENCORP L-3 COMMUNICATIONS QINETIQ

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OFFSETS

An offset requires supplying companies to reinvest a percentage of the main contract back into the purchasing country in order to "offset" the expenditure. Offsets are big business and yet they are opaque and complex mechanisms, which receive much less attention than the main defence deal and are particularly susceptible to high corruption risk.

Across the industry there is little public information on company involvement in offset contracting. This makes it difficult to assess how companies address the associated corruption risks. Companies involved in offsets should provide public evidence that corruption risks are explicitly addressed through policies, procedures and contractual terms that increase transparency and accountability in their offset programmes. This could include providing tailored training for employees involved in offset contracts and conducting due diligence on all brokers and providers during appointment and re-appointment.

Eighty-two out of 163 companies either confirmed or were found to enter into offset contracts. If no evidence was found to suggest that a company enters into offset contracts, or if the company specifically informed TI-UK that it does not enter such contracts, this question was scored as non-applicable.

- Only three companies publish evidence of detailed procedures to mitigate offset contracting corruption risk.
- Thirteen companies provide public evidence that offset contracting corruption risk is either addressed in policies and procedures, or that offset brokers and offset partners undergo due diligence
- One company explicitly states that it does not engage in offset contracts due to the corruption risks.

Forty-seven of the 63 companies that provided internal information engage in offset contracting. Only 24 companies submitted evidence of policies or procedures to address offset contracting corruption risk.

Improving transparency in offsets requires a joint industry and government effort. There needs to be greater transparency on the government side in relation to offsets packages proposed by the contractors, offsets contracts, and the performance of those contracts.

TOP SCORING COMPANIES BASED ON PUBLIC INFORMATION

BABCOCK MISSION ESSENTIAL LOCKHEED MARTIN RAFAEL ADVANCED DEFENSE SYSTEMS RAYTHEON ROLLS-ROYCE THALES

TOP SCORING COMPANIES BASED ON INTERNAL INFORMATION

AIRBUS GROUP BABCOCK BAE SYSTEMS MISSION ESSENTIAL RAYTHEON SAAB TELEDYNE TECHNOLOGIES

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METHODOLOGY

This index assesses 163 defence companies on the ethics and anti-corruption programmes they have in place to prevent corruption. We use the phrase "ethics and anti-corruption programmes" to describe a company's approach to promoting its ethical culture and reducing corruption risk.

THE QUESTIONNAIRE

The questionnaire contains 41 questions organised into five pillars:

1) Leadership, governance & organisation;
2) Risk management;
3) Company policies & codes;
4) Training; and
5) Personnel & helplines.

The questions cover what TI-UK regards as the basic capabilities that a global defence company should have in place.

TI-UK used readily available public information to assess companies against the questions. The information to answer these questions should be, in TI-UK's view, available on companies' websites as a matter of good practice and public accountability.

The full question set is reproduced in Annex 1. The full question set with model answers can be found at *http://companies.defenceindex.org*

1. LEADERSHIP, GOVERNANCE & ORGANISATION	2. RISK MANAGEMENT	3. COMPANY POLICIES & CODES
LEADERSHIP, GOVERNANCE & ORGANISATION	RISK ASSESSMENT	POLICIES
EXTERNAL ENGAGEMENT	PARTNERS & AGENTS	GIFTS & HOSPITALITY
STRUCTURE & ORGANISATION	OFFSETS	FACILITATION PAYMENTS
MONITORING & EVALUATION	**5. PERSONNEL & HELPLINES**	POLITICAL & CHARITABLE CONTRIBUTIONS
4. TRAINING	PERSONNEL & DISCIPLINE	
GENERAL TRAINING	HELPLINES & WHISTLEBLOWERS	
SPECIALIST TRAINING		

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MODEL ANSWERS

For every question, we provide guidance notes and detailed scoring criteria on what is considered good practice. An example is provided below:

QUESTION:

A1 Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

GUIDANCE NOTES:

The assessor is looking for evidence of the strength of the company's external commitment to its ethics and anti-corruption agenda through public statements from its leadership as opposed to, for example, internally published, non-public statements.

SCORING CRITERIA:

2 The CEO / Chairperson has issued at least one statement supporting its strong stance against corruption specifically in the last two years. Alternatively the CEO / Chairperson has made several strong statements that promote the company's anti-corruption and ethics agenda, under which it is clear that anti-corruption is a significant component (as judged by review of the company's ethics and anti-corruption policies).

1 The CEO / Chairperson has issued at least one strong statement that promotes the company's whole anti-corruption and ethics agenda in the last two years, under which it is clear that anti-corruption is a significant component (as judged by review of the company's ethics and anti-corruption policies).

0 There is no apparent support or only minor statements have been made by the CEO / Chairperson.

SCORING

The companies were placed into one of six bands based on overall score.

BAND	LOWER %	UPPER %	EVIDENCE LEVEL
A	83.3	100	Extensive evidence
B	66.7	83.2	Good evidence
C	50.0	66.6	Moderate evidence
D	33.3	49.9	Limited evidence
E	16.7	33.2	Very limited evidence
F	0	16.6	Almost no evidence

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THE ASSESSMENT

TI-UK wrote to the CEOs of all companies in November 2013 informing them of the index, inviting them to appoint a point of contact (100 did so) and to indicate whether they wished to submit internal information. Sixty-three provided internal information.

TI-UK completed all desk research on publicly available information between April and December 2014. Sources included company websites and relevant links and documents directly accessible through them. Where possible, local language documents were assessed in addition to information available in English. Research was conducted independently of evidence provided for the 2012 index. Companies were given the opportunity to comment on the draft analysis, guide TI-UK towards additional publicly available information, and/or provide internal information. For companies providing internal information, TI-UK reviewed and discussed the documents bilaterally and each company then received a second assessment based on the additional information provided. To be included in the internal information assessment, TI-UK had to be able to review original documentation or excerpts of original documentation.

Completed assessments underwent consistency checks and peer review within TI-UK. An external peer review group of four experts reviewed a sample of assessments and draft analyses. Each company received a copy of the finalised assessment and an opportunity to submit further statements. Those companies that did not respond were contacted multiple times, by letter, email and telephone.

THE COMPANIES

The majority of companies included in this study lie within the group of top one hundred global defence companies, as measured by published defence revenue in 2012. To ensure a global range of countries, a selection of companies involved in arms exporting that were not within this group were also included.

Companies from the following countries were added in 2015: Argentina, Austria, Belarus, Belgium, Bosnia-Herzegovina, Denmark, Indonesia, Iran, Jordan, Moldova, New Zealand, Romania, Saudi Arabia, Serbia and Taiwan.

2015 ANALYSIS

The 2015 questionnaire features more nuanced scoring criteria for fourteen questions, and five questions have been refined; for example, by adding a timing element. In addition, we added questions on offsets, anti-corruption agenda review, risk assessment, charitable contributions, and whistleblowing.

These changes make the 2015 Index more rigorous. We estimate the new questionnaire to be up to 7 per cent more demanding than in 2012.

The detailed assessment for each company is available at:

COMPANIES.DEFENCEINDEX.ORG

Archive document – Transparency Switzerland – current information at www.transparency.ch

Annex 1

QUESTION SET 2015

A1: Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

A2: Does the company's Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

A3: Does the company's Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

A4: Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

A5: Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

A6: Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

A7: Has the company appointed a person at a senior level within the company to have responsibility for implementing the company's ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

A8: Is there regular Board level monitoring and review of the performance of the company's ethics and anti-corruption agenda?

A8a: Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

A9: Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

A9a: Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

A10: Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

A11: Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

A12: Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

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A13: Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

A13a: Does the company explicitly address the corruption risks associated with offset contracting?

A13b: Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

A14: *Removed from the index*

A15: Does the company have an anti-corruption policy that prohibits corruption in its various forms?

A16: Is the anti-corruption policy explicitly one of zero tolerance?

A17: Is the company's anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

A17a: Is the company's anti-corruption policy easily understandable and clear to Board members, employees and third parties?

A18: Does the anti-corruption policy explicitly apply to all employees and members of the Board?

A19: *Removed from the index*

A20: Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

A21: Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

A22: Does the company's anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

A23: Does the company have a policy that explicitly prohibits facilitation payments?

A24: Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent? Does the company record and publicly disclose all political contributions?

A25: Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

A25a: Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

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A26:	Does the company provide written guidance to help Board members and employees understand and implement the firm's ethics and anti-corruption agenda?
A27:	Does the company have a training programme that explicitly covers anti-corruption?
A28:	Is anti-corruption training provided in all countries where the company operates or has company sites?
A29:	Does the company provide targeted anti-corruption training to members of the Board?
A30:	Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?
A31:	Does the company have a clear and formal process by which employees declare conflicts of interest?
A32:	Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?
A33:	Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?
A33a:	Are the whistleblowing channels available to all employees in all geographies?
A33b:	Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?
A34:	Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?
A35:	Is there a commitment to non-retaliation for bona fide reporting of corruption?

NOTE

The question numbering maintains consistency with the 2012 question set. The addition of a letter (a or b) after a question number denotes it is new to the 2015 index.

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Annex 2

DETAILED COMPANY RESULTS

COMPANY	COUNTRY	2012	2015	LEADERSHIP, GOVERNANCE & ORGANISATION	RISK MANAGEMENT	COMPANY POLICIES & CODES	TRAINING	PERSONNEL & HELPLINES
AAR Corp	USA (North America)	D	E	5%	0%	54%	0%	64%
Abu Dhabi Ship Building	UAE (Middle East & North Africa)	F	F	0%	0%	0%	0%	0%
Accenture Plc	Ireland (Europe & Central Asia)	B	B	75%	40%	75%	60%	71%
incl. internal information		-	A	85%	100%	79%	100%	93%
Advanced Electronics Company Limited	Saudi Arabia (Middle East & North Africa)	-	F	0%	0%	0%	0%	0%
The Aerospace Corporation	USA (North America)	-	E	5%	0%	50%	10%	29%
Aerospace Industrial Development Corporation (AIDC)	Taiwan (Asia Pacific)	-	E	15%	0%	38%	0%	14%
incl. internal information		-	C	65%	30%	75%	60%	71%
Air Affairs Limited (AAL)	New Zealand (Asia Pacific)	-	F	0%	0%	0%	0%	0%
Airbus Group	Netherlands (Europe & Central Asia)	C	B	75%	71%	67%	60%	57%
incl. internal information		-	A	100%	100%	88%	90%	93%
Alion Science and Technology Corporation	USA (North America)	D	D	15%	10%	67%	30%	57%
Alliant Techsystems Inc. (ATK)	USA (North America)	D	C	40%	30%	75%	60%	71%
In 2015, ATK merged with Orbital Sciences Corp. to form Orbital ATK Inc. ATK has been included in this analysis as the merger was completed after the index research period.								
Joint-stock Company Concern "Almaz-Antey"	Russia (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
AM General LLC	USA (North America)	-	E	20%	14%	42%	0%	57%
incl. internal information		-	D	35%	36%	54%	40%	64%
Antonov	Ukraine (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
Arab Organization for Industrialization (AOI)	Egypt (Middle East & North Africa)	F	F	0%	0%	0%	0%	0%
Arsenal JSC	Bulgaria (Europe & Central Asia)	F	F	5%	10%	13%	0%	14%
ASC Pty Ltd	Australia (Asia Pacific)	-	F	15%	0%	0%	0%	0%
ASELSAN A.Ş.	Turkey (Europe & Central Asia)	E	E	20%	7%	50%	40%	36%
Aviation Industry Corporation of China (AVIC)	China (Asia Pacific)	F	F	0%	0%	0%	0%	0%
Avibras Indústria Aeroespacial S.A.	Brazil (Latin America)	F	D	30%	14%	58%	60%	64%
Avio S.p.A.	Italy (Europe & Central Asia)	D	D	35%	29%	54%	30%	50%
Babcock International Group PLC	UK (Europe & Central Asia)	D	B	80%	93%	88%	80%	71%
incl. internal information		-	B	80%	93%	88%	80%	71%
BAE Systems Plc	UK (Europe & Central Asia)	B	B	70%	64%	92%	90%	86%
incl. internal information		-	A	85%	100%	96%	100%	86%
Ball Aerospace & Technologies Corp.	USA (North America)	-	D	30%	20%	63%	0%	50%
Battelle Memorial Institute	USA (North America)	F	F	5%	0%	0%	0%	14%
Bechtel Corporation	USA (North America)	C	A	90%	80%	88%	100%	93%
incl. internal information		-	A	95%	80%	92%	100%	93%
BelTechExport JSC	Belarus (Europe & Central Asia)	-	F	0%	0%	0%	0%	0%

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COMPANY	COUNTRY	2012	2015	LEADERSHIP, GOVERNANCE & ORGANISATION	RISK MANAGEMENT	COMPANY POLICIES & CODES	TRAINING	PERSONNEL & HELPLINES
Bharat Earth Movers Limited	India (Asia Pacific)	F	E	25%	14%	17%	10%	36%
Bharat Electronics Limited	India (Asia Pacific)	F	E	35%	14%	25%	30%	29%
The Boeing Company	USA (North America)	C	C	60%	14%	58%	40%	79%
incl. internal information		-	A	90%	93%	79%	90%	93%
Booz Allen Hamilton Inc	USA (North America)	D	C	50%	30%	75%	20%	86%
Boustead Naval Shipyard Sdn. Bhd.	Malaysia (Asia Pacific)	F	F	0%	0%	0%	0%	0%
CACI International Inc	USA (North America)	D	D	50%	0%	79%	10%	50%
CAE Inc.	Canada (North America)	D	D	30%	36%	79%	0%	64%
incl. internal information		-	C	45%	36%	79%	70%	64%
CEA Technologies Pty Limited	Australia (Asia Pacific)	-	F	0%	0%	0%	0%	0%
Chemring Group Plc	UK (Europe & Central Asia)	C	C	35%	50%	79%	60%	57%
China North Industries Group Corporation (NORINCO Group)	China (Asia Pacific)	F	F	0%	0%	0%	0%	0%
China Shipbuilding Industry Corporation		F	F	5%	10%	0%	30%	7%
Cobham Plc	UK (Europe & Central Asia)	C	B	50%	29%	88%	70%	93%
incl. internal information		-	A	75%	93%	96%	70%	100%
Computer Sciences Corporation (CSC)	USA (North America)	C	B	55%	20%	92%	60%	79%
incl. internal information		-	B	60%	50%	96%	70%	86%
Cubic	USA (North America)	D	D	15%	30%	54%	0%	64%
Curtiss-Wright Corporation	USA (North America)	D	D	20%	7%	71%	20%	50%
Daewoo Shipbuilding & Marine Engineering Co. Ltd	South Korea (Asia Pacific)	D	C	50%	14%	71%	60%	50%
incl. internal information		-	C	75%	29%	75%	80%	64%
Damen Schelde Naval Shipbuilding	Netherlands (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
Dassault Aviation	France (Europe & Central Asia)	E	F	20%	0%	33%	0%	0%
Day & Zimmermann	USA (North America)	C	C	65%	10%	50%	50%	86%
incl. internal information		-	A	85%	70%	83%	90%	93%
DCNS	France (Europe & Central Asia)	E	D	60%	43%	58%	30%	36%
incl. internal information		-	B	85%	79%	71%	40%	50%
Denel SOC Ltd	South Africa (Sub-Saharan Africa)	F	D	35%	14%	58%	40%	64%
Diehl Stiftung & Co. KG	Germany (Europe & Central Asia)	D	D	35%	0%	54%	60%	50%
incl. internal information		-	D	35%	29%	58%	60%	50%
Doosan DST Co., Ltd	South Korea (Asia Pacific)	F	E	15%	0%	38%	30%	0%
incl. internal information		-	E	20%	0%	38%	40%	14%
DynCorp International Inc	USA (North America)	C	C	75%	40%	67%	60%	64%
Elbit Systems Ltd	Israel (Middle East & North Africa)	D	C	40%	29%	71%	60%	64%
incl. internal information		-	B	45%	71%	75%	80%	71%

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COMPANY	COUNTRY	2012	2015	LEADERSHIP, GOVERNANCE & ORGANISATION	RISK MANAGEMENT	COMPANY POLICIES & CODES	TRAINING	PERSONNEL & HELPLINES
Embraer S.A.	Brazil (Latin America)	D	C	50%	36%	75%	70%	79%
incl. internal information		-	B	75%	64%	79%	70%	86%
Esterline Technologies Corporation	USA (North America)	-	D	5%	0%	71%	40%	50%
Exelis Inc.	USA (North America)	C	B	75%	36%	79%	50%	79%
incl. internal information		-	A	90%	86%	96%	90%	100%
Fabrica Argentina de aviones "Brig. San Martín" S.A. (FAdeA)	Argentina (Latin America)	-	F	0%	0%	0%	0%	0%
Fincantieri S.p.A.	Italy (Europe & Central Asia)	E	C	50%	36%	75%	60%	57%
incl. internal information		-	C	50%	43%	83%	60%	57%
Finmeccanica S.p.A	Italy (Europe & Central Asia)	C	B	75%	71%	71%	50%	64%
incl. internal information		-	B	80%	86%	75%	80%	64%
FLIR Systems, Inc.	USA (North America)	D	D	25%	21%	58%	10%	71%
Fluor Corporation	USA (North America)	A	A	90%	70%	83%	90%	79%
incl. internal information		-	A	100%	70%	83%	90%	86%
Fujitsu Limited	Japan (Asia Pacific)	B	B	50%	60%	75%	90%	64%
incl. internal information		-	B	75%	90%	75%	90%	79%
GE Aviation	USA (North America)	C	C	60%	43%	79%	40%	79%
incl. internal information		-	B	65%	64%	79%	70%	93%
GenCorp Inc.	US (North America)	-	B	75%	30%	75%	100%	100%
incl. internal information		-	B	80%	30%	83%	100%	100%
On 27 April 2015, GenCorp Inc. became Aerojet Rocketdyne Holdings, Inc.								
General Atomics	USA (North America)	F	F	0%	7%	0%	0%	0%
General Dynamics Corporation	USA (North America)	C	C	70%	7%	67%	40%	71%
GKN plc	UK (Europe & Central Asia)	C	C	40%	43%	67%	50%	79%
incl. internal information		-	B	65%	57%	79%	70%	79%
Gorky Automobile Plant (GAZ Plant)	Russia (Europe & Central Asia)	E	E	5%	0%	33%	30%	43%
Harris Corporation	USA (North America)	C	C	85%	7%	58%	50%	71%
incl. internal information		-	B	95%	29%	79%	80%	79%
Heavy Industries Taxila	Pakistan (Asia Pacific)	F	F	0%	0%	0%	0%	0%
Herstal Group	Belgium (Europe & Central Asia)	-	F	0%	0%	0%	0%	0%
Hewlett-Packard Company	USA (North America)	B	B	80%	57%	96%	90%	57%
incl. internal information		-	A	90%	71%	96%	100%	79%
Hindustan Aeronautics Limited	India (Asia Pacific)	D	D	55%	50%	46%	30%	57%
Hirtenberger Group	Austria (Europe & Central Asia)	-	F	5%	0%	0%	0%	0%
Honeywell International Inc.	USA (North America)	C	C	40%	0%	71%	30%	79%
Huntington Ingalls Industries Inc.	USA (North America)	-	D	65%	20%	46%	10%	79%
Igman d.d. Konjic	BiH (Europe & Central Asia)	-	F	0%	0%	0%	0%	0%
Indian Ordnance Factories	India (Asia Pacific)	-	F	10%	14%	0%	0%	36%
Indra Sistemas, S.A	Spain (Europe & Central Asia)	C	D	50%	21%	54%	20%	43%
incl. internal information		-	D	55%	21%	54%	20%	43%
Iran Electronics Industries	Iran (Middle East & North Africa)	-	F	0%	0%	0%	0%	0%
Irkut Corporation	Russia (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
Israel Aerospace Industries Ltd	Israel (Middle East & North Africa)	F	C	55%	57%	71%	80%	50%
incl. internal information		-	B	75%	79%	79%	80%	64%

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COMPANY	COUNTRY	2012	2015	LEADERSHIP, GOVERNANCE & ORGANISATION	RISK MANAGEMENT	COMPANY POLICIES & CODES	TRAINING	PERSONNEL & HELPLINES
Israel Military Industries Ltd	Israel (Middle East & North Africa)	F	E	25%	0%	29%	20%	57%
incl. internal information		-	C	60%	57%	54%	50%	57%
Itochu Corporation	Japan (Asia Pacific)	-	E	40%	20%	29%	20%	21%
Jacobs Engineering Group Inc.	USA (North America)	C	C	30%	60%	75%	60%	64%
incl. internal information		-	B	70%	100%	88%	80%	79%
Japan Marine United Corporation	Japan (Asia Pacific)	E	F	0%	0%	0%	0%	0%
KBP Instrument Design Bureau JSC	Russia (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
Kawasaki Heavy Industries, Ltd.	Japan (Asia Pacific)	F	E	10%	20%	21%	40%	29%
incl. internal information		-	D	20%	50%	29%	50%	36%
KBR, Inc	USA (North America)	C	B	70%	60%	67%	50%	79%
Kharkov State Aircraft Manufacturing Company	Ukraine (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
King Abdullah II Design and Development Bureau	Jordan (Middle East & North Africa)	-	F	0%	0%	0%	0%	0%
Kongsberg Gruppen	Norway (Europe & Central Asia)	C	C	70%	50%	71%	80%	50%
incl. internal information		-	B	85%	79%	75%	90%	57%
Korea Aerospace Industries, Ltd.	South Korea (Asia Pacific)	-	F	0%	0%	38%	10%	21%
Krauss-Maffei Wegmann GmbH & Co. KG	Germany (Europe & Central Asia)	F	F	10%	0%	4%	30%	14%
incl. internal information		-	D	30%	21%	38%	60%	36%
L-3 Communications Holdings Inc.	USA (North America)	C	C	80%	21%	75%	40%	86%
incl. internal information		-	A	85%	93%	79%	80%	93%
Leidos, Inc *(previously SAIC)*	USA (North America)	C	C	65%	10%	67%	50%	57%
LIG Nex1 Co., Ltd	South Korea (Asia Pacific)	F	E	5%	0%	33%	20%	21%
incl. internal information		-	E	5%	0%	33%	30%	21%
Lockheed Martin Corporation	USA (North America)	C	A	85%	79%	100%	100%	86%
incl. internal information		-	A	90%	86%	100%	100%	86%
ManTech International Corporation	USA (North America)	D	D	45%	0%	67%	20%	79%
MBDA Missile Systems	France (Europe & Central Asia)	D	D	45%	14%	58%	30%	43%
incl. internal information		-	D	50%	14%	58%	30%	43%
M.C. Dean, Inc	USA (North America)	F	F	0%	0%	0%	0%	21%
Meggitt Plc	UK (Europe & Central Asia)	B	B	75%	60%	75%	60%	71%
incl. internal information		-	B	75%	90%	75%	70%	79%
Mission Essential Personnel, LLC	USA (North America)	-	C	60%	64%	71%	40%	71%
incl. internal information		-	C	60%	79%	71%	40%	71%
The MITRE Corporation	USA (North America)	-	F	0%	0%	0%	0%	36%
Mitsubishi Electric Corporation	Japan (Asia Pacific)	E	D	20%	10%	54%	50%	43%
Mitsubishi Heavy Industries, Ltd.	Japan (Asia Pacific)	E	D	60%	30%	17%	50%	57%
Moog Inc.	USA (North America)	-	E	10%	10%	42%	0%	50%
MTU Aero Engines AG	Germany (Europe & Central Asia)	D	D	45%	50%	54%	50%	29%
incl. internal information		-	B	70%	90%	67%	70%	50%
Nammo AS	Norway (Europe & Central Asia)	D	C	55%	29%	71%	40%	50%
incl. internal information		-	C	75%	29%	71%	50%	57%

COMPANY	COUNTRY	2012	2015	LEADERSHIP, GOVERNANCE & ORGANISATION	RISK MANAGEMENT	COMPANY POLICIES & CODES	TRAINING	PERSONNEL & HELPLINES
Navantia, S.A.	Spain (Europe & Central Asia)	F	E	0%	0%	58%	0%	36%
Navistar International Corporation	USA (North America)	D	D	30%	10%	63%	0%	50%
NEC Corporation	Japan (Asia Pacific)	D	C	60%	40%	42%	60%	64%
incl. internal information		-	B	65%	90%	79%	70%	86%
Nexter Group	France (Europe & Central Asia)	F	F	10%	0%	0%	0%	0%
Northrop Grumman Corporation	USA (North America)	B	B	75%	43%	92%	80%	86%
Oshkosh Corporation	USA (North America)	C	C	35%	29%	63%	40%	79%
incl. internal information		-	C	40%	50%	75%	80%	79%
Otokar Otomotiv ve Savunma Sanayi A.Ş	Turkey (Europe & Central Asia)	F	D	30%	10%	54%	0%	50%
Pakistan Ordnance Factories	Pakistan (Asia Pacific)	F	F	0%	0%	0%	0%	0%
Patria Oyj	Finland (Europe & Central Asia)	F	C	50%	14%	63%	60%	57%
incl. internal information		-	B	65%	79%	79%	70%	71%
Polish Defence Holding	Poland (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
Poongsan Corporation	South Korea (Asia Pacific)	F	F	0%	0%	0%	0%	0%
Precision Castparts Corp.	USA (North America)	-	D	25%	10%	63%	10%	79%
PT Dirgantara Indonesia (Indonesian Aerospace)	Indonesia (Asia Pacific)	-	F	0%	0%	0%	0%	0%
QinetiQ Group Plc	UK (Europe & Central Asia)	C	B	60%	60%	63%	90%	93%
incl. internal information		-	A	95%	100%	83%	90%	93%
Rafael Advanced Defense Systems Ltd	Israel (Middle East & North Africa)	D	B	75%	64%	79%	60%	71%
incl. internal information		-	B	85%	93%	83%	70%	79%
Raytheon Company	USA (North America)	C	A	80%	86%	96%	80%	79%
incl. internal information		-	A	85%	100%	96%	90%	79%
Rheinmetall AG	Germany (Europe & Central Asia)	E	D	55%	21%	42%	50%	50%
incl. internal information		-	B	85%	71%	58%	70%	64%
Rockwell Collins, Inc.	USA (North America)	C	B	70%	29%	96%	70%	71%
incl. internal information		-	B	70%	64%	96%	70%	79%
Rolls-Royce Plc	UK (Europe & Central Asia)	C	B	70%	71%	88%	60%	71%
incl. internal information		-	B	80%	71%	92%	60%	86%
RTI Systems	Russia (Europe & Central Asia)	E	E	5%	0%	29%	0%	50%
RUAG Holding Ltd	Switzerland (Europe & Central Asia)	E	E	15%	0%	50%	20%	14%
Russian Aircraft Corporation MiG (RSK MiG)	Russia (Europe & Central Asia)	-	F	0%	0%	0%	0%	0%
Russian Helicopters JSC	Russia (Europe & Central Asia)	F	F	0%	0%	4%	0%	14%
Saab AB	Sweden (Europe & Central Asia)	C	C	75%	57%	58%	80%	36%
incl. internal information		-	B	90%	86%	71%	90%	64%
Safran SA	France (Europe & Central Asia)	D	D	35%	43%	63%	50%	7%
incl. internal information		-	C	50%	79%	71%	60%	36%
Samsung Techwin (Co., Ltd.)	South Korea (Asia Pacific)	E	D	40%	14%	63%	40%	57%
Sapura Secured Technologies Group	Malaysia (Asia Pacific)	F	F	0%	0%	0%	0%	0%
incl. internal information		-	D	20%	14%	46%	60%	57%
SATUMA	Pakistan (Asia Pacific)	F	F	0%	0%	0%	0%	0%

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COMPANY	COUNTRY	2012	2015	LEADERSHIP, GOVERNANCE & ORGANISATION	RISK MANAGEMENT	COMPANY POLICIES & CODES	TRAINING	PERSONNEL & HELPLINES
Science Applications International Corporation (SAIC)	USA (North America)	C	C	70%	10%	58%	40%	64%
Serco Group Plc	UK (Europe & Central Asia)	B	B	80%	80%	88%	70%	79%
incl. internal information		-	A	90%	90%	96%	90%	86%
Singapore Technologies Engineering Ltd	Singapore (Asia Pacific)	F	F	10%	14%	17%	0%	21%
incl. internal information		-	D	20%	21%	67%	50%	43%
Societatea Uzina Mecanica Cugir S.A	Romania (Europe & Central Asia)	-	F	0%	0%	0%	0%	0%
SRA International, Inc	USA (North America)	F	F	10%	0%	0%	0%	0%
SRC, Inc	USA (North America)	F	F	0%	0%	0%	0%	0%
Sukhoi Company (JSC)	Russia (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
Sumitomo Corporation	Japan (Asia Pacific)	-	E	35%	14%	17%	50%	14%
Tactical Missiles Corporation JSC	Russia (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
TAI -Turkish Aerospace Industries, Inc	Turkey (Europe & Central Asia)	-	F	5%	0%	0%	0%	0%
Tatra Trucks A.S.	Czech Republic (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
incl. internal information		-	F	5%	0%	8%	0%	0%
Teledyne Technologies Incorporated	USA (North America)	C	D	40%	29%	58%	20%	71%
incl. internal information		-	B	55%	86%	92%	60%	86%
Terma A/S	Denmark (Europe & Central Asia)	-	F	20%	7%	29%	0%	0%
Textron, Inc.	USA (North America)	C	C	70%	21%	67%	50%	71%
Thales Group	France (Europe & Central Asia)	B	B	85%	86%	67%	80%	57%
incl. internal information		-	B	85%	93%	79%	80%	64%
ThyssenKrupp AG	Germany (Europe & Central Asia)	C	B	65%	43%	79%	80%	71%
incl. internal information		-	A	95%	79%	88%	100%	86%
TOPAZ JVS	Moldova (Europe & Central Asia)	-	F	0%	0%	0%	0%	0%
Toshiba Corporation	Japan (Asia Pacific)	-	D	35%	7%	42%	60%	43%
Triumph Group, Inc.	USA (North America)	-	D	25%	0%	42%	0%	79%
Ultra Electronics Holdings plc	UK (Europe & Central Asia)	E	B	55%	70%	79%	70%	64%
JSC United Engine Corporation	Russia (Europe & Central Asia)	F	F	0%	0%	0%	0%	0%
United Technologies Corporation (UTC)	USA (North America)	B	B	70%	43%	92%	60%	86%
incl. internal information		-	A	100%	64%	92%	80%	86%
Research and Production Corporation "UralVagonZavod" JSC	Russia (Europe & Central Asia)	-	F	5%	0%	13%	0%	0%
URS Corporation	USA (North America)	C	C	60%	50%	75%	40%	71%
VSE Corporation	USA (North America)	C	D	35%	10%	50%	10%	64%
Wyle	USA (North America)	F	F	10%	0%	0%	0%	0%
Zastava Arms	Serbia (Europe & Central Asia)	-	F	0%	0%	0%	0%	0%
Zodiac Aerospace	France (Europe & Central Asia)	F	E	30%	10%	42%	40%	14%
incl. internal information		-	E	30%	10%	42%	50%	14%

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