FINAL ASSESSMENT

AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION

(漢翔航空工業股份有限公司)

The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>15%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>37.5%</td>
</tr>
<tr>
<td>Training</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>14.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>17.9%</strong></td>
</tr>
</tbody>
</table>

TI understands the company is not involved in offsets and has therefore removed the two relevant questions (A13a and A13b).

AIDC 30/12/14
HTTP://WWW.AIDC.COM.TW/TW/INDEX.ASP
HTTP://WWW.AIDC.COM.TW/ENN/INDEX.ASP
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?

Score:
2

Comments:
Based on public information, there is evidence that the company has published a statement from the President outlining the company’s AIDC’s Anti-corruption Principles and a statement emphasizing AIDC’s ethical rules for procurement activities.

References:
Public:
AIDC Anti-Corruption Principles and Statement on ethical rules for procurement activities:
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?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the President demonstrates a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company.

References:

Public:
NA
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?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company’s Chief Executive Officer demonstrates 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.

References:
Public:
NA
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?

Score:

1

Comments:

Based on public information, there is evidence that the company publishes a statement of values, primarily including accountability, but with mention of honesty and openness. Although the company demonstrates that these are translated into policies and codes, TI assesses that these values do not focus on enough possible high standards of business conduct to merit a higher score here. The company therefore scores 1.

References:

Public:
Company Website (English):
Values:
‘Accountability, Innovation, Dedication, Customer Orientation’

‘Company Profile
... Through the transition of privatization, AIDC is well positioned to support and foster the national aerospace development policies. In addition to it's core strengths and competencies, AIDC has effectively consolidated its industrial capability and has reinforced alliances with its valued partners both domestic and foreign to maximize use of existing resources to effectively perform the task by division of labor toward achieving both increased cooperation as well as sustainable development. In parallel AIDC has also significantly increased the level of growth through its active, optimistic, honest and open business culture in each business segment of the company's operations.’


Company Website (Chinese):
‘漢翔公司廉政政策'
本公司承諾在組織管轄下維持優良工作倫理與傳統誠信商譽，善盡企業社會責任，積極推動以下三點：

一、公司董事會成員及各級經理人不從事或接受賄賂行為。
二、依公司行為倫理規範執行業務包括誠信、透明、利益衝突迴避等。
三、對於涉及收受賄賂者，公司一律依法從嚴辦理。

‘AIDC Independent Policy
The Company is committed to maintaining the organization under the jurisdiction of the fine tradition of integrity and work ethic of goodwill, corporate social responsibility, and actively promote the following three points: First, the company board members and managers at all levels do not engage in or accept bribes. Second, according to the company conduct business, including the implementation of the ethical norms of integrity, transparency, avoidance of conflict of interest and so on. Third, those involving bribes, companies will be strictly handled.’


‘經營理念：
當責(Accountability): 凡事應主動進取，積極負責。
創新(Innovation): 在工作上要持續改善、不斷創新。
專注(Dedication): 全體同仁要發揮並提升其本職學能專注於工作上。
顧客導向(Customer Orientation): 透過團隊合作、良性競爭，滿足顧客需求，創造公司最佳利益。
期望全體人員，均建立上述四項精神，塑造公司優良企業文化；並達成：

落實「全員品保」
獲致「顧客滿意」
創造「合理利潤」
確保「永續經營’’

‘Business philosophy:
When responsibility (Accountability): Everything should be proactive, positive and responsible.
Innovation (Innovation): at work to continue to improve and innovate.
Focus (Dedication): all my colleagues to play and improve their learning to focus on their own work.
Customer orientation (Customer Orientation): Through teamwork, healthy competition, to meet customer needs, to create the best interests of the company.
Expect all staff, have established these four spiritual, good shape the company culture; and
Implementation of the "full quality assurance."
Attainable "customer satisfaction"
Create a "reasonable profit."
Ensure "sustainable"

TI also notes the company's Code of Business Conduct:
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?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company belongs to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption.

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

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda. TI assesses that it is possible that the Audit Committee has this role, but it this not outlined in publicly available information.

References:
Public:
TI notes:
Company Website (Chinese):
‘Internal Audit Organization
Issued by the Company in accordance with the Financial Supervisory Commission, Executive Yuan "public company to establish an internal control system Handling" provisions of Article XI, set up under the Board Audit Office (as shown in the organization chart); Set B names and total audit checklist number of staff, both full-time staff, the independent exercise of internal audit work.

◎ Audit Office Responsibilities*
First, the planning and promotion of the internal audit system.
Second, the internal auditing procedures to set and maintain.
Third, the annual audit plan compilation and execution.
Fourth, the audit recommendations tracking assessment.
Five, each unit its own review of the results of the inspection.

◎ internal audit scope and practices
First, the internal audit scope includes eight operating cycle, information management jobs
and other important administrative operations, such as covering all operational and management functions.

Second, the main methods of auditing the implementation of the annual audit plan in accordance with the monthly routine audit, and the other as the need to perform ad hoc audits, internal control system in a timely discovery may be missing and make recommendations for improvement.

Third, after the completion of the audit were issued after the chairman of the audit report was approved, please send independent directors and supervisors reviewed, and regularly report on the status of implementation of the Board.’

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?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda. TI notes that reference is made to a ‘government ethics group leader’ but information pertaining to the responsibilities and reporting line relating to this role are not publicly available.

References:
Public:
TI notes:
Company Website (Chinese):
'誠信經營政策
董事長對公司廉政工作的要求：
一、漢翔公司是經濟部國營企業，受政府監督，所有採購均須依政府採購法規定辦理，公司要求所有採購同仁均須依法辦理採購，並嚴格遵守漢翔公司道德規範。
二、請所有漢翔的供應商配合公司的廉政政策，若供應商對於公司的採購人員或採購作業有任何遵守公司政策疑問，請逕洽公司的政風部門，我們一定會遵守保密規定並給予答覆。
聯絡人：政風組組長04-22842373’

‘Integrity Management Policy
Chairman of the company honest job requirements:
First, the Ministry of Economic Affairs AIDC is state-owned enterprises, subject to government oversight of all procurement shall be conducted in accordance with the Government Procurement Act, companies are required by law to require all procurement colleagues to handle procurement and strictly comply with AIDC ethics.
Second, invites all AIDC suppliers with the company's policy of honest, if suppliers or buyers for the company's procurement practices comply with company policies have any questions, please inform the company's compliance department, we will comply with the confidentiality provisions.

Contact Person: government ethics group leader 04-22842373’

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

Score:

0

Comments:
Based on public information, there is no readily available evidence that there is regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda.

References:
Public:
NA
A8(a):
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?

Score:
0

Comments:
Based on public information, there is no readily available evidence that there is 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 no evidence of improvement plans being implemented when issues are identified.

References:
Public:
NA
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?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal process for review and where appropriate updates its policies and practices in response to actual or alleged instances of corruption.

References:
Public:
NA
A9(a):
Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure.

References:
Public:
TI notes:
Company Website (Chinese):
‘AIDC risk management policy
Providing resources companies, the establishment and continuous improvement of risk management systems in order to reduce operational risks.
The establishment of the Risk Management Committee, the implementation of ongoing risk assessment, treatment, monitoring and communication and other operations.
Establish the concept of risk management staff, to shape the company’s risk management culture.’

Sustainability Report 2013 (Chinese), p.13: TI notes that the company’s risk management mechanism, which includes risk metrics and a risk map. However, TI found no readily available evidence that this includes an anti-corruption risk assessment.
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?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure for assessing proposed business decisions.

References:

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

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting or reappointing its agents.

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

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption.

References:
Public:
NA
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?

Score:
0

Comments:
Based on public information, there is some evidence that the company makes clear to suppliers, through policy terms, its stance on bribery and corruption. However, it is not clear that this is made clear in contractual terms or that they are informed of the consequences of breaching this stance.

References:
Public:
TI notes:
Company Website (Chinese):
‘誠信經營政策
董事長對公司廉政工作的要求：
一、漢翔公司是經濟部國營企業，受政府監督，所有採購均須依政府採購法規定辦理，公司要求所有採購同仁均須依法辦理採購，並嚴格遵守漢翔公司道德規範。
二、請所有漢翔的供應商配合公司的廉政政策，若供應商對於公司的採購人員或採購作業有任何遵守公司政策疑問，請逕洽公司的政風部門，我們一定會遵守保密規定並給予答覆。
聯絡人：政風組組長04-22842373’

‘Integrity Management Policy
Chairman of the company honest job requirements:
First, the Ministry of Economic Affairs AIDC is state-owned enterprises, subject to government oversight of all procurement shall be conducted in accordance with the Government Procurement Act, companies are required by law to require all procurement colleagues to handle procurement and strictly comply with AIDC ethics.
Second, invites all AIDC suppliers with the company’s policy of honest, if suppliers or buyers...
for the company's procurement practices comply with company policies have any questions,
please inform the company's compliance department, we will comply with the
confidentiality provisions.
Contact Person: government ethics group leader 04-22842373’
A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:

NA

Comments:
The company has informed TI that it does not engage in offset contracting.

References:
NA
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:
NA

Comments:
The company has informed TI that it does not engage in offset contracting.

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

Score:

2

Comments:
Based on public information, there is evidence that the company has an anti-corruption policy that is explicit about all the forms corruption may take.

References:
Public:
Company Website (Chinese):
‘漢翔公司廉政政策
本公司承諾在組織管轄下維持優良工作倫理與傳統誠信商譽，善盡企業社會責任，積極推動以下三點：

一、公司董事會成員及各級經理人不從事或接受賄賂行為。
二、依公司行為倫理規範執行業務包括誠信、透明、利益衝突迴避等。
三、對於涉及收受賄賂者，公司一律依法從嚴辦理。’

‘AIDC Independent Policy
The Company is committed to maintaining the organization under the jurisdiction of the fine tradition of integrity and work ethic of goodwill, corporate social responsibility, and actively promote the following three points:
First, the company board members and managers at all levels are not allowed to engage in bribery, accepting or giving favors.
Second, according to the company conduct business, including the implementation of the ethical norms of integrity, transparency, avoidance of conflict of interest and so on.
Third, those engaging or involved in bribery, will be severely punished without exception.’
Code of Ethics and Conduct (2012):
‘AIDC ethics
1) Aerospace Industrial Development Corporation (hereinafter referred to as the Company) formulated the ‘Code of Ethics and Conduct’ for correct compliance, to encourage dedication to service and to protect the Company equity.

2) The "Code of Ethics and Conduct," applies to the person in charge of the company and its employees, and covers popular gifts by normal social standards and other non-related persons, official etiquette, folk festivals, donated property, drinking, dinner entertainment, and related matters, etc.

3) The company and responsible persons should perform their duties in accordance with law, with public interests in mind, and should not under the guise of duties provide undue advantage to himself or a third person.

4) The person in charge of the company and employees shall not request or accept a gift of property, nor shall they socialize with connected individuals.

5) The company is responsible for trust and the employees and in case of an event should refer to the relevant provisions of the Executive Yuan and its subordinate organs of the People's petition cases.

6) The person in charge of the company and employees should avoid borrowing money, or being invited to participate in RCAs, as property or identity guarantor. If really necessary, the individual should inform the compliance department.

7) The company should be formed to regulate the behavior of employees, all employees are required comply with the Code.

8) If employees are found to have violated the Code after investigation, they wil be punished in accordance with the relevant provisions of the Act and the Companies Office of Management; any cases involving criminal actions will be transferred to the judicial office manager.

9) The Code has been implemented after the approval of the Board.’


Standards of Ethical Conduct (道德行為準則重點) (date not known):
‘1) Company executives should implement independent advocacy through a variety of meetings. They should conduct themselves cleanly and honestly, and have responsibility for shaping the text when ensuring that others "follow the Act and regulations, provide reliable
financial reporting, operational effectiveness and efficiency of fulfillment."

2) The Company has ICAC ethical norms. Staff ethics regulations stipulate that employees should not accept "gifts by property", "banquets entertainment" and other items.

3) Company employees’ work rules to regulate employee behavior have guidelines focusing on:

(A) compliance with the company regulations, obeying officers at all levels of command.
(B) employees should work in earnest, cherish public property, reduce losses, improve quality, and protect confidential business or office information.
(C) there should not be sexual harassment and discrimination (race, class, language, thought, religion, parties, place of origin, gender, appearance, facial features, disability, etc.) in the workplace.
(D) employees shall not act unlawfully in their own interest or for others with authority.
(E) employees shall not (due to his position) conduct contrary to the duties of the behavior, accept the hospitality or gifts, kickbacks.
(F) employees shall not bring knives and guns and ammunition, or narcotics into the workplace.
(Vii) public property shall not be taken out of the workplace without approval.
(Viii) employees shall comply with Labor Safety and Health Act and company regulations, maintaining safety in the workplace and the surrounding environment to prevent theft, fire or other natural disasters.
(ix) employees shall not install illegal software in the company privately.
(j) employees are prohibited from providing company computer data to other companies without permission.

4) Employees who violate ethics and work practices, will be punished under this standard.’

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

Score:

2

Comments:
Based on public information, there is evidence that the anti-corruption policy is one of zero-tolerance. In addition, TI notes that it is prohibited to violate the Code of Ethics and Standards of Ethical Conduct.

References:

Public:
Company Website (Chinese):
‘漢翔公司廉政政策’
本公司承諾在組織管轄下維持優良工作倫理與傳統誠信商譽，善盡企業社會責任，積極推動以下三點：

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Third, those engaging or involved in bribery, will be severely punished without exception.’

Code of Ethics and Conduct (2012):
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3) The company and responsible persons should perform their duties in accordance with law, with public interests in mind, and should not under the guise of duties provide undue advantage to himself or a third person.

4) The person in charge of the company and employees shall not request or accept a gift of property, nor shall they socialize with connected individuals.

5) The company is responsible for trust and the employees and in case of an event should refer to the relevant provisions of the Executive Yuan and its subordinate organs of the People's petition cases.

6) The person in charge of the company and employees should avoid borrowing money, or being invited to participate in RCAs, as property or identity guarantor. If really necessary, the individual should inform the compliance department.

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9) The Code has been implemented after the approval of the Board.’


Standards of Ethical Conduct (道德行為準則重點) (date not known):

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(C) there should not be sexual harassment and discrimination (race, class, language, thought, religion, parties, place of origin, gender, appearance, facial features, disability, etc.) in the workplace.

(D) employees shall not act unlawfully in their own interest or for others with authority.

(E) employees shall not (due to his position) conduct contrary to the duties of the behavior, accept the hospitality or gifts, kickbacks.

(F) employees shall not bring knives and guns and ammunition, or narcotics into the workplace.

(Vii) public property shall not be taken out of the workplace without approval.

(Viii) employees shall comply with Labor Safety and Health Act and company regulations, maintaining safety in the workplace and the surrounding environment to prevent theft, fire or other natural disasters.

(ix) employees shall not install illegal software in the company privately.

(J) employees are prohibited from providing company computer data to other companies without permission.

4) Employees who violate ethics and work practices, will be punished under this standard.’

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?

Score:
1

Comments:
Based on public information, there is evidence that the company's anti-corruption policy is easily accessible. However, TI notes that the policy is only available in Chinese. The company therefore scores 1.

References:
Public:
Company Website (Chinese):
A17(a):
Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

2

Comments:

Based on public information, there is evidence that the company’s anti-corruption policy is understandable to Board members and employees.

References:

Public:
Company Website (Chinese):
A18:

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

Score:

2

Comments:

Based on public information, the company’s anti-corruption policy applies to employees and members of the Board.

References:

Public:
Company Website (Chinese):
‘漢翔公司廉政政策
本公司承諾在組織管轄下維持優良工作倫理與傳統誠信商譽，善盡企業社會責任，積極推動以下三點：
一、公司董事會成員及各級經理人不從事或接受賄賂行為。
二、依公司行為倫理規範執行業務包括誠信、透明、利益衝突迴避等。
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Code of Ethics and Conduct (2012):

AIDC 30/12/14
HTTP://WWW.AIDC.COM.TW/TW/INDEX.ASP
HTTP://WWW.AIDC.COM.TW/ENN/INDEX.ASP
AIDC ethics

1) Aerospace Industrial Development Corporation (hereinafter referred to as the Company) formulated the ‘Code of Ethics and Conduct’ for correct compliance, to encourage dedication to service and to protect the Company equity.

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3) The company and responsible persons should perform their duties in accordance with law, with public interests in mind, and should not under the guise of duties provide undue advantage to himself or a third person.

4) The person in charge of the company and employees shall not request or accept a gift of property, nor shall they socialize with connected individuals.

5) The company is responsible for trust and the employees and in case of an event should refer to the relevant provisions of the Executive Yuan and its subordinate organs of the People's petition cases.

6) The person in charge of the company and employees should avoid borrowing money, or being invited to participate in RCAs, as property or identity guarantor. If really necessary, the individual should inform the compliance department.

7) The company should be formed to regulate the behavior of employees, all employees are required comply with the Code.

8) If employees are found to have violated the Code after investigation, they will be punished in accordance with the relevant provisions of the Act and the Companies Office of Management; any cases involving criminal actions will be transferred to the judicial office manager.

9) The Code has been implemented after the approval of the Board.’


Standards of Ethical Conduct (道德行為準則重點) (date not known):

‘1) Company executives should implement independent advocacy through a variety of meetings. They should conduct themselves cleanly and honestly, and have responsibility for shaping the text when ensuring that others "follow the Act and regulations, provide reliable financial reporting, operational effectiveness and efficiency of fulfillment."
2) The Company has ICAC ethical norms. Staff ethics regulations stipulate that employees should not accept "gifts by property", "banquets entertainment" and other items.

3) Company employees’ work rules to regulate employee behavior have guidelines focusing on:

(A) compliance with the company regulations, obeying officers at all levels of command.
(B) employees should work in earnest, cherish public property, reduce losses, improve quality, and protect confidential business or office information.
(C) there should not be sexual harassment and discrimination (race, class, language, thought, religion, parties, place of origin, gender, appearance, facial features, disability, etc.) in the workplace.
(D) employees shall not act unlawfully in their own interest or for others with authority.
(E) employees shall not (due to his position) conduct contrary to the duties of the behavior, accept the hospitality or gifts, kickbacks.
(F) employees shall not bring knives and guns and ammunition, or narcotics into the workplace.
(Vii) public property shall not be taken out of the workplace without approval.
(Viii) employees shall comply with Labor Safety and Health Act and company regulations, maintaining safety in the workplace and the surrounding environment to prevent theft, fire or other natural disasters.
(Ix) employees shall not install illegal software in the company privately.
(J) employees are prohibited from providing company computer data to other companies without permission.

4) Employees who violate ethics and work practices, will be punished under this standard.’

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

Score:
0

Comments:
Based on public information, there is limited evidence that the company addresses the issue of potential conflicts of interest in its Code of Business Conduct. In addition, TI does note that the company mentions the requirement to avoid conflicts of interest in its Independent Policy. However, this is not assessed to be strong enough evidence of a policy on this issue.

References:
Public:
TI notes:
Company Website (Chinese):
‘漢翔公司廉政政策
本公司承諾在組織管轄下維持優良工作倫理與傳統誠信商譽,善盡企業社會責任,積極推動以下三點:

一、公司董事會成員及各級經理人不從事或接受賄賂行為。
二、依公司行為倫理規範執行業務包括誠信、透明、利益衝突迴避等。
三、對於涉及收受賄賂者，公司一律依法從嚴辦理。’

‘AIDC Independent Policy
The Company is committed to maintaining the organization under the jurisdiction of the fine tradition of integrity and work ethic of goodwill, corporate social responsibility, and actively promote the following three points: First, the company board members and managers at all levels do not engage in or accept bribes. Second, according to the company conduct business, including the implementation of the ethical norms of integrity, transparency, avoidance of conflict of interest and so on. Third, those engaging or involved in bribery, will be severely punished without exception.’

Code of Business Conduct:
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?

Score:

0

Comments:
Based on public information, there is evidence that the company has a policy for the receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery. However, it is not clear that this also covers the giving of gifts.

References:
Public:
TI notes:
Code of Ethics and Conduct (2012):
‘AIDC ethics
1) Aerospace Industrial Development Corporation (hereinafter referred to as the Company) formulated the ‘Code of Ethics and Conduct’ for correct compliance, to encourage dedication to service and to protect the Company equity.

2) The "Code of Ethics and Conduct," applies to the person in charge of the company and its employees, and covers popular gifts by normal social standards and other non-related persons, official etiquette, folk festivals, donated property, drinking, dinner entertainment, and related matters, etc.

3) The company and responsible persons should perform their duties in accordance with law, with public interests in mind, and should not under the guise of duties provide undue advantage to himself or a third person.

4) The person in charge of the company and employees shall not request or accept a gift of property, nor shall they socialize with connected individuals.

5) The company is responsible for trust and the employees and in case of an event should refer to the relevant provisions of the Executive Yuan and its subordinate organs of the
People’s petition cases.

6) The person in charge of the company and employees should avoid borrowing money, or being invited to participate in RCAs, as property or identity guarantor. If really necessary, the individual should inform the compliance department.

7) The company should be formed to regulate the behavior of employees, all employees are required comply with the Code.

8) If employees are found to have violated the Code after investigation, they wil be punished in accordance with the relevant provisions of the Act and the Companies Office of Management; any cases involving criminal actions will be transferred to the judicial office manager.

9) The Code has been implemented after the approval of the Board.’


Standards of Ethical Conduct (道德行為準則重點) (date not known):

‘1) Company executives should implement independent advocacy through a variety of meetings. They should conduct themselves cleanly and honestly, and have responsibility for shaping the text when ensuring that others "follow the Act and regulations, provide reliable financial reporting, operational effectiveness and efficiency of fulfillment."

2) The Company has ICAC ethical norms. Staff ethics regulations stipulate that employees should not accept "gifts by property", "banquets entertainment" and other items.

3) Company employees’ work rules to regulate employee behavior have guidelines focusing on:

(A) compliance with the company regulations, obeying officers at all levels of command.
(B) employees should work in earnest, cherish public property, reduce losses, improve quality, and protect confidential business or office information.
(C) there should not be sexual harassment and discrimination (race, class, language, thought, religion, parties, place of origin, gender, appearance, facial features, disability, etc.) in the workplace.
(D) employees shall not act unlawfully in their own interest or for others with authority.
(E) employees shall not (due to his position) conduct contrary to the duties of the behavior, accept the hospitality or gifts, kickbacks.
(F) employees shall not bring knives and guns and ammunition, or narcotics into the workplace.
(Vii) public property shall not be taken out of the workplace without approval.
(Viii) employees shall comply with Labor Safety and Health Act and company regulations, maintaining safety in the workplace and the surrounding environment to prevent theft, fire or other natural disasters.
(Ix) employees shall not install illegal software in the company privately.

(J) employees are prohibited from providing company computer data to other companies without permission.

4) Employees who violate ethics and work practices, will be punished under this standard.’


Code of Business Conduct:
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?

Score:

0

Comments:

Based on public information, there is evidence of a statement on the receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery. However, it is not clear that this also covers the offering of hospitality.

References:

Public:
TI notes:

Code of Ethics and Conduct (2012):
‘AIDC ethics
1) Aerospace Industrial Development Corporation (hereinafter referred to as the Company) formulated the ‘Code of Ethics and Conduct’ for correct compliance, to encourage dedication to service and to protect the Company equity.

2) The "Code of Ethics and Conduct," applies to the person in charge of the company and its employees, and covers popular gifts by normal social standards and other non-related persons, official etiquette, folk festivals, donated property, drinking, dinner entertainment, and related matters, etc.

3) The company and responsible persons should perform their duties in accordance with law, with public interests in mind, and should not under the guise of duties provide undue advantage to himself or a third person.

4) The person in charge of the company and employees shall not request or accept a gift of property, nor shall they socialize with connected individuals.

5) The company is responsible for trust and the employees and in case of an event should
refer to the relevant provisions of the Executive Yuan and its subordinate organs of the People’s petition cases.

6) The person in charge of the company and employees should avoid borrowing money, or being invited to participate in RCAs, as property or identity guarantor. If really necessary, the individual should inform the compliance department.

7) The company should be formed to regulate the behavior of employees, all employees are required comply with the Code.

8) If employees are found to have violated the Code after investigation, they will be punished in accordance with the relevant provisions of the Act and the Companies Office of Management; any cases involving criminal actions will be transferred to the judicial office manager.

9) The Code has been implemented after the approval of the Board.’


Standards of Ethical Conduct (道德行為準則重點) (date not known):

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(D) employees shall not act unlawfully in their own interest or for others with authority.

(E) employees shall not (due to his position) conduct contrary to the duties of the behavior, accept the hospitality or gifts, kickbacks.

(F) employees shall not bring knives and guns and ammunition, or narcotics into the workplace.

(Vii) public property shall not be taken out of the workplace without approval.

(Viii) employees shall comply with Labor Safety and Health Act and company regulations, maintaining safety in the workplace and the surrounding environment to prevent theft, fire
or other natural disasters.

(Ix) employees shall not install illegal software in the company privately.

(J) employees are prohibited from providing company computer data to other companies without permission.

4) Employees who violate ethics and work practices, will be punished under this standard.’


Code of Business Conduct:

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

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a policy that explicitly prohibits facilitation payments.

References:
Public:
NA
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?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company prohibits political contributions, or regulates such contributions in order to prevent undue influence or other corrupt intent.

References:
Public:
NA
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?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, or discloses the issues on which the company lobbies.

References:
Public:
NA
A25(a):
Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company prohibits charitable contributions, or regulates such contributions in order to prevent undue influence or other corrupt intent.

References:
Public:
TI notes the foreward to the 2013 Sustainability Report written by the Chairman of the Board which summarises some of the charitable («social») activities of the company.
Sustainability Report 2013 (Chinese):
A26:

Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company provides written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda. TI notes the Code of Ethics and Standards of Ethical Conduct but assesses these to be weak in terms of explanation or guidance.

References:

Public:
NA
A27:
Does the company have a training programme that explicitly covers anti-corruption?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a training programme that explicitly covers anti-corruption.

References:
Public:
TI notes the references to staff training made in the foreword to the 2013 Sustainability Report written by the Chairman of the Board.
Sustainability Report 2013 (Chinese):
A28:  
Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

0

Comments:
Based on public information, there is no readily available evidence that anti-corruption training is provided in all countries where the company operates or has company sites.

References:

Public:
NA
A29:
Does the company provide targeted anti-corruption training to members of the Board?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company provides targeted anti-corruption training to members of the Board.

References:
Public: NA
A30:
Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company provides tailored ethics and anti-corruption training for employees in sensitive positions.

References:
Public:
NA
A31:
Does the company have a clear and formal process by which employees declare conflicts of interest?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a clear and formal process by which employees declare conflicts of interest.

References:

Public:
NA
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?

Score:

2

Comments:
Based on public information, there is evidence that the company is explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have violated the company’s ethical code and standards of conduct.

References:
Public:
Company Website (Chinese):
‘漢翔公司廉政政策
本公司承諾在組織管轄下維持優良工作倫理與傳統誠信商譽，善盡企業社會責任，積極推動以下三點:

一、公司董事會成員及各級經理人不從事或接受賄賂行為。
二、依公司行為倫理規範執行情務包括誠信、透明、利益衝突迴避等。
三、對於涉及收受賄賂者，公司一律依法從嚴辦理。’

‘AIDC Independent Policy
The Company is committed to maintaining the organization under the jurisdiction of the fine tradition of integrity and work ethic of goodwill, corporate social responsibility, and actively promote the following three points: First, the company board members and managers at all levels do not engage in or accept bribes. Second, according to the company conduct business, including the implementation of the ethical norms of integrity, transparency, avoidance of conflict of interest and so on. Third, those engaging or involved in bribery, will be severely punished without exception.’

AIDC 30/12/14
HTTP://WWW.AIDC.COM.TW/TW/INDEX.ASP
HTTP://WWW.AIDC.COM.TW/ENN/INDEX.ASP
Code of Ethics and Conduct (2012):

‘AIDC ethics

1) Aerospace Industrial Development Corporation (hereinafter referred to as the Company) formulated the 'Code of Ethics and Conduct' for correct compliance, to encourage dedication to service and to protect the Company equity.

2) The "Code of Ethics and Conduct," applies to the person in charge of the company and its employees, and covers popular gifts by normal social standards and other non-related persons, official etiquette, folk festivals, donated property, drinking, dinner entertainment, and related matters, etc.

3) The company and responsible persons should perform their duties in accordance with law, with public interests in mind, and should not under the guise of duties provide undue advantage to himself or a third person.

4) The person in charge of the company and employees shall not request or accept a gift of property, nor shall they socialize with connected individuals.

5) The company is responsible for trust and the employees and in case of an event should refer to the relevant provisions of the Executive Yuan and its subordinate organs of the People's petition cases.

6) The person in charge of the company and employees should avoid borrowing money, or being invited to participate in RCAs, as property or identity guarantor. If really necessary, the individual should inform the compliance department.

7) The company should be formed to regulate the behavior of employees, all employees are required comply with the Code.

8) If employees are found to have violated the Code after investigation, they will be punished in accordance with the relevant provisions of the Act and the Companies Office of Management; any cases involving criminal actions will be transferred to the judicial office manager.

9) The Code has been implemented after the approval of the Board.’


Standards of Ethical Conduct (道德行為準則重點) (date not known):

‘1) Company executives should implement independent advocacy through a variety of meetings. They should conduct themselves cleanly and honestly, and have responsibility for shaping the text when ensuring that others “follow the Act and regulations, provide reliable
financial reporting, operational effectiveness and efficiency of fulfillment."

2) The Company has ICAC ethical norms. Staff ethics regulations stipulate that employees should not accept "gifts by property", "banquets entertainment" and other items.

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(C) there should not be sexual harassment and discrimination (race, class, language, thought, religion, parties, place of origin, gender, appearance, facial features, disability, etc.) in the workplace.
(D) employees shall not act unlawfully in their own interest or for others with authority.
(E) employees shall not (due to his position) conduct contrary to the duties of the behavior, accept the hospitality or gifts, kickbacks.
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(Viii) employees shall comply with Labor Safety and Health Act and company regulations, maintaining safety in the workplace and the surrounding environment to prevent theft, fire or other natural disasters.
(Ix) employees shall not install illegal software in the company privately.
(J) employees are prohibited from providing company computer data to other companies without permission.

4) Employees who violate ethics and work practices, will be punished under this standard.’

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?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has 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.

References:

Public:

Company Website (Chinese):
“誠信經營政策
董事長對公司廉政工作的要求：
一、漢翔公司是經濟部國營企業，受政府監督，所有採購均須依政府採購法規定辦理，公司要求所有採購同仁均須依法辦理採購，並嚴格遵守漢翔公司道德規範。
二、請所有漢翔的供應商配合公司的廉政政策，若供應商對於公司的採購人員或採購作業有任何遵守公司政策疑問，請逕洽公司的政風部門，我們一定會遵守保密規定並給予答覆。
聯絡人：政風組組長04-22842373’

‘Integrity Management Policy
Chairman of the company honest job requirements:
First, the Ministry of Economic Affairs AIDC is state-owned enterprises, subject to government oversight of all procurement shall be conducted in accordance with the Government Procurement Act, companies are required by law to require all procurement colleagues to handle procurement and strictly comply with AIDC ethics.

AIDC 30/12/14
HTTP://WWW.AIDC.COM.TW/TW/INDEX.ASP
HTTP://WWW.AIDC.COM.TW/ENN/INDEX.ASP
Second, invites all AIDC suppliers with the company's policy of honest, if suppliers or buyers for the company's procurement practices comply with company policies have any questions, please inform the company's compliance department, we will comply with the confidentiality provisions.

Contact Person: government ethics group leader 04-22842373’


Operating Guidelines for Corporate Governance (公司治理作業要點), p.6:
‘Article 38
The Company shall establish employee communication channels to encourage employees and management, Directors or Supervisors to conduct direct communication, and inform them of the financial condition of the company or about major decisions intended to benefit employees.’

A33(a):
Are the whistleblowing channels available to all employees in all geographies?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has whistleblowing channels.

References:
Public:
NA
A33(b):
Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively.

References:
Public:
NA
A34:
Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:
0

Comments:
Based on public information, there is insufficient evidence that the company has resources available to all employees where help and advice can be sought on corruption-related issues.

References:
Public:
Company Website (Chinese):
‘誠信經營政策
董事長對公司廉政工作的要求：
一、漢翔公司是經濟部國營企業，受政府監督，所有採購均須依政府採購法規定辦理，公司要求所有採購同仁均須依法辦理採購，並嚴格遵守漢翔公司道德規範。
二、請所有漢翔的供應商配合公司的廉政政策，若供應商對於公司的採購人員或採購作業有任何遵守公司政策疑問，請逕洽公司的政風部門，我們一定會遵守保密規定並給予答覆。
聯絡人：政風組組長04-22842373’

‘Integrity Management Policy
Chairman of the company honest job requirements:
First, the Ministry of Economic Affairs AIDC is state-owned enterprises, subject to government oversight of all procurement shall be conducted in accordance with the Government Procurement Act, companies are required by law to require all procurement colleagues to handle procurement and strictly comply with AIDC ethics.
Second, invites all AIDC suppliers with the company's policy of honest, if suppliers or buyers for the company's procurement practices comply with company policies have any questions, please inform the company's compliance department, we will comply with the confidentiality provisions.
Contact Person: government ethics group leader 04-22842373’

Operating Guidelines for Corporate Governance (公司治理作業要點), p.6:
‘Article 38
The Company shall establish employee communication channels to encourage employees and management, Directors or Supervisors to conduct direct communication, and inform them of the financial condition of the company or about major decisions intended to benefit employees.’
A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that there is a commitment to non-retaliation for bona fide reporting of corruption.

References:

Public:
NA
Information Sources:

Company website:

AIDC Anti-Corruption Principles and Statement on ethical rules for procurement activities:

Code of Business Conduct:

Code of Ethics and Conduct (2012):

Standards of Ethical Conduct:

Sustainability Report 2013: