FINAL ASSESSMENT
ISRAEL MILITARY INDUSTRIES LTD

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

The following table represents a summary of your scores:

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<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
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<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>25%</td>
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<td>Risk Management</td>
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<td>Company Policy and Codes</td>
<td>12</td>
<td>29.2%</td>
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<td>Training</td>
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<td>Personnel and Helplines</td>
<td>7</td>
<td>57.1%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>26.8%</strong></td>
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</tbody>
</table>
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: 1

Comments: Based on public information, there is evidence that the company publishes a statement from the Chief Executive Officer supporting the ethics and anti-corruption agenda of the company. A statement is published as a foreword to the company’s Code of Business Conduct. The company therefore scores 1. To score higher the company would need to provide evidence of at least two other such statements from the last two years, or one statement from the last two years that specifically supports the company’s strong stance against corruption.

References:

Public:
Code of Business Conduct:

‘The purpose of IMI’s Code of Business Conduct is to clarify to each of the company’s employees the commitment that we all have, as IMI employees and as Israeli citizens, to ethical conduct. The Code of Business Conduct, being a framework for IMI’s policy regarding ethical business conduct, is reflected in IMI’s corporate regulations, its disciplinary code and its collective labor agreements, and forms our “identity card” with regard to the expected personal, business, and social norms of conduct.

I expect all IMI employees to be familiar with the Code, and to freely seek clarifications to it if required. I strongly believe that implementing the Code’s norms of conduct will improve our working environment and contribute to the business success of IMI. Therefore, I turn to each of you personally, to adhere to the norms contained in the Code, in any circumstances, and to preserve our company’s good name and reputation.

Avi Felder
President & CEO’
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:

1

Comments:

Based on public information, there is some evidence that the Chair of the Board demonstrates a personal, external facing commitment to the ethics and anti-corruption agenda of the company. TI notes the references made to the company’s compliance programme by Chair of the Board, Udi Adam, in a May 2014 article. The company therefore scores 1. To score higher TI would need to see evidence of external engagement by the Chief Executive Officer or Chair of the Board on more than one occasion over the last two years.

References:

Public:
Israel Defense, 16 June 2014: Chairman of the Board, Udi Adam

‘Udi Adam maintains that regardless of the privatization process, IMI places a major emphasis on the ethical aspect. “I regard an involved and effective compliance layout as part of the 'toolbox' of an advanced international company, a company that knows how to conduct business while maintaining professional ethics and complying with all of the requirements of the law. The issue of compliance is a substantial issue for IMI’s marketing layout, and is being handled at the highest echelons, under the leadership of an executive officer who runs a complete complex of resources and processes intended to ensure conformance to the requirements of the law and the professional ethics rules,” he adds.’

http://www.israeldefense.com/?CategoryID=411&ArticleID=2971
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. This engagement could include speaking at training events or chairing a review of anti-corruption programmes.

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:
0

Comments:
Based on public information, there is limited evidence that the company publishes a statement of values, including integrity and transparency. However, an extremely minimal explanation is provided for these values, which are also assessed to fall short of the range of values sought by this question.

References:
Public:
TI notes:
Code of Business Conduct, Section 1 – The Importance of Ethics:
PRINCIPLES of the CODE of BUSINESS CONDUCT

1. The Importance of Ethics
At IMI, we believe that our company's business conduct should be carried out with integrity and transparency, conducted in line with required business ethics, in good faith and mutual respect. The implementation of these values will lead the company to fulfill its vision of achieving commercial success, with business momentum tied in with the preservation of the company's reputation. Complying with the norms required by the Code of Business Conduct by members of the company’s Board of Directors, executives and other employees, will contribute to an effective and improved work environment, and business success. The company’s management and the labor representatives, as well as each and every individual employee, are jointly expected abide by the requirements contained in the Code of Business Conduct.

The Code of Business Conduct is intended to express, and strengthen, the company's commitment to proper, ethical conduct. The Code serves as a framework for the company’s policy regarding expected behavior, as is also contained in the relevant collective labor agreements applicable to IMI, the company's regulations and Disciplinary Code, and Human Resource Department's Directives, all as updated from time to time ("The Company's Procedures"). The Code of Business Conduct comes in addition, and as a complement, to the Company's Procedures, and to the social and business norms of conduct that are legally applicable. In any case of conflict, the legal requirements shall govern.

3. Applicability
The Code of Business Conduct is adopted by the Board of Directors of the company:
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:

1

Comments:
Based on public information, there is evidence that the company is a member of a business forum operated by the Manufacturers Association of Israel. However, based on public information the focus on anti-corruption is unclear. The company therefore scores 1.

References:
Public:
Manufacturers Association of Israel:
http://www.industry.org.il/eng/?CategoryID=2866&ArticleID=6570&sng=1
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.

References:
Public:
NA
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:

2

Comments:
Based on public information, there is evidence that the company has appointed the Compliance Officer with responsibility for implementing the company’s ethics and anti-corruption agenda. This individual is named as Danny Inbal.

References:
Public:
Code of Business Conduct - Rules of Business Conduct, Section 18 – Prevention of Giving Bribes to Public Officials (Foreign and Local):
‘As Compliance Officer of the company, IMI has appointed Mr Danny Inbal, Corporate Security Director of the company.’
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 of regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda. TI notes that the Code of Business Conduct states that the Ombudsman will examine complaints and forward his recommendations to the company’s President and to the Audit committee of the board of Directors. However, this is not considered strong enough evidence of review and monitoring by the company or the Board.

References:

Public:
Code of Business Conduct – Monitoring, section 20:
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. TI notes that the original Code of Business Conduct dated October 2009 was updated in November 2013. However, beyond this there is no evidence of a formal review process.

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:
NA
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 no readily available evidence that the company makes 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.

References:
Public:
NA
A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company explicitly addresses the corruption risks associated with offset contracting.

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

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 its offset partners and offset brokers.

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

Score:

1

Comments:

Based on public information, there is some evidence that the company has an anti-corruption policy that prohibits corruption in its various forms. However, TI notes that the Code of Business Conduct does not prohibit giving bribes to private persons or companies as opposed to foreign or Israeli public officials. In addition, the policy does not seem to prohibit employees from receiving bribes. The company therefore scores 1.

References:

Public:
Code of Business Conduct, Section 16 – Prevention of Bribery of Foreign Public Officials and Section 17 – Prevention of Bribery of Local Public Officials:
RULES of BUSINESS CONDUCT

16. Prevention of Bribery of Foreign Public Officials

IMI sees utmost importance in the prevention of corruption of any kind, including bribery or giving benefits to foreign public officials. Bribery, including the bribing of foreign public officials, is forbidden by law. A “Foreign Public Official” is an employee of a foreign country, and the holder of a public office in a foreign country, including employees of governmental companies and public bodies, and employees of international organizations.

Giving bribes to Foreign Public Officials increases the scope of corruption internationally, especially in developing countries, is one of the obstacles to social and economic development, and is strictly forbidden according to Israeli Law as well as other laws.

Therefore, there is a definite prohibition regarding all IMI employees and anyone acting on IMI’s behalf, to promise, offer or give bribes or benefits to a Foreign Public Official. IMI has taken, and is taking, various measures to prevent the giving of bribes to Foreign Public Officials, including acting in accordance to the Compliance Program instituted by IMI, training of employees and the operation of a compliance department headed by a Corporate Compliance Officer.

RULES of BUSINESS CONDUCT

17. Prevention of Bribery of Local Public Officials

It is, of course, also strictly forbidden under Israeli Law to give bribes or any undue benefits to local (Israeli) public officials. Giving bribes or undue benefits to local Public Officials increases the scope of corruption in Israel, deteriorates the legal, economic and business level of the State of Israel and is a major obstacle to the country’s social and economic development.

A “Local Public Official” includes any government employee, soldier or officer in the armed forces and police, as well as employees of governmental companies and public bodies and any office holder appointed by law.

Therefore, there is a definite prohibition regarding all IMI employees and anyone acting on IMI’s behalf, to promise, offer or give bribes or benefits to any Local Public Official, and IMI has and is taking various measures to prevent any such action.

A16:

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

Score:

1

Comments:

Based on public information, there is no readily available evidence that the anti-corruption policy is explicitly one of zero tolerance. However, the company has a zero tolerance policy of violations of the Code of Business Ethics and Conduct, as shown by its explicit stance on disciplinary procedures in the event of a violation by any employee or director. The company therefore scores 1.

References:

Public:
Code of Business Conduct, Section 22 – Violating the Code:
COMPLYING with the CODE of BUSINESS CONDUCT

22. Violating the Code
Violation of one or more of the norms established in the Code of Business Conduct, the Company’s Procedures or the norms required under the law, will be considered a disciplinary offense according to the company’s Disciplinary Code.

23. Ethics Training
In order to implement the ethical rules, we will conduct instructive activities among IMI employees, both orally and in writing.

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:

2

Comments:
Based on public information, there is evidence that the company's anti-corruption policy is easily accessible to Board members, employees and third parties.

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

Score:

1

Comments:
Based on public information, there is some evidence that the company’s anti-corruption policy is easily understandable and clear to Board members, employees and third parties. TI notes that the relevant sections of the Code of Business Conduct prohibit promising, offering or giving bribes or benefits, but the language used by the company is noted to be quite legalistic. The company therefore scores 1.

References:
Public:
Code of Business Conduct, Section 16 and Section 17:
RULES of BUSINESS CONDUCT

16. Prevention of Bribery of Foreign Public Officials

IMI sees utmost importance in the prevention of corruption of any kind, including bribery or giving benefits to foreign public officials. Bribery, including the bribing of foreign public officials, is forbidden by law.

A “Foreign Public Official” is an employee of a foreign country, and the holder of a public office in a foreign country, including employees of governmental companies and public bodies, and employees of international organizations.

Giving bribes to Foreign Public Officials increases the scope of corruption internationally, especially in developing countries, is one of the obstacles to social and economic development, and is strictly forbidden according to Israeli Law as well as other laws.

Therefore, there is a definite prohibition regarding all IMI employees and anyone acting on IMI’s behalf, to promise, offer or give bribes or benefits to a Foreign Public Official. IMI has taken, and is taking, various measures to prevent the giving of bribes to Foreign Public Officials, including acting in accordance to the Compliance Program instituted by IMI, training of employees and the operation of a compliance department headed by a Corporate Compliance Officer.

RULES of BUSINESS CONDUCT

17. Prevention of Bribery of Local Public Officials

It is, of course, also strictly forbidden under Israeli Law to give bribes or any undue benefits to local (Israeli) public officials. Giving bribes or undue benefits to local Public Officials increases the scope of corruption in Israel, deteriorates the legal, economic and business level of the State of Israel and is a major obstacle to the country’s social and economic development.

A “Local Public Official” includes any government employee, soldier or officer in the armed forces and police, as well as employees of governmental companies and public bodies and any office holder appointed by law.

Therefore, there is a definite prohibition regarding all IMI employees and anyone acting on IMI’s behalf, to promise, offer or give bribes or benefits to any Local Public Official, and IMI has and is taking various measures to prevent any such action.
A18:

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

Score:

1

Comments:

Based on public information, there is evidence that the company’s anti-corruption policy applies to all employees. However, it is not clear if this includes members of the Board. Indeed, there appear to be inconsistencies between different sections of the Code of Business Conduct.

Section 1 of the Code of Business Conduct refers to “complying with the norms required by the Code by members of the company’s Board of Directors, executives and other employees will contribute to an effective and improved work environment and business success”. The Code then says the company’s management and the labour representatives as well as each and every individual employee are jointly expected to abide by the requirement contained in the Code.

Section 3 of the Code is said to apply to all executives, workers and consultants of IMI and to all fully owned subsidiaries.

Section 16 of the Code prohibits all IMI employees and anyone acting on IMI’s behalf to promise, offer or give bribes or benefits to a Foreign Public Official and Section 17 of the Code has a similar provision relating to Local Public Officials. The company therefore scores 1.

References:

Public:

Code of Business Conduct, Sections 1, 3, 16, 17:
PRINCIPLES of the CODE of BUSINESS CONDUCT

1. The Importance of Ethics
At IMI, we believe that our company's business conduct should be carried out with integrity and transparency, conducted in line with required business ethics, in good faith and mutual respect. The implementation of these values will lead the company to fulfill its vision of achieving commercial success, with business momentum tied in with the preservation of the company’s reputation. Complying with the norms required by the Code of Business Conduct by members of the company’s Board of Directors, executives and other employees, will contribute to an effective and improved work environment, and business success. The company’s management and the labor representatives, as well as each and every individual employee, are jointly expected abide by the requirements contained in the Code of Business Conduct.

The Code of Business Conduct is intended to express, and strengthen, the company’s commitment to proper, ethical conduct. The Code serves as a framework for the company’s policy regarding expected behavior, as is also contained in the relevant collective labor agreements applicable to IMI, the company's regulations and Disciplinary Code, and Human Resource Department's Directives, all as updated from time to time (“The Company's Procedures”). The Code of Business Conduct comes in addition, and as a complement, to the Company's Procedures, and to the social and business norms of conduct that are legally applicable. In any case of conflict, the legal requirements shall govern.

3. Applicability
The Code of Business Conduct is adopted by the Board of Directors of the company and applies to all executives, workers and consultants of Israel Military Industries Ltd. (IMI), and to all fully owned subsidiaries. We expect anyone who operates on behalf of IMI to act ethically and properly, in accordance with the company's Code of Business Conduct and its procedures.
RULES of BUSINESS CONDUCT

16. Prevention of Bribery of Foreign Public Officials
IMI sees utmost importance in the prevention of corruption of any kind, including bribery or giving benefits to foreign public officials. Bribery, including the bribing of foreign public officials, is forbidden by law.

A “Foreign Public Official” is an employee of a foreign country, and the holder of a public office in a foreign country, including employees of governmental companies and public bodies, and employees of international organizations.

Giving bribes to Foreign Public Officials increases the scope of corruption internationally, especially in developing countries, is one of the obstacles to social and economic development, and is strictly forbidden according to Israeli Law as well as other laws.

Therefore, there is a definite prohibition regarding all IMI employees and anyone acting on IMI’s behalf, to promise, offer or give bribes or benefits to a Foreign Public Official. IMI has taken, and is taking, various measures to prevent the giving of bribes to Foreign Public Officials, including acting in accordance to the Compliance Program instituted by IMI, training of employees and the operation of a compliance department headed by a Corporate Compliance Officer.

RULES of BUSINESS CONDUCT

17. Prevention of Bribery of Local Public Officials
It is, of course, also strictly forbidden under Israeli Law to give bribes or any undue benefits to local (Israeli) public officials. Giving bribes or undue benefits to local Public Officials increases the scope of corruption in Israel, deteriorates the legal, economic and business level of the State of Israel and is a major obstacle to the country’s social and economic development.

A “Local Public Official” includes any government employee, soldier or officer in the armed forces and police, as well as employees of governmental companies and public bodies and any office holder appointed by law.

Therefore, there is a definite prohibition regarding all IMI employees and anyone acting on IMI’s behalf, to promise, offer or give bribes or benefits to any Local Public Official, and IMI has and is taking various measures to prevent any such action.

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

Score:

1

Comments:
Based on public information, there is some evidence that the company has a policy on potential conflicts of interest, and that it applies to both employees and board members. However, this falls short in not clearly defining a conflict of interest or providing examples of potential conflicts of interest. The company therefore scores 1.

References:
Public:
Code of Business Conduct, Section 8:
‘We will act in conformance to IMI’s interests, and avoid any situation of conflict of interest or of giving preference to our personal interests over IMI’s interest.’
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 no readily available evidence that the company has a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery.

References:
Public:
NA
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 no readily available evidence of a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery.

References:
Public: NA
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 publically 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. TI notes that the Code of Business Conduct states that IMI is a government company and required to adhere to all legal statues, resolutions, directives and approvals of various Israeli government ministries. However, nothing is provided relating to political contributions.

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. TI notes that the Code of Business Conduct states that IMI is a government company and required to adhere to all legal statues, resolutions, directives and approvals of various Israeli government ministries.

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:
NA
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. Section 23 of the Code of Business Conduct states that “in order to implement the ethical rules, we will conduct instructive activities among IMI employees both orally and in writing.” However, no further evidence relating to this was found.

References:

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

Score: 1

Comments: Based on public information, there is evidence that employees receive ethics training. This takes place through oral and written instructive activities. However, evidence does not suggest that the company has an explicit anti-corruption module as part of the training. The company therefore scores 1.

References:
Public:
Code of Business Conduct (November 2013), p.18:
‘23. Ethics Training
In order to implement the ethical rules, we will conduct instructive activities among IMI employees, both orally and in writing.’
A28:
Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

1

Comments:
Based on public information, there is evidence that employees receive ethics training. This takes place through oral and written instructive activities. However, there is no evidence to suggest that this training is available in all countries where the company operates. The company therefore scores 1.

References:
Public:
Code of Business Conduct (November 2013), p.18:
‘23. Ethics Training
In order to implement the ethical rules, we will conduct instructive activities among IMI employees, both orally and in writing.’
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 engaged in corrupt activities. Section 22 of the Code of Business Conduct relates to violations of the Code, Company Procedures or norms required by law. Violations are considered disciplinary offences under the company’s Disciplinary Code.

References:
Public:
Code of Business Conduct, Sections 1, 2, 3:
Section 22 – Violating the Code:

PRINCIPLES of the CODE of BUSINESS CONDUCT

1. The Importance of Ethics
At IMI, we believe that our company’s business conduct should be carried out with integrity and transparency, conducted in line with required business ethics, in good faith and mutual respect. The implementation of these values will lead the company to fulfill its vision of achieving commercial success, with business momentum tied in with the preservation of the company’s reputation. Complying with the norms required by the Code of Business Conduct by members of the company’s Board of Directors, executives and other employees, will contribute to an effective and improved work environment, and business success. The company’s management and the labor representatives, as well as each and every individual employee, are jointly expected abide by the requirements contained in the Code of Business Conduct.

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3. Applicability
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COMPLYING with the CODE of BUSINESS CONDUCT

22. Violating the Code
Violation of one or more of the norms established in the Code of Business Conduct, the Company’s Procedures or the norms required under the law, will be considered a disciplinary offense according to the company’s Disciplinary Code.

23. Ethics Training
In order to implement the ethical rules, we will conduct instructive activities among IMI employees, both orally and in writing.

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:
1

Comments:
Based on public information, there is some evidence that the company has multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employees, to report concerns or instances of suspected corrupt activity. Within the Code of Business Conduct, Section 18 provides for reporting to the Compliance Officer who is the Corporate Security Director. Section 19 refers to addressing questions or complaints to the Ethic’s Hotline or the IMI Ombudsman who is the internal auditor, Mr Yoram Kom. There does not seem to be provision for making anonymous complaints. Section 21 provides that employees who file a complaint will be protected in accordance with the Protection of Employees (Exposure of Offenses of Unethical Conduct and Improper Administration) Law. The company therefore scores 1.

References:
Public:
Code of Business Conduct, Sections 18, 19 and 21:
RULES of BUSINESS CONDUCT

18. Prevention of Giving of Bribes to Public Officials
(Foreign and Local)

As Compliance Officer of the company, IMI has appointed Mr. Danny Inbal, Corporate Security Director of the company.

In any case of questions or doubts in connection with the above issue, and in any case of concern over behavior not in line with the prohibition to bribe or to give undue benefits, please contact the “Compliance Line” or the Compliance Officer, as follows:

Compliance Line: (972) 03 - 5486888
Compliance Officer: (972) 03-5485258
Compliance E mail: comply@imi-israel.com

COMPLYING with the CODE of BUSINESS CONDUCT

19. Address for Inquiries/Complaints – the “Ethic’s Hotline”

The Code of Business Conduct will be published and distributed among the company’s employees and customers on IMI’s internet site, and its intranet.

Compliance with the standards stipulated in the Code also requires reporting any conduct that is contrary to the Code or to IMI’s Procedures. In any case of doubt, question or complaint, regarding ethical conduct or violation by any of the company’s employees or executives, please turn to the Ethic’s Hotline or to the IMI Ombudsman, in accordance with the Company’s Procedures.

The company’s Internal Auditor, Mr. Yoram Korn, serves in this position.

The Ombudsman
Address: Administration Building, 7th floor, room 721
email: ykorn@imi-israel.com, tel. 03-5485556
COMPLYING with the CODE of BUSINESS CONDUCT

20. Handling Complaints
The Ombudsman will examine complaints, will summarize the findings and forward his recommendations to the company’s President and to the Audit Committee of the Board of Directors. The Ombudsman will also forward findings in accordance with the Israeli Encouragement of Integrity in the Public Service Law.

21. Protection of Complainant and Confidentiality
We will protect employees who filed a complaint against the company or against any other employee or executive, in accordance with the Protection of Employees (Exposure of Offenses of Unethical Conduct and Improper Administration) Law.

Any inquiry or complaint received by the Ombudsman or through the Ethic’s Hotline will be handled in confidence, while protecting the confidentiality of the complainant’s identity. IMI will protect any complainant who makes a complaint in good faith, even if it turns out to be unjustified.

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

Score:

2

Comments:
Based on public information, there is evidence that whistleblowing channels are available to all employees in all geographies. These channels include an email address, hotline and access to the IMI Ombudsman.

References:
Public:
Code of Business Conduct, Sections 18 and 19:

RULES of BUSINESS CONDUCT

18. Prevention of Giving of Bribes to Public Officials
(Foreign and Local)

As Compliance Officer of the company, IMI has appointed Mr. Danny Inbal, Corporate Security Director of the company.

In any case of questions or doubts in connection with the above issue, and in any case of concern over behavior not in line with the prohibition to bribe or to give undue benefits, please contact the “Compliance Line” or the Compliance Officer, as follows:

Compliance Line: (972) 03 - 5486888
Compliance Officer: (972) 03-5485258
Compliance E mail: comply@imi-israel.com
COMPLYING with the CODE of BUSINESS CONDUCT

19. Address for Inquiries/Complaints – the “Ethic’s Hotline”

The Code of Business Conduct will be published and distributed among the company’s employees and customers on IMI’s internet site, and its intranet.

Compliance with the standards stipulated in the Code also requires reporting any conduct that is contrary to the Code or to IMI’s Procedures. In any case of doubt, question or complaint, regarding ethical conduct or violation by any of the company’s employees or executives, please turn to the Ethic’s Hotline or to the IMI Ombudsman, in accordance with the Company’s Procedures.

The company’s Internal Auditor, Mr. Yoram Korn, serves in this position.

The Ombudsman
Address: Administration Building, 7th floor, room 721
email: vkom@imi-israel.com, tel. 03-5485556

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 insufficient evidence that the company has formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, or that whistleblowers are treated supportively. Within the Code of Business Conduct, Section 21 provides that employees who file a complaint will be protected in accordance with the Protection of Employees (Exposure of Offenses of Unethical Conduct and Improper Administration) Law. Any complaint is handled in confidence while protecting the confidentiality of the complainant’s identity. However, there is insufficient evidence of formal mechanisms beyond a commitment to protect a whistleblower, to ensure that whistleblowing is encouraged and not deterred. Such mechanisms could include detailed analysis of whistleblowing data, independent employee surveys or evidence of follow up with individual whistleblowers.

References:
Public:
Code of Business Conduct, Section 21:
COMPLYING with the CODE of BUSINESS CONDUCT

20. Handling Complaints
The Ombudsman will examine complaints, will summarize the findings and forward his recommendations to the company’s President and to the Audit Committee of the Board of Directors. The Ombudsman will also forward findings in accordance with the Israeli Encouragement of Integrity in the Public Service Law.

21. Protection of Complainant and Confidentiality
We will protect employees who filed a complaint against the company or against any other employee or executive, in accordance with the Protection of Employees (Exposure of Offenses of Unethical Conduct and Improper Administration) Law.

Any inquiry or complaint received by the Ombudsman or through the Ethic’s Hotline will be handled in confidence, while protecting the confidentiality of the complainant’s identity. IMI will protect any complainant who makes a complaint in good faith, even if it turns out to be unjustified.

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

Score:
2

Comments:
Based on public information, there is evidence that the company has well-publicised resources available to all employees where help and advice can be sought on corruption-related issues. Within the Code of Business Conduct, Section 18 provides for reporting questions to the Compliance Officer who is the Corporate Security Director. Section 19 refers to addressing questions or complaints to the Ethic’s Hotline or the IMI Ombudsman who is the internal auditor, Mr Yoram Kom.

References:
Public:
Code of Business Conduct, Sections 18 and 19:
RULES of BUSINESS CONDUCT

18. Prevention of Giving of Bribes to Public Officials
   (Foreign and Local)

As Compliance Officer of the company, IMI has appointed Mr. Danny Inbal, Corporate Security Director of the company.

In any case of questions or doubts in connection with the above issue, and in any case of concern over behavior not in line with the prohibition to bribe or to give undue benefits, please contact the “Compliance Line” or the Compliance Officer, as follows:

Compliance Line: (972) 03 - 5486888
Compliance Officer: (972) 03-5485258
Compliance E mail: comply@imi-israel.com

COMPLYING with the CODE of BUSINESS CONDUCT

19. Address for Inquiries/Complaints – the “Ethic’s Hotline”

The Code of Business Conduct will be published and distributed among the company’s employees and customers on IMI’s internet site, and its intranet.

Compliance with the standards stipulated in the Code also requires reporting any conduct that is contrary to the Code or to IMI’s Procedures. In any case of doubt, question or complaint, regarding ethical conduct or violation by any of the company’s employees or executives, please turn to the Ethic’s Hotline or to the IMI Ombudsman, in accordance with the Company's Procedures.

The company's Internal Auditor, Mr. Yoram Korn, serves in this position.

The Ombudsman
Address: Administration Building, 7th floor, room 721
email: ykorn@imi-israel.com, tel. 03-5485556

A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:

1

Comments:
Based on public information, there is evidence of a commitment to non-retaliation for bona fide reporting of corruption. However, there is no evidence that disciplinary measures are applied to employees who breach this policy. Within the Code of Business Conduct, Section 21 provides that employees who file a complaint will be protected in accordance with the Protection of Employees (Exposure of Offenses of Unethical Conduct and Improper Administration) Law. Any complaint is handled in confidence while protecting the confidentiality of the complainant’s identity. The company therefore scores 1.

References:
Public:
Code of Business Conduct, Section 21:
COMPLYING with the CODE of BUSINESS CONDUCT

20. Handling Complaints
The Ombudsman will examine complaints, will summarize the findings and forward his recommendations to the company’s President and to the Audit Committee of the Board of Directors. The Ombudsman will also forward findings in accordance with the Israeli Encouragement of Integrity in the Public Service Law.

21. Protection of Complainant and Confidentiality
We will protect employees who filed a complaint against the company or against any other employee or executive, in accordance with the Protection of Employees (Exposure of Offenses of Unethical Conduct and Improper Administration) Law.

Any inquiry or complaint received by the Ombudsman or through the Ethic’s Hotline will be handled in confidence, while protecting the confidentiality of the complainant’s identity. IMI will protect any complainant who makes a complaint in good faith, even if it turns out to be unjustified.

Information Sources:

Company Website:
http://www.imi-israel.com/

Code of Business Conduct (November 2013):