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>50%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>7</td>
<td>14.3%</td>
</tr>
<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>62.5%</td>
</tr>
<tr>
<td>Training</td>
<td>5</td>
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<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>57.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>50%</strong></td>
</tr>
</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:

2

Comments:
Based on public information, there is evidence that the company has published statements from the CEO supporting the company’s ethics agenda. In a statement on the company website the CEO identifies the development of ethical conduct as the most important area for improvement and states the company’s zero-tolerance approach towards corruption. The CEO provides the introduction to the Ethical Code of Conduct and in the 2013 Annual Review the CEO discusses the company’s ethical initiatives throughout the year. Similarly in a video message the Chairman highlights the company’s zero tolerance policy towards corruption and unethical activity.

References:

Public:
Company website: Review by the president and CEO
‘On the basis of a essentiality survey conducted among our own employees, feedback received from Transparency International’s Anti-Corruption 2012 Index and court proceedings related to certain export projects, we have defined the development of ethical conduct as the most important area for improvement. We aim to make ethical conduct an integral part of the organisation’s day-to-day work. It all starts with the individual, but concerns the entire work community. For Patria, ethical conduct means compliance with laws; but it also encompasses the prevention, detection and inspection of identifiable risks related to its field of industry. With respect to corruption, Patria has a zero-tolerance approach.’
Heikki Allonen, President and CEO, Patria
http://www.patria.fi/en/about+patria/corporate+responsibility/review+by+the+president+and+ceo/review+by+the+president+and+ceo.html
Annual Report 2013, Review by the President and CEO, p.8:
‘Ethical And Responsible Practices

Continuous development of ethical practices is particularly important to companies like ours, which operate in the defence materiel industry. During the year gone by, we at Patria again invested in ethical practices, highlighting the importance of responsibility and increasing the transparency of our operations. For example, online training on ethical practices was organised for all staff in Patria, and a range of targeted info sessions were held. We updated our code of ethics material and distributed it to all Patria locations. In addition, we created a whistleblower channel, through which employees can, where necessary, anonymously inform the company of any suspected cases of malpractice.

Patria signed the UN’s Global Compact Initiative through which, within their own spheres of influence, companies commit themselves to adopting, supporting and implementing the basic values related to human rights, working life principles, the environment and the fight against corruption. Patria also belongs to the Global Compact Nordic Network and, naturally, abides by the ethical standards (Common Industry Standards, CIS) of ASD (Aerospace and Defence Industries Association of Europe).’

http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Ethical Code of Conduct, p.3:
‘In addition to uncompromising compliance with laws, regulations and contracts, observing Patria’s values, the Ethical Code of Conduct and other internal guidelines increases our credibility and attractiveness as a business partner and employer, both at home and in the international marketplace’

‘Patria is a member of the United Nations Global Compact, a strategic policy initiative for businesses committed to aligning their operations and strategies with principles concerning human rights, the position of employees, the environment and the fight against bribery. Patria has unambiguous zero tolerance for bribery, but this zero tolerance also applies to other unethical activities’

Heikki Allonen, President and CEO

http://patria.mediabank.fi/en/material/download/9819

Patria Financial Statements 2013, p.7: ‘Patria has zero tolerance for corruption and during the financial period the Chairman of the Board addressed this message to the personnel and external interest groups by video available in Patria intranet as well as Patria’s external website.’


Chairman of the Board statement concerning ethical conduct
Transcript: ‘I am Christer Granskog, the Chairman of the Board of Patria. It’s important to be
compliant and act ethically in all business. This is of special interest in the defence industry but in some respects is a controversial issue for many... In Patria we have taken corporate social responsibility and ethical code of conduct into special review. We in the Board follow those activities closely. Patria has a zero tolerance towards corruption. That naturally applies also to other unethical activity. Also here we want Patria to be a leader among its peers.’

https://www.youtube.com/watch?v=J9_OKo34EdI (English)
https://www.youtube.com/watch?v=4ahFoNLWcuA (Finnish)

Annual Report 2012, p.9:
‘In addition to previous feedback channels, Patria has adopted a new, internal and anonymous whistleblowing channel for its entire staff. This provides the opportunity to intervene in suspected cases of wrongdoing.

By acting openly, giving constructive feedback and, where necessary, intervening in cases of suspected abuse, we will improve our working environment and secure the future and continuity of our operations. We in Patria’s management are motivated and committed to developing ethical practices.’
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 company’s CEO or Chairman demonstrate a strong, personal, external facing commitment to the ethics and anti-corruption agenda. This personal engagement could include public speeches or involvement with industry anti-corruption initiatives.

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 CEO demonstrates a strong, personal, internal-facing commitment to the ethics and anti-corruption agenda of the company. This could include speaking at training events or chairing a review of the company’s anti-corruption programmes.

References:

Public:

TI notes:
Annual Report 2013, p.26: ‘During 2013, Patria’s management clearly indicated a policy of zero tolerance towards corruption and all other unethical activity. A letter from the President and CEO was published on the company’s website, on the intranet, and in the personnel magazine. Additionally, a video message by the Chairman of the Board was published on the intranet and website.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Patria Financial Statements 2013, p.7: ‘Patria has zero tolerance for corruption and during the financial period the Chairman of the Board addressed this message to the personnel and external interest groups by video available in Patria intranet as well as Patria’s external website.’

Chairman of the Board statement concerning ethical conduct (English and Finnish)
Transcript: ‘I am Christer Granskog, the Chairman of the Board of Patria. It’s important to be
compliant and act ethically in all business. This is of special interest in the defence industry but in some respects is a controversial issue for many... In Patria we have taken corporate social responsibility and ethical code of conduct into special review. We in the Board follow those activities closely. Patria has a zero tolerance towards corruption. That naturally applies also to other unethical activity. Also here we want Patria to be a leader among its peers.’

https://www.youtube.com/watch?v=J9_OKo34EdI
https://www.youtube.com/watch?v=4ahFoNWLwCuA
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 no readily available evidence that the company publishes a statement of values representing high standards of ethical business conduct. The company’s values only reference trust with regard to creating success. Despite the company clearly expressing its commitment to high standards of ethical business conduct in its Ethical Code of Conduct, the document does not contain a statement of values.

References:

Public:

TI notes:

Ethical Code of Conduct, p.3:

‘Patria has unambiguous zero tolerance for bribery, but this zero tolerance also applies to other unethical activities. The Ethical Code of Conduct provides a background and creates a foundation for every Patria employee’s way of working. By operating in the right way, we will also enhance our own working environment and ensure its continuity. Naturally, we expect our partners to fulfil the requirements of our Code in their own operations.’

http://patria.mediabank.fi/en/material/download/9819

Company website: Values

‘Abiding by the Patria values, ethical rules and guidelines will enable us to increase our attractiveness as an employer

We want to succeed

- We understand the nature of our operating environment and what it means to us.
- We set challenging goals and reach them together.
- We do the right things in a systematic and profitable manner.'
• Each and every one of us bears responsibility for ensuring that things proceed smoothly and sensibly and in an overall beneficial manner.
• We continuously develop our operations and expertise and come up with ideas for new solutions.
• We see changes as opportunities, which we will utilise.

We are proud of our work, and we want to show it!

Our operations are customer oriented

• We want to deepen our co-operation with our customers, so that we can find new and increasingly competitive solutions for their needs.
• We are a flexible partner.
• We keep our promises.
• We are open to and learn from the feedback we receive.
• We know how to interact with different people in different cultures.

Co-operation guarantees the success of both parties!

Together we create successes

• We understand the importance of co-operation and make it possible for all of us and for our partners.
• We stick to the ground rules jointly agreed upon.
• We appreciate and encourage one another.
• We have trust in one another and we share the information and skills required for conducting our work.
• We accept differences in people and organisations, but not poor work performances.
• We give constructive feedback.’

http://www.patria.fi/EN/About+Patria/Values/index.html

Company website: Active in anti-corruption

‘Patria has three founding values

• We want to succeed
• Our operations are customer oriented
• Together we create successes

which are a solid basis for our systematic anti-corruption work. The values are linked to the anti-corruption programme.

We want to succeed – success is based on credible business practices and integrity

• All Patria employees are trained; Patria employees are expected to finalize an Online Training once a year and classroom training is arranged on a regular basis to targeted groups (management teams, marketing, sales, procurement, suppliers, business partners, etc.).
• Anti-corruption has a clear owner – also on the Board-level. Regular reporting is conducted on ethics and compliance related actions and observations to the Board and
Audit Committee.
- Facility payments are not permitted by Patria in any form of manner.
- We do not sponsor political agendas or political stakeholders.
- Sponsorship decisions are coordinated by the Corporate Communications.
- We are active members in organisations acting against corruption

The way we act
- Prevention – raising awareness through clear policies and training to prevent employees from making mistakes
- Detection – encouraging people to report any concerns or suspected activities in case of alleged corruption
- Interaction – collaborating with other players in our industry to promote wider adoption of anti-corruption measures and attitude

Our operations are customer oriented – our partnerships are based on mutual trust and transparency
- We perform effective and renewed due diligence in order to know who we’re working with. The partners operating in countries that present a higher risk of improper activity are trained on our standards and expectations on ethics and anti corruption.
- All activities conducted by Patria and its partners are required to strictly comply with best international practices (such as OECD; FCPA) and our standards, as well as applicable law (e.g. anticorruption statutes).
- Payments made to partners and discounts granted to customers are expected to be reasonable, justified, transparent and are expected to be agreed and documented in writing.
- We follow the activities of our partners and for raising any issues of concern about questionable activity to management or other resources.

Together we create successes – in cooperation we can make a difference

Patria
- is a Member of the UN Global Compact
- is a Member of the Global Compact Nordic Network
- is in compliance with the global principles of business ethics, drafted by the Aerospace and Defence Industries Association of Europe
- has signed the Global Compact Call to Action: Anti-Corruption and the Global Development Agenda.
- is a Member of the Finnish Corporate Responsibility Network FIBS
- is actively in contact with non-governmental organisations’

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:

2

Comments:

Based on public information, there is evidence that the company is a signatory to the UN Global Compact and the ASD Common Industry Standards. The company is a member of the corporate responsibility network, Finnish Business & Society, as well as the UN Global Compact Nordic Network.

References:

Public:
Company website: Corporate Responsibility
‘Patria has signed the United Nations’ Global Compact Initiative and is a member of its Nordic Network. Patria adheres to Aerospace and defence Industries Association of Europe (ASD) Common Industry Standards (CIS) and is a member of a national CR network in Finland.’
http://www.patria.fi/EN/Corporate+responsibility/index.html

Annual Report 2013, p.8: ‘Patria signed the UN's Global Compact Initiative... Patria also belongs to the Global Compact Nordic Network and, naturally, abides by the ethical standards (Common Industry Standards, CIS) of ASD (Aerospace and Defence Industries Association of Europe)... Patria is a member of the corporate responsibility network FIBS.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Company website: UN Global Compact
‘Patria has signed United Nations’ Global Compact initiative, in which companies embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption... Anti-Corruption -
Businesses should work against corruption in all its forms, including extortion and bribery.

http://www.patria.fi/EN/About+Patria/Corporate+responsibility/Ethical+industry+player/UN+Global+Compact/index.html

UN Global Compact Commitment Letter, Patria:

Finnish Business & Society (FIBS) website, Members:
http://www.fibsry.fi/fi/jasenet/fibsin-jasenet2#P
A6: Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score:

2

Comments:

Based on public information, there is evidence that the company has appointed the Audit Committee, with overall corporate responsibility for its ethics and anti-corruption agenda. The Committee must oversee and direct operations, to ensure compliance with regulations and ethical principles.

References:

Public:
Company website: Management and organisation
'A corporate responsibility steering group consists of:
- General Counsel, Chief Compliance Officer
- Ethics Officer
- Chief Strategy Officer
- President, Aviation
- President, Systems
- Vice President, Administration, Land.
The main themes of corporate responsibility are based on stakeholder feedback, further refined by the steering group. Measures and objectives have also been defined for the development of operations in the desired direction. Ethical conduct has been set up as a key focus area.
Corporate responsibility matters are discussed by the Group Board of Management and regularly reported to the Board of Directors. Board of Directors' Audit Committee has an overall control and focus on compliance and ethics questions.’
http://www.patria.fi/EN/About+Patria/Corporate+responsibility/Management+and+organisation/index.html

Annual Report 2013, p.36:
‘The Board decides on major investments and confirms the ethical values and operational
principles of the Group, as well as monitoring adherence to these values.’

‘The Audit Committee also consists of three members. Its task is to follow and monitor, among other operations, the implementation of the Group’s internal control, risk management and financial reporting and compliance and ethics.’

(pp.36-37): ‘In Patria corporate responsibility working and reporting is steered by Patria’s Corporate Responsibility Steering Group. The Steering Group is chaired by Patria’s General Counsel and the Chief Compliance Officer. Patria’s Ethics Officer participates in the steering group meetings and supports the work of the Steering Group. General counsel in the capacity of the Chief Compliance Officer reports to the audit committee.’
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 Chief Compliance Officer with responsibility for implementing the company’s ethics and anti-corruption agenda. The Chief Compliance Officer is identified as Hanna Kyrki. Kyrki sits on the Management Board and has a direct reporting line to the Board of Directors.

References:
Public:
Company website: Management and organisation
‘A corporate responsibility steering group consists of:
- General Counsel, Chief Compliance Officer
- Ethics Officer
- Chief Strategy Officer
- President, Aviation
- President, Systems
- Vice President, Administration, Land.
The main themes of corporate responsibility are based on stakeholder feedback, further refined by the steering group. Measures and objectives have also been defined for the development of operations in the desired direction. Ethical conduct has been set up as a key focus area.
Corporate responsibility matters are discussed by the Group Board of Management and regularly reported to the Board of Directors. Board of Directors' Audit Committee has an overall control and focus on compliance and ethics questions.’
http://www.patria.fi/EN/About+Patria/Corporate+responsibility/Management+and+organisation/index.html
Company website: Board of Management
‘Hanna Kyrki, b. 1962
General Counsel, Chief Compliance Officer
Master of Laws, EMBA
Employed by Patria as of 1 September 2014’
http://www.patria.fi/EN/About+Patria/Corporate+structure+II/Board+of+Management/index.html

Annual Report 2013, p.37:

Developers of responsible operations at Patria

Board of Directors, Board of Directors’ Audit Committee, Group Board of Management
Overseeing and directing operations to ensure compliance with regulations and ethical principles

Chief Compliance Officer, Compliance Officer
Developing and reporting on operations that are in compliance with regulations and ethical principles

The Group’s and the business units’ responsible organisations (environment, finances, marketing, purchasing, etc.)
Developing and reporting on operations

Shop steward organisations
Developing and reporting on operations

The Group’s and the business units’ HR services
Developing and reporting on operations

Managers
Developing and reporting on operations

Patria Group employees
A8:

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

Score:

1

Comments:

Based on public information, there is evidence that the company regularly reviews components of its ethics and anti-corruption programme. The Board of Directors receives reports on corporate responsibility and the Audit Committee review issues relating to ethics and compliance. The company therefore scores 1. To score higher the company would need to provide evidence of a major, periodic, heavyweight review of its ethics and anti-corruption agenda, which takes place at least annually.

References:

Public:
Company website: Management and organisation
‘A corporate responsibility steering group consists of:
- General Counsel, Chief Compliance Officer
- Ethics Officer
- Chief Strategy Officer
- President, Aviation
- President, Systems
- Vice President, Administration, Land.
The main themes of corporate responsibility are based on stakeholder feedback, further refined by the steering group. Measures and objectives have also been defined for the development of operations in the desired direction. Ethical conduct has been set up as a key focus area.
Corporate responsibility matters are discussed by the Group Board of Management and regularly reported to the Board of Directors. Board of Directors’ Audit Committee has an overall control and focus on compliance and ethics questions.’
http://www.patria.fi/EN/About+Patria/Corporate+responsibility/Management+and+organisation/index.html
Company website: Ethical industry player

‘Business ethics is developed and enhanced in accordance with an 18-month rolling action plan adopted in 2013.’
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:

1

Comments:
Based on public information, there is some evidence that an 18-month rolling action plan is the basis for the review of the ethics and anti-corruption agenda. In the 2013 Annual Review the company identifies a number of ethics and anti-corruption activities conducted in 2013, focus areas for 2014 and goals for 2015. However, it is unclear if this forms the basis of the 18-month rolling action plan. Evidence also shows that the company monitors training on ethical conduct and has implemented a number of improvement plans across its ethics programme, including the introduction of online training and the update of the Ethical Code of Conduct. The company therefore scores 1. To score higher the company would need to provide further evidence of the formal, written plan on which the review of its ethics and anti-corruption agenda is based.

References:
Public:
Annual Report 2013, pp.25-26: ‘Business ethics is developed and enhanced in accordance with an 18-month rolling action plan adopted in 2013.’
Company website: Ethical industry player

‘Internal training applicable to all personnel was conducted online for the first time, in addition to which classroom training was offered to specified groups such as marketing, sales, procurement, and the ones facing customers and stakeholders. The online training was completed by 92% of personnel working in Finland, including 100% of managers. Ethics training was included in the Manager’s Passport training given to new managers, as well as in the orientation events arranged three times a year for new employees. All new Patria employees learn about ethical operations during their orientation period.

The Ethical Code of Conduct as well as guidelines for stakeholder relations, sponsorship, and donations, were updated, and new Guidelines on Related Parties’ Transactions were adopted.

The content of internal audit reports was revised with the business units and a separate system was implemented for monitoring the activities required by the reports. The system will be implemented during internal audits. The outcomes of internal audits are reported to the Audit Committee of the Board of Directors.

Concerning procurement chain management, operating models were examined and a plan was drawn up for further development of ethical operation. Efforts continued in 2013 to ensure the ethical nature of suppliers’ and subcontractors’ operations. As a part of this, Patria worked on an extended and specified due diligence process, which involves, among other things, checking the activities of potential new partners, for example in relation to ethics.’

http://www.patria.fi/en/about+patria/corporate+responsibility/ethical+industry+player/ethical+conduct.html
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 to review and where appropriate update its policies and practices, in response to instances of corruption. Evidence indicates that in recent years the company has implemented a number of improvement plans to its ethics programme, including the introduction of online training and the update of the Ethical Code of Conduct. However, it is unclear if these updates were in response to actual or alleged instances of corruption. TI notes that in 2014 the company intends to implement a risk assessment looking into serious misconduct.

References:

Public:
TI notes:
Annual Report 2013, p.26: ‘The Ethical Code of Conduct as well as guidelines for stakeholder relations, sponsorship and donations, were updated, and new Guidelines on Related Parties’ Transactions were adopted. The content of internal audit reports was revised with the business units and a separate system was implemented for monitoring the activities required by the reports. The systems will be implemented during internal audits. The outcomes of internal audits are reported to the Audit Committee of the Board of Directors... Concerning procurement chain management, operating models were examined and a plan was drawn up for further development of ethical operation. Efforts continued in 2013 to ensure the ethical nature of suppliers’ and subcontractors’ operations. As part of this, Patria worked on an extended and specified due diligence process, which involves, among other things, checking the activities of potential new partners, for example in relation to ethics Channels for identifying unethical operations Feedback coming in through diverse channels was analysed and reported to the Audit Committee of the Board... No misconduct was reported in the feedback.’
Legal proceedings, Focus Areas in 2014

- Communications on ethical conduct will continue internally and externally. The personnel of Arlanda and Millog will receive training in early 2014
- Taking an active part in the FIBS network and the Global Compact Nordic Network
- An active collaboration with NGOs related to the industry
- Corporate social responsibility reporting, as well as Global Compact Communication on Progress
- Taking part in Transparency International’s Defence Companies Anti-Corruption index
- Development of supplier chain management and training of strategic partners will continue
- A risk assessment concerning serious misconduct

http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Company website: Ethical industry player

‘Internal training applicable to all personnel was conducted online for the first time, in addition to which classroom training was offered to specified groups such as marketing, sales, procurement, and the ones facing customers and stakeholders. The online training was completed by 92% of personnel working in Finland, including 100% of managers. Ethics training was included in the Manager’s Passport training given to new managers, as well as in the orientation events arranged three times a year for new employees. All new Patria employees learn about ethical operations during their orientation period.

The Ethical Code of Conduct as well as guidelines for stakeholder relations, sponsorship, and donations, were updated, and new Guidelines on Related Parties’ Transactions were adopted.

The content of internal audit reports was revised with the business units and a separate system was implemented for monitoring the activities required by the reports. The system will be implemented during internal audits. The outcomes of internal audits are reported to the Audit Committee of the Board of Directors.

Concerning procurement chain management, operating models were examined and a plan was drawn up for further development of ethical operation. Efforts continued in 2013 to ensure the ethical nature of suppliers’ and subcontractors’ operations. As a part of this, Patria worked on an extended and specified due diligence process, which involves, among other things, checking the activities of potential new partners, for example in relation to ethics.’

‘Feedback coming in through diverse channels was analysed and reported to the Audit Committee of the Board. Feedback was received both via reporting channels and directly by the General Counsel. Patria has a direct email address for this purpose, as well as a whistleblowing channel for reporting unethical activity – anonymously if the reporter so
chooses. No serious misconduct was reported in the feedback. Most questions concerned the giving or receiving of birthday and other gifts, participation in events, and inappropriate conduct.’

‘In June, the Finnish Prosecution Service concluded its consideration of charges in relation to Patria’s Croatian vehicle project, based on the pre-trial investigations initiated by Finland’s National Bureau of Investigation in 2008. According to the Finnish Prosecution Service, three former Patria employees will face charges of aggravated bribery, suspected to have taken place in 2005–2008. In addition, the prosecution has demanded that a corporate fine be imposed on Patria Land Services Oy. In the course of the pre-trial investigation, all suspects denied the accusations made against them. Furthermore, a decision not to prosecute was taken in the case of a former President and CEO of Patria.’

Focus areas for 2014 include a ‘risk assessment concerning serious misconduct’.

http://www.patria.fi/en/about+patria/corporate+responsibility/ethical+industry+player/ethical+conduct.html

Company website: Hearing on Croatian vehicle deal at Kanta-Häme District Court (4 September 2014):

‘The main hearing concerning the Croatian vehicle deal will begin on 4 September 2014 at Kanta-Häme District Court. The consideration for charges was completed in June 2013 and it is based on the pre-trial investigation started by Finland’s National Bureau of Investigation in 2008.

According to the Finnish Office of the Prosecutor General, three former Patria employees will face charges of aggravated bribery, suspected to have taken place in 2005–2008. In addition, the prosecution has demanded a corporate fine to be imposed on Patria Land Services Oy. During the course of the pre-trial investigation, all suspects denied the accusations made against them. Moreover, a decision not to prosecute was made concerning, for example, a former CEO of the Group. The company has found that the investigation material does not show anything unlawful to have taken place in the company's operations and has therefore pleaded not guilty. The company operates honestly, openly and transparently, honouring the laws and ethical guidelines. Patria has unambiguous zero tolerance for bribery and any other unethical operation.

A total of 126 Patria AMVs have been delivered to Croatia.’
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 implemented enterprise-wide. The company has a risk management process, under which ethics and compliance form part of the internal control process. However, there is insufficient evidence to determine if corruption is an identified risk and that the procedure is comprehensive and effective.

References:

Public:

TI notes:

Company website: Risk management and internal control
‘Risks are classified into strategic, operations, and financial risks, caused either by external conditions and events or activities within the Group. Risk identification and assessment, as well as the planning and monitoring of risk treatment activities, are part of Patria’s annual business operations planning and an integral part of the daily operations of the business units and support functions. 
Twice a year, Patria’s business units and support functions report their major risks and the related treatment actions to Group management. New, significant risks are reported to Group management without delay, immediately after they have been identified. The most significant risks faced by the Group, together with the related risk treatment activities, are reported to the Board of Directors and the Audit Committee.’

‘Patria’s values and the Code of Conduct accepted by the Board, policies and guidelines accepted by the Board and management, as well as the completing guidance given by the Group or Business Units provide the basis for internal control. Internal control includes also the organization structure of the Group and the authorities and responsibilities. Internal control is part of everyday work and the tasks of internal control are implemented in the business processes. Internal control activities are carried out at all levels and functions of the Group.’

PATRIA 09/09/14
HTTP://PATRIA.FI/FI
HTTP://PATRIA.FI/EN
Annual Report 2013, p.34:
‘The effects and control of risks related to Patria’s major projects are assessed with regularity by the Risk and Revenue Recognition Board and the Board of Management, and thereafter reported to the Board of Directors. Patria’s values and the Code of Conduct accepted by the Board, policies and guidelines accepted by the Board and management, as well as the completing guidance given by the Group or Business Units provide the basis for internal control.’

Company website: Ethical industry player
Focus areas for 2014 include a ‘risk assessment concerning serious misconduct’.

Annual Report 2012, p.27:
‘Furthermore, risk management and internal control help to ensure appropriate reporting, compliance with laws and regulations, as well as avoid damage to Patria’s reputation. Patria has a Risk management and internal control policy, approved by the Board of Directors, that specifies the tasks, objectives, components, responsibilities and authorities. The primary responsibility for risk management and internal control lies with the business units and support functions performing the day-to-day control and risk management activities, largely through established processes and project management controls.’

‘Risks are classified into strategic, operations, and financial risks, caused either by external conditions and events or activities within the Group. Risk identification and assessment, as well as the planning and monitoring of risk treatment activities, are part of Patria’s annual business operations planning and an integral part of the daily operations of the business units and support functions.’
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:
TI notes:
Company website: Risk management and internal control
‘Risk management and internal control are an important part of Patria’s management system and control system.’


Annual Report 2013:
‘Risks are classified into strategic, operations, and financial risks, caused either by external conditions and events or activities within the Group. Risk identification and assessment, as well as the planning and monitoring of risk treatment activities, are part of Patria’s annual business operations planning and an integral part of the daily operations of the business units and support functions. Twice a year, Patria’s business units and support functions report their major risks and the related treatment actions to Group management. New, significant risks are reported to Group management without delay, immediately after they have been identified. The most significant risks faced by the Group, together with the related risk treatment activities, are reported to the Board of Directors and the Audit Committee... The effects and control of risks related to Patria’s major projects are assessed with regularity by the Risk and Revenue Recognition Board and the Board of Management, and thereafter reported to the Board of Directors. Patria’s values and the Code of Conduct accepted by the Board, policies and guidelines accepted by the Board and management, as
well as the completing guidance given by the Group or Business Units provide the basis for internal control.’

http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Annual Report 2012, p.27:
‘Due to the nature of Patria’s business operations, individual sales agreements can be very large in relation to the Group’s annual turnover. They may include product development, require extensive subcontracting and other co-operation with third parties, and result in deliveries that take place over several years. Moreover, the contents of deliveries and the forms of industrial co-operation implemented together with partners can be complex in nature. The risks and uncertainties involved in such agreements and projects are typically versatile and significant, requiring thorough assessment and management.’
A11: 
Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score: 
1

Comments:
Based on public information, there is evidence that the company conducts due diligence that minimises corruption risk when selecting its agents. Checks are made on factors including the agents’ backgrounds, reputation and ownership structure. The company therefore scores 1. To score higher the company would need to provide evidence that it refreshes the due diligence at least every 3 years and/or when there is a significant change in the business relationship.

References:
Public:
Ethical Code of Conduct, p.10: Selection of Business Partners
‘Patria has guidelines in place with regard to the selection of business partners. The objectives are as follows: selections are transparent, decisions are made in cooperation with the Group and business operations, authentication is consolidated, measures are traceable and the partners are supervised.
Patria’s Ethical Code is applied to all business partners, and training related to it is provided for them if necessary. When a business partner is being selected, sufficient checks must be made on the prospective partner’s background, reputation, ownership structure, financial standing and level of competence.
Agreements are always standard-form contracts concluded for a fixed term. When concluding an agreement, special attention is paid to the grounds for payment, so that they correspond to the tasks and actions agreed and are within generally accepted limits.
Honesty, integrity, fairness and caution are expected from Patria representatives in all business transactions.
The Business Partner Selection is available in our Integrated Management System (IMS).’
http://patria.mediabank.fi/en/material/download/9819
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 to control and audit agents, with respect to countering corruption. The Ethical Code of Conduct is applied to all business partners and related training is provided if necessary. Partners are supervised and the company requires that business partners abide by the local legislation of any country in which they operate. However, there is no evidence of formal processes to prevent or deal with violations, as the Ethical Code of Conduct states that only employees are subject to disciplinary procedures.

References:
Public:
TI notes:
Ethical Code of Conduct, p.10:
‘Patria has guidelines in place with regard to the selection of business partners. The objectives are as follows: selections are transparent, decisions are made in cooperation with the Group and business operations, authentication is consolidated, measures are traceable and the partners are supervised.
Patria’s Ethical Code is applied to all business partners, and training related to it is provided for them if necessary. When a business partner is being selected, sufficient checks must be made on the prospective partner’s background, reputation, ownership structure, financial standing and level of competence.
Agreements are always standard-form contracts concluded for a fixed term. When concluding an agreement, special attention is paid to the grounds for payment, so that they correspond to the tasks and actions agreed and are within generally accepted limits.
Honesty, integrity, fairness and caution are expected from Patria representatives in all business transactions.’
‘As a general rule, we co-operate only with partners who are willing to abide by the principles underlying our Ethical Code. We require that our partners abide by the local legislation of any country in which they operate.’

http://patria.mediabank.fi/en/material/download/9819

Company website: Code of Conduct

‘Implementation of the Code

It is Patria’s policy to ensure the compliance with this Code by organising and developing appropriate auditing, monitoring and reporting processes. Employees who violate this Code are subject to disciplinary action up to and including termination of employment. Furthermore, all employees are encouraged to report any violations against this Code to their own superior or to the General Counsel. Any person reporting such violations in good faith will not be retaliated in any way for making such a report. In all instances the rights and privacy of both the reporting person(s) and the one(s) accused of violations are to be adequately protected and assured.’

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:

1

Comments:

Based on public information, there is evidence that the company ensures contractors, sub-contractors and suppliers are aware of its stance on bribery and corruption. The company states that it only works with suppliers who are willing to abide by the principles underlying its Ethical Code of Conduct. The company therefore scores 1. To score higher the company would need to provide evidence of contractual rights to apply sanctions in the event of contract violations.

References:

Public:
Ethical Code of Conduct, p.4:
‘When drawing up contracts with partners, the starting point is that the partners follow the principles of Patria’s Ethical Code.’

(p.10): ‘Patria has guidelines in place with regard to the selection of business partners. The objectives are as follows: selections are transparent, decisions are made in cooperation with the Group and business operations, authentication is consolidated, measures are traceable and the partners are supervised.

Patria’s Ethical Code is applied to all business partners, and training related to it is provided for them if necessary. When a business partner is being selected, sufficient checks must be made on the prospective partner’s background, reputation, ownership structure, financial standing and level of competence.

Agreements are always standard-form contracts concluded for a fixed term. When concluding an agreement, special attention is paid to the grounds for payment, so that they correspond to the tasks and actions agreed and are within generally accepted limits.

Honesty, integrity, fairness and caution are expected from Patria representatives in all
business transactions.’

‘Supplier and Sub-contractors
As a general rule, we co-operate only with partners who are willing to abide by the principles underlying our Ethical Code. We require that our partners abide by the local legislation of any country in which they operate.

Decisions concerning all suppliers and sub-contractors should be made as impartially as possible and with the Group’s interests at heart. The supplier and sub-contractor networks are developed in a manner that produces the most cost-effective value to the customers and owners.’

http://patria.mediabank.fi/en/material/download/9819
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 minimise 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:
2

Comments:
Based on public information, there is evidence that the company has an anti-corruption policy that prohibits corruption in its various forms, including bribery, conflicts of interest and gifts.

References:
Public:
Ethical Code of Conduct, p.3:
‘Patria has unambiguous zero tolerance for bribery, but this zero tolerance also applies to other unethical activities.’

(p.6): ‘Bribery and corruption are forbidden throughout Patria’s operations. Neither Patria nor any of its employees may pay or offer bribes or illegal payments. Moreover, no member of Patria may receive personal benefits or gifts from stakeholders, for example from customers, employees, suppliers etc. wherever such gifts are not in compliance with the applicable legislation and local business practices. Patria does not give gifts or make donations to political parties, nor does it participate in party-political activities. Furthermore, Patria does not support private individuals in pursuing their political aims.’
http://patria.mediabank.fi/en/material/download/9819

Company website: Ethical Code of Conduct
‘Conflicts of Interest, Gifts and Bribes
Patria employees are expected to promote the interest of Patria and, while doing so, to act responsibly. Patria’s employees must avoid any activity which may lead to conflict of interest.'
Any kind of corruption and bribery in Patria’s operations is prohibited. Patria and its employees must not offer or pay bribes or any other illegal payments to any government officials or other parties in order to obtain or retain business or for any other reason. Patria’s employees shall not take personal benefits or business courtesies from Patria’s stakeholders or suppliers which are not in accordance with any applicable law or code of local business practice. Benefits or business courtesies may only be accepted if given in the ordinary course of business and provided that they shall in all circumstances be of moderate value.

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

Score: 2

Comments: Based on public information, there is evidence that the company’s anti-corruption policy is explicitly one of zero-tolerance.

References:

Public:
Ethical Code of Conduct, p.3: ‘Patria has unambiguous zero tolerance for bribery, but this zero tolerance also applies to other unethical activities,’

(p.6): ‘Bribery and corruption are forbidden throughout Patria’s operations. Neither Patria nor any of its employees may pay or offer bribes or illegal payments. Moreover, no member of Patria may receive personal benefits or gifts from stakeholders, for example from customers, employees, suppliers etc. wherever such gifts are not in compliance with the applicable legislation and local business practices. Patria does not give gifts or make donations to political parties, nor does it participate in party-political activities. Furthermore, Patria does not support private individuals in pursuing their political aims.’
http://patria.mediabank.fi/en/material/download/9819

Patria Financial Statements 2013, p.7: ‘Patria has zero tolerance for corruption.’

Chairman of the Board statement concerning ethical conduct (English and Finnish):
Transcript: ‘Patria has a zero tolerance towards corruption. That naturally applies also to other unethical activity.’
https://www.youtube.com/watch?v=J9_OKo34EdI (English)
https://www.youtube.com/watch?v=4ahFoNLWcuA (Finnish)
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. The Ethical Code of Conduct is distributed to all company sites and is available on the company website in English and Finnish.

References:

Public:
Ethical Code of Conduct, p.16: ‘You can also give feedback or ask questions anonymously in the intranet, via the Report Alleged Misconduct link.’
http://patria.mediabank.fi/en/material/download/9819

Ethical Code of Conduct, Finnish language:
http://patria.mediabank.fi/en/material/download/9820

Annual Report 2013, p.8: ‘…We updated our code of ethics material and distributed it to all Patria locations.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf
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 easily understandable and clear to Board members, employees and third parties. The Ethical Code of Conduct is written in clear, comprehensible language.

References:
Public:
Ethical Code of Conduct, p.6:
‘Bribery and corruption are forbidden throughout Patria’s operations. Neither Patria nor any of its employees may pay or offer bribes or illegal payments. Moreover, no member of Patria may receive personal benefits or gifts from stakeholders, for example from customers, employees, suppliers etc. wherever such gifts are not in compliance with the applicable legislation and local business practices. Patria does not give gifts or make donations to political parties, nor does it participate in party-political activities. Furthermore, Patria does not support private individuals in pursuing their political aims.’
http://patria.mediabank.fi/en/material/download/9819
A18:

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

Score:

2

Comments:

Based on public information, there is evidence that the Ethical Code of Conduct applies to all company employees, directors and officers.

References:

Public:
Ethical Code of Conduct, p.4:
‘Our Ethical Code of Conduct, which is applied to all Finnish and foreign Patria subsidiaries, defines how all employees, clerical workers and managers of the Patria Group operate. In his or her work, no member of Patria Group is entitled to perform, require others to perform, or permit actions that are against the law... When drawing up contracts with partners, the starting point is that the partners follow the principles of Patria’s Ethical Code.’
http://patria.mediabank.fi/en/material/download/9819

Company website: Code of Conduct
‘The Code is applicable to all Patria’s domestic or foreign group companies. Furthermore, it is a non-negotiable requirement that all Patria’s employees including directors and officers follow this Code without exception. Accordingly, it is the responsibility of each employee within Patria to ensure full compliance with this Code.’
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 evidence that the company has a policy on potential conflicts of interest. All employees are instructed to avoid any activity that may lead to a conflict of interest. The supplementary Guidelines on Related Parties’ Transactions are provided for employees who exercise decision-making power and Board members. The company therefore scores 1. To score higher the company would need to provide evidence that conflicts of interest are clearly defined to employees and explained using examples.

References:
Public:
Company website, Code of Conduct
‘Patria’s employees must avoid any activity which may lead to conflict of interest.’

Ethical Code of Conduct, p.4: ‘Guidelines on Related Parties
Patria’s Guidelines on Related Parties’ Transactions shall be applied to all persons in the employ of Patria who exercise decision-making power (e.g. within the scope of approval authorisations granted by Patria), or who could significantly influence decision-making. They shall also be applied to members of Patria’s Board of Directors and Consultative Committee. However, they shall not apply to business transactions between Group companies.

All employees must personally and actively evaluate whether business transactions conducted by Patria connect to parties related to them. When an employee becomes aware of a business transaction planned by Patria which is connected to a party related to the employee, he or she must immediately report the matter to his or her superior and the party responsible for the preparation of the transaction. Patria does not maintain a register of related parties.
If an employee is uncertain of the applicability of these Guidelines on Related Parties to a transaction under preparation, he or she should contact Patria’s General Counsel or one of Patria’s legal counsels.”
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. Individuals may not receive gifts from stakeholders if they are not compliant with applicable legislation, an ordinary part of business or of moderate value. However, evidence does not show that the company has a policy for the giving of gifts. To score on this question the company would need to provide evidence of a policy that regulates both the giving and receiving of gifts, as well as clear upper limits on the acceptable value of a gift and/or the requirement for senior management authorisation if a value threshold is exceeded.

References:
Public:
TI notes:
Ethical Code of Conduct, p.6:
‘Bribery and corruption are forbidden throughout Patria’s operations. Neither Patria nor any of its employees may pay or offer bribes or illegal payments.
Moreover, no member of Patria may receive personal benefits or gifts from stakeholders, for example from customers, employees, suppliers etc. wherever such gifts are not in compliance with the applicable legislation and local business practices.
Patria does not give gifts or make donations to political parties, nor does it participate in party-political activities. Furthermore, Patria does not support private individuals in pursuing their political aims.
The Public Relations and Donations Guides are available in our Integrated Management System (IMS).’
http://patria.mediabank.fi/en/material/download/9819

Company website: Code of Conduct
‘Patria’s employees shall not take personal benefits or business courtesies from Patria’s stakeholders or suppliers which are not in accordance with any applicable law or code of local business practice. Benefits or business courtesies may only be accepted if given in the ordinary course of business and provided that they shall in all circumstances be of moderate value.’

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 that the company has a policy for the receipt of hospitality, to ensure that such transactions are bona fide and not a subterfuge for bribery. Individuals may not receive personal benefits or gifts from stakeholders if they are not compliant with the applicable legislation, an ordinary part of business or of moderate value. However, evidence does not show that the company has a policy for the giving of hospitality. To score on this question the company would need to provide evidence of a policy that regulates both the giving and receiving of hospitality, as well as clear upper limits on the acceptable value of hospitality and/or the requirement for senior management authorisation if a value threshold is exceeded.

References:
Public:
TI notes:
Ethical Code of Conduct, p.6:
‘Bribery and corruption are forbidden throughout Patria’s operations. Neither Patria nor any of its employees may pay or offer bribes or illegal payments.
Moreover, no member of Patria may receive personal benefits or gifts from stakeholders, for example from customers, employees, suppliers etc. wherever such gifts are not in compliance with the applicable legislation and local business practices.
Patria does not give gifts or make donations to political parties, nor does it participate in party-political activities. Furthermore, Patria does not support private individuals in pursuing their political aims.
The Public Relations and Donations Guides are available in our Integrated Management System (IMS).’
http://patria.mediabank.fi/en/material/download/9819

PATRIA 09/09/14
HTTP://PATRIA.FI/FI
HTTP://PATRIA.FI/EN
Company website: Code of Conduct

‘Patria’s employees shall not take personal benefits or business courtesies from Patria’s stakeholders or suppliers which are not in accordance with any applicable law or code of local business practice. Benefits or business courtesies may only be accepted if given in the ordinary course of business and provided that they shall in all circumstances be of moderate value.’

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

Score:

1

Comments:
Based on public information, there is evidence that the company prohibits facilitation payments. The company therefore scores 1. To score higher the company would need to provide guidance on how this policy is to be implemented in practice, such as when facilitation payments are demanded under duress.

References:
Public:
Company website: Active in anti-corruption
‘Facility payments are not permitted by Patria in any form of manner.’
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:

2

Comments:
Based on public information, there is evidence that the company prohibits political contributions.

References:
Public:
Ethical Code of Conduct, p.6:
‘Patria does not give gifts or make donations to political parties, nor does it participate in party-political activities. Furthermore, Patria does not support private individuals in pursuing their political aims. The Public Relations and Donations Guides are available in our Integrated Management System (IMS).’
http://patria.medibank.fi/en/material/download/9819
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 that it discloses the issues on which it lobbies.

References:
Public:
TI notes:
Ethical Code of Conduct, p.6:
‘Patria does not give gifts or make donations to political parties, nor does it participate in party-political activities. Furthermore, Patria does not support private individuals in pursuing their political aims. The Public Relations and Donations Guides are available in our Integrated Management System (IMS).’
http://patria.mediabank.fi/en/material/download/9819
A25(a):
Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:

1

Comments:
Based on public information, there is evidence that the company regulates charitable contributions. Charitable donations and sponsorship are regulated by the Communications department and the Board of Management. The company therefore scores 1. To score higher the company would need to provide evidence of procedures for donations, such as counter signatures, and that it publically declares recipients.

References:
Public:
Ethical Code of Conduct, p.6: ‘Patria handles sponsorship on a centralised basis. The Communications department obtains the approval of the Board of Management for the donation and sponsorship plan in the autumn of each year. In addition to a few main sponsorship targets, Patria provides modest support for studies and leisure activities related to the industry and its operating environment. In the name of impartiality, we do not support private persons or their activities. The Sponsorship Guide is available in our Integrated Management System (IMS), and instructions on how to apply for sponsorship can be found both in the intranet and on our website.’
http://patria.medibank.fi/en/material/download/9819
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 company’s ethics and anti-corruption agenda. The Ethical Code of Conduct does not contain scenarios and is insufficiently detailed to be deemed applicable.

References:

Public:
TI notes:
Ethical Code of Conduct, p.16: ‘If You Do Not Know How to Act - Read the relevant guidelines and instructions... Questions and feedback on Patria’s Ethical Code and its observance can also be sent by e-mail to the address lakia@patria.fi. You can also give feedback or ask questions anonymously in the intranet, via the Report Alleged Misconduct link. You can always contact legal counsels and the General Counsel.
In Support of a Decision - Even if a decision you make is lawful, it may not fulfil the relevant ethical requirements. Consider what effects your decision will have on the big picture. If you are uncertain, ask your superior for advice or contact the General Counsel.’
http://www.patria.fi/EN/Corporate+responsibility/index.html

Company website: Training
‘All Patria employees go annually through an online training on Ethical Code of Conduct. Training material includes examples on situations where people should especially consider the ethical way to proceed... New Patria superiors go through Ethical Code training in connection of Superior Passport Training as one part of the course. Strategic suppliers and partners receive training on Patria’s Ethical Code of Conduct.’
http://www.patria.fi/EN/About+Patria/Corporate+responsibility/Ethical+industry+player/Tr
A27: 
Does the company have a training programme that explicitly covers anti-corruption?

Score:

2

Comments:

Based on public information, there is evidence that the company has an explicit anti-corruption module as part of its ethics and compliance training programme.

References:

Public:
Ethical Code of Conduct, p.16:
‘All new Patria employees receive training on the Ethical Code during the orientation phase. All Patria employees go through annual online training on the ethical Code of Conduct.’
http://www.patria.fi/EN/Corporate+responsibility/index.html

Annual Report 2013, p.8: ‘…online training on ethical practices was organised for all staff in Patria, and a range of targeted sessions were held.’

(p.26): ‘Internal training applicable to all personnel was conducted online for the first time, in addition to which classroom training was offered to specified groups such as marketing, sales, procurement, and the ones facing customers and stakeholders. The online training was completed by 92% of personnel working in Finland, including 100% of managers. Ethics training was included in the Manager’s Passport training given to new managers, as well as in the orientation events arranged three times a year for new employees. All new Patria employees learn about ethical operations during their orientation period.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Company website: Training
‘All Patria employees go annually through an online training on Ethical Code of Conduct. Training material includes examples on situations where people should especially consider
the ethical way to proceed’

‘Additionally for employees working with different stakeholders, such as in marketing and purchasing, class-room training is provided.’

‘New Patria superiors go through Ethical Code training in connection of Superior Passport Training as one part of the course.
Strategic suppliers and partners receive training on Patria's Ethical Code of Conduct’.
http://www.patria.fi/EN/About+Patria/Corporate+responsibility/Ethical+industry+player/Training/index.html

Company website: Active in anti-corruption
‘All Patria employees are trained; Patria employees are expected to finalize an Online Training once a year and class room training is arranged on a regular basis to targeted groups (management teams, marketing, sales, procurement, suppliers, business partners, etc.).’

‘Prevention – raising awareness through clear policies and training to prevent employees from making mistakes’.
A28:

Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

2

Comments:

Based on public information, there is evidence that all employees receive anti-corruption training.

References:

Public:
Annual Report 2013, p.8: ‘...online training on ethical practices was organised for all staff in Patria, and a range of targeted sessions were held.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

(p.26): ‘Patria’s partially owned subsidiary Nammo AS is in charge of its own corporate responsibility. Through its Board participation, Patria supervises Nammo’s operations to ensure a sufficient level is met. The majority-owned subsidiary Millog has group-level guidelines for ethical business operations, as well as a whistleblowing channel for reporting unethical activity...

Internal training applicable to all personnel was conducted online for the first time, in addition to which classroom training was offered to specified groups such as marketing, sales, procurement, and the ones facing customers and stakeholders. The online training was completed by 92% of personnel working in Finland, including 100% of managers. Ethics training was included in the Manager’s Passport training given to new managers, as well as in the orientation events arranged three times a year for new employees.’

http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Company website: Training
‘All Patria employees go annually through an online training on Ethical Code of Conduct... Additionally for employees working with different stakeholders, such as in marketing and purchasing, class-room training is provided. New Patria employees have two opportunities
to get acquainted with the Ethical Code. First in a general introduction during their very first days of employment and then in an event organised three times a year where all the new employees are gathered from all Patria locations. In this event General Counsel, Chief Compliance Officer, goes through the Patria Ethical Code of Conduct once more. New Patria superiors go through Ethical Code training in connection of Superior Passport Training as one part of the course. Strategic suppliers and partners receive training on Patria's Ethical Code of Conduct.'

http://www.patria.fi/EN/About+Patria/Corporate+responsibility/Ethical+industry+player/Training/index.html

Company website: Active in anti-corruption

‘All Patria employees are trained; Patria employees are expected to finalize an Online Training once a year and class room training is arranged on a regular basis to targeted groups (management teams, marketing, sales, procurement, suppliers, business partners, etc.).’

‘Prevention – raising awareness through clear policies and training to prevent employees from making mistakes’.  

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 Board members.

References:
Public:
TI notes:
Annual Report 2013, p.26: ‘The online training was completed by 92% of personnel working in Finland, including 100% of managers. Ethics training was included in the Manager’s Passport training given to new managers, as well as in the orientation events arranged three times a year for new employees.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Company website: Training
‘New Patria superiors go through Ethical Code training in connection of Superior Passport Training as one part of the course.’
http://www.patria.fi/EN/About+Patria/Corporate+responsibility/Ethical+industry+player/Training/index.html
A30:
Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score:

2

Comments:
Based on public information, there is evidence that the company provides tailored ethics class-room training for employees in sensitive positions. This includes marketing, sales, procurement, and groups working with customers and stakeholders.

References:

Public:
Annual Report 2013, p.8: ‘... online training on ethical practices was organised for all staff in Patria, and a range of targeted sessions were held.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf
(p.26): ‘Internal training applicable to all personnel was conducted online for the first time, in addition to which classroom training was offered to specified groups such as marketing, sales, procurement, and the ones facing customers and stakeholders.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Company website: Training
‘All Patria employees go annually through an online training on Ethical Code of Conduct. Training material includes examples on situations where people should especially consider the ethical way to proceed. It also aims to ensure that all Patria employees have the knowledge what the related guidance imply. Additionally for employees working with different stakeholders, such as in marketing and purchasing, class-room training is provided.’

‘New Patria superiors go through Ethical Code training in connection of Superior Passport Training as one part of the course’.
http://www.patria.fi/EN/About+Patria/Corporate+responsibility/Ethical+industry+player/Training/index.html

Company website: Active in anti-corruption

‘All Patria employees are trained; Patria employees are expected to finalize an Online Training once a year and class room training is arranged on a regular basis to targeted groups (management teams, marketing, sales, procurement, suppliers, business partners, etc.).’

‘Prevention – raising awareness through clear policies and training to prevent employees from making mistakes’.

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 for employees to declare conflicts of interest. For business transactions that involve a party connected to an employee, employees must report the matter to their superior and the party responsible for the preparation of the transaction. To score on this question the company must instruct employees to declare conflicts of interest in writing either to a manager or to an independent department.

References:
Public:
TI notes:
Company website: Code of Conduct, Conflicts of Interest, Gifts and Bribes
‘Patria’s employees must avoid any activity which may lead to conflict of interest.’

Ethical Code of Conduct, p.4:
‘Guidelines on Related Parties
Patria’s Guidelines on Related Parties’ Transactions shall be applied to all persons in the employ of Patria who exercise decision-making power (e.g. within the scope of approval authorisations granted by Patria), or who could significantly influence decision-making. They shall also be applied to members of Patria’s Board of Directors and Consultative Committee. However, they shall not apply to business transactions between Group companies.
All employees must personally and actively evaluate whether business transactions conducted by Patria connect to parties related to them. When an employee becomes aware of a business transaction planned by Patria which is connected to a party related to the employee, he or she must immediately report the matter to his or her superior and the party responsible for the preparation of the transaction. Patria does not maintain a register
of related parties.

If an employee is uncertain of the applicability of these Guidelines on Related Parties to a transaction under preparation, he or she should contact Patria’s General Counsel or one of Patria’s legal counsels.”
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 has a commitment to apply disciplinary procedures to those individuals found to have violated its Ethical Code of Conduct, which includes an anti-corruption policy.

References:

Public:

Ethical Code of Conduct, p.4:
‘Our Ethical Code of Conduct, which is applied to all Finnish and foreign Patria subsidiaries, defines how all employees, clerical workers and managers of the Patria Group operate. In his or her work, no member of Patria Group is entitled to perform, require others to perform, or permit actions that are against the law... When drawing up contracts with partners, the starting point is that the partners follow the principles of Patria’s Ethical Code.’

http://patria.mediabank.fi/en/material/download/9819

Company website: Code of Conduct:
‘The Code is applicable to all Patria’s domestic or foreign group companies. Furthermore, it is a non-negotiable requirement that all Patria’s employees including directors and officers follow this Code without exception. Accordingly, it is the responsibility of each employee within Patria to ensure full compliance with this Code.’

‘Implementation of the Code
It is Patria’s policy to ensure the compliance with this Code by organising and developing appropriate auditing, monitoring and reporting processes.
Employees who violate this Code are subject to disciplinary action up to and including
termination of employment. Furthermore, all employees are encouraged to report any violations against this Code to their own superior or to the General Counsel. Any person reporting such violations in good faith will not be retaliated in any way for making such a report. In all instances the rights and privacy of both the reporting person(s) and the one(s) accused of violations are to be adequately protected and assured.'

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 evidence that the company has multiple, well-publicised, secure channels through which employees can report concerns or suspected corrupt activity. Employees can discuss concerns or questions with their superior, the company management, the General Counsel, the legal counsels, or a via a designated e-mail address. In particular, feedback can be provided anonymously using the Report Alleged Misconduct link found on the company intranet. The company therefore scores 1. To score higher the company would need to provide evidence of an independent reporting channel.

References:
Public:
Ethical Code of Conduct, p.16: ‘If You Do Not Know How to Act - Read the relevant guidelines and instructions. Discuss the matter with your superior, company management or other experts. Do not forget common sense and your personal responsibility. Questions and feedback on Patria’s Ethical Code and its observance can also be sent by e-mail to the address lakia@patria.fi. You can also give feedback or ask questions anonymously in the intranet, via the Report Alleged Misconduct link. You can always contact legal counsels and the General Counsel.’
http://patria.mediabank.fi/en/material/download/9819

Annual Report 2013, p.8: ‘We updated our code of ethics material and distributed it to all Patria locations. In addition, we created a whistleblower channel, through which employees can, where necessary, anonymously inform the company of any suspected malpractice.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf
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. Employees can discuss concerns or questions with their superior, the company management, the General Counsel, the legal counsels, or via a designated e-mail address. In particular, feedback can be provided anonymously using the Report Alleged Misconduct link found on the company intranet.

References:
Public:
Ethical Code of Conduct, p.16: ‘If You Do Not Know How to Act - Read the relevant guidelines and instructions. Discuss the matter with your superior, company management or other experts. Do not forget common sense and your personal responsibility. Questions and feedback on Patria’s Ethical Code and its observance can also be sent by e-mail to the address lakia@patria.fi. You can also give feedback or ask questions anonymously in the intranet, via the Report Alleged Misconduct link. You can always contact legal counsels and the General Counsel.’
http://patria.mediabank.fi/en/material/download/9819

Annual Report 2013, p.8: ‘We updated our code of ethics material and distributed it to all Patria locations. IN addition, we created a whistleblower channel, through which employees can, where necessary, anonymously inform the company of any suspected malpractice.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf
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 or that whistleblowers are treated supportively.

References:

Public:
TI notes:
Annual Report 2013, p.8: ‘...we created a whistleblower channel, through which employees can, where necessary, anonymously inform the company of any suspected malpractice.’

(p.26): ‘Patria has a direct e-mail address for this purpose, as well as a whistleblowing channel for reporting unethical activity – anonymously if the reporter so chooses. No serious misconduct was reported in the feedback. Most questions concerned the giving or receiving of birthday and other gifts, participation in events, and inappropriate conduct.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Company website: Code of Conduct
‘It is Patria’s policy to ensure the compliance with this Code by organising and developing appropriate auditing, monitoring and reporting processes. Employees who violate this Code are subject to disciplinary action up to and including termination of employment. Furthermore, all employees are encouraged to report any violations against this Code to their own superior or to the General Counsel. Any person reporting such violations in good faith will not be retaliated in any way for making such a report. In all instances the rights and privacy of both the reporting person(s) and the one(s) accused of violations are to be adequately protected and assured.’
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. Employees can discuss concerns or questions with their superior, the company management, the General Counsel, the legal counsels, or a via a designated e-mail address.

References:
Public:
Annual Report 2013, p.8: ‘In addition, we created a whistleblower channel, through which employees can, where necessary, anonymously inform the company of any suspected malpractice.’
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Ethical Code of Conduct, p.16:
‘If You Do Not Know How to Act
Read the relevant guidelines and instructions.
Discuss the matter with your superior, company management or other experts.
Do not forget common sense and your personal responsibility.
Questions and feedback on Patria’s Ethical Code and its observance can also be sent by e-mail to the address lakia@patria.fi. You can also give feedback or ask questions anonymously in the intranet, via the Report Alleged Misconduct link. You can always contact legal counsels and the General Counsel.’
http://patria.mediabank.fi/en/material/download/9819
A35:

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

Score:

1

Comments:

Based on public information, there is evidence that the company has a commitment to non-retaliation for bona fide reporting of corruption. The company therefore scores 1. To score higher the company would need to provide evidence that disciplinary measures are applied to employees who breach this policy.

References:

Public:
Company website: Code of Conduct
‘Implementation of the Code
It is Patria’s policy to ensure the compliance with this Code by organising and developing appropriate auditing, monitoring and reporting processes. Employees who violate this Code are subject to disciplinary action up to and including termination of employment. Furthermore, all employees are encouraged to report any violations against this Code to their own superior or to the General Counsel. Any person reporting such violations in good faith will not be retaliated in any way for making such a report. In all instances the rights and privacy of both the reporting person(s) and the one(s) accused of violations are to be adequately protected and assured.’
Information Sources:

Company website:
http://patria.fi/fi
http://patria.fi/en

Ethical Code of Conduct:

Annual Report 2013:
http://www.patria.fi/c09a5800426c0974bbf9bf76b2946bec/AnnualReport2013.pdf

Financial Statements 2013:

Annual Report 2012:
http://www.patria.fi/d1b398804f60f213ae3fef9d77426fe/Patria_vsk2012_en.pdf