FINAL ASSESSMENT

SUKHOI COMPANY (JSC)

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>
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</thead>
<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>0%</td>
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<tr>
<td>Risk Management</td>
<td>7</td>
<td>0%</td>
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<tr>
<td>Company Policy and Codes</td>
<td>12</td>
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<tr>
<td>Training</td>
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<td>Personnel and Helplines</td>
<td>7</td>
<td>0%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>0%</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:

0

Comments:
Based on public information, there is no readily available evidence that the Chief Executive Officer or the Chair of the Board publishes a statement supporting the ethics and anti-corruption agenda of the company.

References:
Public:
NA
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 Chief Executive Officer or the Chair of the Board demonstrates a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company.

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

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company’s Chief Executive Officer demonstrates a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure.

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

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company publishes a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability. TI does note that the company publishes its philosophy in which it affirms to be striving to become ‘a model of stability, reliability and corporate business standards’.

References:
Public:
TI Notes:
Company Website:
‘The holding’s philosophy
The creation of Sukhoi Aviation Holding Company is in line with the interests of the state, the regions, our partners, the Russian public and each employee of the holding.
Well aware of its responsibilities towards the state and public, Sukhoi Company builds its social and business philosophy based on experience, traditions and corporate values.
Sukhoi Holding Company strives to become:
a high-performance, fast-growing company, with excellent investment prospects and a team of high-tech professionals;
a think-tank of the Russian aviation industry, a participant in international projects, with a global role to play;
a model of stability, reliability and corporate business standards in line with the interests of the Russian state, its allies and strategic partners.
Sukhoi’s mission is to help the Russian defence industry realise in full its industrial, intellectual and financial potential by developing and exporting cutting-edge aircraft engineering products for civil and military applications.
Sukhoi is proud to make a significant contribution to the defence effort of the Russian Federation, the strengthening of the economic and industrial infrastructure of the country, and the shaping of a new business philosophy with a high positive social impact.

Sukhoi’s primary objective is to set up a high-performance high-technology aircraft-manufacturing company with a global status.

The holding’s growth strategy provides for three types of objectives.

Short-term objectives (2003-2005): to maintain and increase research, development and production momentum achieved by the design and production facilities to ensure effective fulfilment of contracts made.

Medium-term objectives (2006-2010): to keep a competitive edge in the aircraft market through developing and manufacturing new Su-32 and Su-35 type fighters, the civil RRJ planes and general-purpose aircraft, and branching into new types of aftersales services.

Long-term objectives (2011-2015): to expand into new aircraft markets under programmes to produce new-generation aircraft for frontline aviation, civil aviation and unmanned flight vehicles by pooling resources with Russian and foreign partners, as well as to scale up aftersales services.

When developing its corporate strategy, Sukhoi Aviation Holding Company strives to bring it into line with the ever-changing requirements of the modern world. The strategy sets targets for the major lines of the Company's activities.’

http://www.sukhoi.org/eng/company/ideology/
http://www.sukhoi.org/company/ideology/

‘Company’s Human Resources and Social Management:

- Development of HR potential in accordance with the Company's strategic objectives and tasks.
- Providing a productive working environment. Providing opportunities and incentives for staff to realise their potential and advance careers.
- Setting up a personnel reserve.
- Remuneration of labour in accordance with the employee's performance and personal contribution to the Company's overall performance.
- Providing social security for the holding's staff.
- Fostering corporate culture.’

http://www.sukhoi.org/eng/company/people/policy/
http://www.sukhoi.org/company/people/policy/
A5:
Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score:
0

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

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

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda.

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:

0

Comments:

Based on public information, there is no readily available evidence that the company has appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda.

References:

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

Score:

0

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

References:
Public:
NA
A8(a):
Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:

0

Comments:
Based on public information, there is no readily available evidence that there is a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and no evidence of improvement plans being implemented when issues are identified.

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

Score:
0

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

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

Score:
0

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

References:
Public: 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:
TI Notes:
McKinsey & Company website: Defense offsets: From ‘contractual burden’ to competitive weapon
‘Sukhoi, one of Russia’s major aircraft manufacturers, transferred various space technologies to the Malaysian National Space Agency to fulfill obligations related to the sale of 18 Su-30MKM aircraft.’
http://www.mckinsey.com/insights/public_sector/defense_offsets_from_contractual_burden_to_competitive_weapon
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:
TI Notes:
McKinsey & Company website: Defense offsets: From ‘contractual burden’ to competitive weapon
‘Sukhoi, one of Russia’s major aircraft manufacturers, transferred various space technologies to the Malaysian National Space Agency to fulfill obligations related to the sale of 18 Su-30MKM aircraft.’
http://www.mckinsey.com/insights/public_sector/defense_offsets_from_contractual_burden_to_competitive_weapon
A15:
Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has an anti-corruption policy that prohibits corruption in its various forms.

References:
Public:
TI Notes:
The company is understood to have a Corporate Code of Conduct. There is a section on compliance with the Code in the Annual report for 2011. However, this had not been approved since 2011 (the most recent reference to it) and is not publicly available.
Annual Report 2011, p.65:
A16: Is the anti-corruption policy explicitly one of zero tolerance?

Score: 0

Comments: Based on public information, there is no readily available evidence of a zero-tolerance anti-corruption policy.

References:
Public: NA
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:

0

Comments:
Based on public information, there is no readily available evidence that the company’s anti-corruption policy is easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company.

References:

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

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company’s anti-corruption policy is easily understandable and clear to Board members, employees and third parties.

References:

Public:
NA
A18:

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

Score:

0

Comments:

Based on public information, there is no readily available evidence that the company’s anti-corruption policy explicitly applies to all employees and members of the Board.

References:

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

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a policy on potential conflicts of interest.

References:
Public:
NA
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 publicly disclose all political contributions?

Score:
0

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

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

Score:

0

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

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

Score:

0

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

References:

Public:
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.

References:

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

Score:

0

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

References:

Public:
Annual Report 2011, p.7:
Letter from the Chairman of the Board and Director General

‘Особое внимание на предприятиях холдинга уделялось реализации социальной и кадровой политики. Проводится системная работа по формированию и развитию кадрового резерва, создаются дополнительные возможности для обучения и продвижения перспективных сотрудников на управленческие позиции.’

«Particular attention was paid to implementing social and personnel policies. The company carried out systematic work on the formation and development of reserve personnel, creating additional opportunities for training and promoting promising employees to managerial positions.’


Training and Consulting:
Comprehensive and Dedicated courses

‘…Special-purpose training aids (comprehensive, dedicated and procedure-oriented simulators) designed for studying and mastering aircraft systems, training, maintaining proficiency and assessing readiness of cockpit and engineering personnel to respectively perform flights and carry out maintenance work.’

http://www.sukhoi.org/eng/logistic/teaching/
A28:

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

Score:

0

Comments:

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

References:

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

Score:
0

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

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

Score:

0

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

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

Score:

0

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

References:
Public:
NA
A32:
Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score:

0

Comments:
Based on public information, there is no readily available 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.

References:
Public:
NA
A33:
Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity.

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

Score:

0

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

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

Score:
0

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

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

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has well-publicised resources available to all employees where help and advice can be sought on corruption-related issues.

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

Score:
0

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

References:
Public:
NA
Information Sources:

Company website:
http://www.sukhoi.org

The Holding’s Philosophy:
http://www.sukhoi.org/eng/company/ideology/

Company’s Human Resources and Social Management:
http://www.sukhoi.org/eng/company/people/policy/
http://www.sukhoi.org/company/people/policy/

Company’s Annual Report (2011) (Russian):

Training and Consulting:
http://www.sukhoi.org/eng/logistic/teaching/