FINAL ASSESSMENT

THE AEROSPACE CORPORATION

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>5%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>50%</td>
</tr>
<tr>
<td>Training</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>28.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>23.1%</strong></td>
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</tbody>
</table>

TI has found no evidence that the company is involved in offsets and has therefore removed the two relevant questions (A13a and A13b).
A1:
Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score:

1

Comments:
Based on public information, there is some evidence that President and CEO Dr. Wanda M. Austin has made one strong statement in the past two years that promotes the company’s ethics agenda. However, statements in the Annual Reports and in regard to an award from Ethisphere are insufficiently strong. The company therefore scores 1. To score higher the company would need to provide evidence of at least two other such statements from the last two years, or one statement from the last two years that specifically supports the company’s strong stance against corruption.

References:
Public:
Annual Report (2013), p.3:
‘In all of our efforts, we will continue to adhere to our corporate values – Dedication to Mission Success, Technical Excellence, Commitment to Our People, Integrity, and Objectivity – to ensure we deliver the highest possible value and innovation to our customers’
Message from Chairman Peter B. Teets and President and CEO Dr. Wanda M. Austin

Ethics: Standards of Business Conduct, unknown date, p.0:
Message from President & CEO Dr. Wanda M. Austin
‘In our five decades as the federally funded research and development center for national security space, technical excellence, objectivity, and integrity have been the prime deliverables of The Aerospace Corporation. Our reputation for disciplined adherence to our corporate code of ethics is valued by our customers. In recognition of our commitment to ethical behavior, in 2008 and 2009 the Ethisphere Institute declared Aerospace to be one of the “World’s Most Ethical Companies.” Ethisphere is a non profit institute dedicated to the research and promotion of profitable best practices
in global governance, business ethics, compliance, and corporate responsibility.

Through our ethics program, we strive for every employee to understand our high standards and how their actions

Help us deliver on our promise to deliver 100 percent mission success and to live our other corporate values of technical excellence, commitment to our people, objectivity, and integrity.

Our ethics program has been effective in the past because of the dedicated commitment of all of our employees.

Your continued personal commitment to these basic principles is critical to our future.’


Annual Report (2012), p.3:

‘Above all, we must keep in mind that when we live our corporate values – Dedication to Mission Success, Technical Excellence, Commitment to Our People, Objectivity, and Integrity – as we work to deliver value, our customers always benefit.’

Message from Chairman Peter B. Teets and President and CEO Dr. Wanda M. Austin

Aerospace Named as One of the 2012 World’s Most Ethical Companies:

‘“We are honored to be selected as one of the World’s Most Ethical Companies,” said Dr. Wanda Austin, president and CEO of The Aerospace Corporation. “We are proud of what we do and that is reflected in our corporate ethics and the integrity that informs all of our actions.”’

http://www.aerospace.org/2012/03/16/aerospace-named-as-one-of-the-2012-worlds-most-ethical-companies/

Aerospace Named as One of the 2014 World’s Most Ethical Companies:

‘This is the seventh year in a row that Aerospace has received the distinction.’

‘“We have rigorous ethical standards and practices at the corporation,” said Dr. Wanda Austin, president and CEO of The Aerospace Corporation. “We appreciate Ethisphere’s recognition of our efforts.”’

http://www.aerospace.org/2014/03/21/aerospace-named-as-one-of-the-2014-worlds-most-ethical-companies/
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 insufficient evidence that 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, such as through 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 CEO demonstrates a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company. This engagement could for instance take the form of leading an anti-corruption workshop or chairing a review of the anti-corruption agenda.

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 some evidence that the company publishes a statement of values representing high standards of business conduct, including integrity. However, these values do not cover the range of values sought in the question, nor are these values linked to ethics and anti-corruption.

References:

Public:
TI notes:
Vision and Values
‘Our Corporate Vision
To be the leading architect of the country’s national security space program and a principal technical resource for programs of national significance.
Our Corporate Values
The corporation’s commitment to its core values has made it the leading architect and principle technical resource for space programs of national significance.
DEDICATION TO MISSION SUCCESS | Committed to assuring 100-percent space mission success.
TECHNICAL EXCELLENCE | As the technical conscience of national security space, Aerospace tackles the tough questions and delivers the candid answers.
COMMITMENT TO OUR PEOPLE | A rare collection of the smartest people in the field, fully empowered to do their best thinking and work.
INTEGRITY | A truly independent and unbiased nonprofit organization, with no competing agendas or incentives.
OBJECTIVITY | Always delivering the technical truth, no matter what.’
http://www.aerospace.org/about-us/vision-and-values/
Annual Report (2013), p.1:
Vision and values listed on the first page

Ethics: Standards of Business Conduct, unknown date, p.2: ‘It is our values and our commitment to them that define who we are.’

(p.3): ‘DEDICATION TO MISSION SUCCESS
Committed to assuring 100-percent space mission success
› TECHNICAL EXCELLENCE
As the technical conscience of national security space, Aerospace tackles the tough questions and delivers the tough answers
› COMMITMENT TO OUR PEOPLE
A rare collection of the smartest people in the field, fully empowered to do their best thinking and their best work
› OBJECTIVITY
A truly independent and unbiased nonprofit organization, with no competing agendas or incentives
› INTEGRITY
Always delivering the technical truth, no matter what’

(p.5): ‘For our Employees. One of our fundamental values is our commitment to our people. We are committed to honesty, fairness, and integrity in dealing with our employees’
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, and who has a direct reporting line to the Board.

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 of 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.

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 implemented enterprise-wide.

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, with clear requirements on the circumstances under which such a procedure should be applied.

References:
Public:
TI notes:
Ethics: Standards of Business Conduct, unknown date, p.21:
‘Integrity in Procurement. The acquisition of goods and services by the corporation is accomplished in accordance with corporate policy, government regulations, contractual requirements, and good business practice. Only specifically authorized individuals can contractually commit the corporation to purchases and acquisitions, and then only by authority of a properly approved internal action document. Procurement activities are conducted with the highest ethical standards, free from prejudice and favoritism, to maintain corporate and employee fairness and integrity in our relations with customers, suppliers, and the public. All procurement activities must be conducted with integrity, good judgment, and common sense, consistent with the guidelines set forth in our policies and practices.’
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 agents 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:
TI notes:
Company Website, Supplier Diversity Program:
‘Procurement is centrally located at our El Segundo, Calif., facility. Our procurement personnel may consider multiple factors such as business experience, financial stability, technical qualifications, price, and delivery when awarding subcontracts. Suppliers are encouraged to present innovative ideas and technologies, while continuing to emphasize price, performance, quality, and delivery.’
http://www.aerospace.org/about-us/supplier-program/
A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:
NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

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

Score:
NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

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

Score:
0

Comments:
Based on public information, there is no readily available evidence the company has an anti-corruption policy that is explicitly one of zero tolerance.

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:

2

Comments:
Based on public information, there is evidence that the company’s Standards of Business Conduct are easily accessible to Board members, employees and third parties. It is available online in English, with evidence suggesting that the company only operates in the USA. The company therefore scores 2.

References:

Public:
Ethics: Standards of Business Conduct, unknown date, p.39:
‘For additional copies of this brochure, call the Office of the General Counsel at 310-336-7097.’

Company Locations:
http://www.aerospace.org/about-us/locations/
A17(a):
Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

2

Comments:
Based on public information, there is evidence that the company’s anti-corruption policy is understandable and clear to Board members and employees. The policy is written in accessible, comprehensible language.

References:
Public:
Ethics: Standards of Business Conduct, unknown date.
A18:

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

Score:

1

Comments:

Based on public information, there is evidence that the anti-corruption policy explicitly applies to all employees. The company therefore scores 1. To score higher, its application to members of the board must also be stated explicitly.

References:

Public:
Ethics: Standards of Business Conduct, unknown date, p.4:
‘This booklet distills our ethics and values into basic principles to help us to conform our conduct to support our common values.’

(p.5): ‘For our Employees. One of our fundamental values is our commitment to our people. We are committed to honesty, fairness, and integrity in dealing with our employees.’

(p.27): ‘Employees must be diligent in guarding against even honest error. An innocent mistake on a timecard, for example, could be construed by the government as overbilling.’

(p.33): ‘We will preserve the corporation’s reputation, ensure that all employees are made aware of their responsibilities and liabilities for personal conduct, and provide a hotline number for employees to call without fear of retaliation, recrimination, or retribution.’
A20:

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

**Score:**

2

**Comments:**

Based on public information, there is evidence that the company has a policy on potential conflicts of interest, which applies to both employees and board members. It provides several examples and differentiates between different forms of conflicts of interest.

**References:**

Public:

Ethics: Standards of Business Conduct, unknown date, pp.9-11:

‘2. CONFLICT OF INTEREST

Individual Conflict. Every individual associated with Aerospace, whether as a trustee, officer, employee, or consultant, must avoid any activity that might detract from, or conflict with, the company’s interests. To this end, management establishes guidelines for all concerned to avoid conflicts of interest.

As a condition to commence employment and annually thereafter, corporate officers, other management officials, and employees are required to review their business, financial, and other such relationships to ensure that conflicts of interest do not exist, and are required to complete an online certification. We are sometimes not the best judges of relationships and other things that others might view as conflicts. You, for example, may know that you would never change your opinion or a written report because a customer took you out to a sporting event or bought your lunch, but others could easily view accepting such a benefit as impairing your fairness and objectivity, or at least creating the perception that it could have. Any doubt cast on your fairness and objectivity damages both you personally and the company.

Organizational Conflict of Interest. In addition to personal conflicts of interest, the work the corporation performs for one customer could conceivably conflict with current or anticipated work for another customer. The corporation has procedures in place to prevent these conflicts, called "organizational conflicts of interest," from occurring and for remedying them when, despite our best efforts, they do occur. Employees should review these procedures and be vigilant in identifying all such potential conflicts and bringing them
to the attention of their management.

Outside Interests. Aerospace does allow employees to engage in other outside business activities, which can be rewarding both professionally and monetarily, provided that there is no conflict with the corporation’s mission and contractual obligations. While the use of facilities, equipment, and other corporate resources is not authorized for personal business interests, nominal use of such resources may be approved to support employee participation in professional associations when in the interest of the corporation and the individual.

*If you have any questions about whether a relationship poses a potential conflict or could create the perception of such a conflict, talk to your supervisor or contact the Internal Audit Department or Office of the General Counsel.*

(p.19): ‘Revolving Door Policy. The government has adopted regulations dealing with the employment of former government employees and officials by companies with which the employees or officials might have been involved in their official capacities. To avoid even the appearance of conflict of interest, both for the corporation as well as the government employees with whom we work, Aerospace does not recruit federal government civilian or military employees for employment. Moreover, company policy further restricts the hiring of any employee or recent former employee of any federal agency if the applicant was closely involved with the corporation. A special two-year rule applies in the case of Air Force Space and Missile Systems Center (SMC), the National Reconnaissance Office (NRO), and Air Force Space Command (AFSPC) personnel, as well as other situations as addressed in the practice. Exceptions to this policy require approval by the President of Aerospace.’

Corporate Leadership:
‘From its inception, the board has established and maintained stringent conflict-of-interest standards for its members and for the corporation’s officers and employees.’

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:

1

Comments:
Based on public information, there is evidence of a company policy for the giving and receipt of gifts. However, TI notes that it is extremely minimal, with the focus directed towards public officials. The company therefore scores 1. To score higher the company must indicate that there are set upper limits for gift exchange or senior authorisation.

References:

Public:
Ethics: Standards of Business Conduct, unknown date, p.7:
‘Avoid Questionable Gifts and Favors’

(p.16): ‘AVOID QUESTIONABLE GIFTS AND FAVORS
Government Personnel. The corporation scrupulously adheres to the laws and regulations governing the acceptance by government employees and officials of entertainment, meals, gifts, gratuities, and other things of value. Other than promotional items of nominal value ($20 or less), it is our policy not to give gifts or other things of value to government personnel. Acceptable items may include coffee mugs, promotional T-shirts, and similar items displaying the corporation's or a program's name or logo, and modest refreshments in connection with business activities. Even seemingly innocent gifts may run afoul of government ethics rules.

For example, if three Aerospace employees contribute $10 each to a pool for a baby shower or birthday present for a government employee, the government employee, the Aerospace employees, and the company may all be viewed as having broken the law on the giving and accepting of gifts by government employees.

Nongovernment Personnel. Long-term working relationships with representatives of customers and suppliers occasionally develop into sincere friendships. Even in this context, however, common sense must be used in accepting or giving a gift under circumstances where there could be the perception of a conflict of interest or impropriety. Any "gift" tendered or accepted to influence a business decision is wrong and could constitute a
criminal act, irrespective of the cost of the gift and the closeness of the friendship.

In this area, particularly, two useful maxims are "When in doubt, DON'T!" and "If the area's grey, stay away!"

(p.17): ‘Foreign Government Personnel and Public Officials. The Foreign Corrupt Practices Act of 1977 (U.S. Public Law 95-213) makes it a felony for any U.S. person to offer a bribe to a foreign official, foreign political party, party official, or candidate for foreign political office to assist in obtaining, retaining, or directing business to any person. If any unethical or illegal act is necessary for the corporation to obtain or retain business, we will decline that business. No gift intended to influence any business dealing in which the corporation is involved may be given to, or received from, any foreign national.

The corporation will observe the laws of foreign countries in which it operates concerning payment of agent's fees and commissions, provided these laws are not in conflict with U.S. law. Since any such payments may be subject to legal scrutiny, the written approval of the President of Aerospace and the Office of the General Counsel must be obtained before payment is made.'
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:
1

Comments:
Based on public information, there is evidence of a company policy for the giving and receipt of hospitality. However, TI notes it is extremely minimal and is only mentioned in relation to public officials. The company therefore scores 1. To score higher the company must indicate that there are set upper limits for hospitality exchange or senior authorisation.

References:
Public:
Ethics: Standards of Business Conduct, unknown date, p.7:
‘Avoid Questionable Gifts and Favors’

(p.16): ‘AVOID QUESTIONABLE GIFTS AND FAVORS
Government Personnel. The corporation scrupulously adheres to the laws and regulations governing the acceptance by government employees and officials of entertainment, meals, gifts, gratuities, and other things of value. Other than promotional items of nominal value ($20 or less), it is our policy not to give gifts or other things of value to government personnel. Acceptable items may include coffee mugs, promotional T-shirts, and similar items displaying the corporation's or a program's name or logo, and modest refreshments in connection with business activities. Even seemingly innocent gifts may run afoul of government ethics rules.

For example, if three Aerospace employees contribute $10 each to a pool for a baby shower or birthday present for a government employee, the government employee, the Aerospace employees, and the company may all be viewed as having broken the law on the giving and accepting of gifts by government employees.

Nongovernment Personnel. Long-term working relationships with representatives of customers and suppliers occasionally develop into sincere friendships. Even in this context, however, common sense must be used in accepting or giving a gift under circumstances
where there could be the perception of a conflict of interest or impropriety. Any "gift" tendered or accepted to influence a business decision is wrong and could constitute a criminal act, irrespective of the cost of the gift and the closeness of the friendship.

In this area, particularly, two useful maxims are "When in doubt, DON'T!" and "If the area's grey, stay away!"

(p.17): ‘Foreign Government Personnel and Public Officials. The Foreign Corrupt Practices Act of 1977 (U.S. Public Law 95-213) makes it a felony for any U.S. person to offer a bribe to a foreign official, foreign political party, party official, or candidate for foreign political office to assist in obtaining, retaining, or directing business to any person. If any unethical or illegal act is necessary for the corporation to obtain or retain business, we will decline that business. No gift intended to influence any business dealing in which the corporation is involved may be given to, or received from, any foreign national.

The corporation will observe the laws of foreign countries in which it operates concerning payment of agent's fees and commissions, provided these laws are not in conflict with U.S. law. Since any such payments may be subject to legal scrutiny, the written approval of the President of Aerospace and the Office of the General Counsel must be obtained before payment is made.’
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:

1

Comments:
Based on public information, there is some evidence that the company’s political contributions are regulated. The policy is extremely minimal with several general statements. The company therefore scores 1. To score higher, recipients must be publically declared and guidelines on the application of the regulations need to be clear.

References:
Public:
Ethics: Standards of Business Conduct, unknown date, p.20:
‘Political Activities and Lobbying. As a nonprofit organization, Aerospace cannot support any political activity that favors one party, candidate, or issue over another. By the same token, partisan political activity by employees is not permitted on company time or premises. Restrictions on political activities also apply to employee organizations. For example, the Aerospace Women's Committee and the other affinity groups sponsored by the corporation are restricted in their political activities by the same rules that govern the corporation.’
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:
2

Comments:
Based on public information, there is evidence that the company has a clear policy on engagement in lobbying activities. Specifically, TI notes that the company states that it does not participate in lobbying activities.

References:
Public:
Ethics: Standards of Business Conduct, unknown date, pp.20-21:
‘The corporation also does not participate in lobbying activities. Aerospace strictly conforms to legal and ethical constraints in its relationships with government agencies. The Office of Government Relations, resident in our Washington office, maintains contact with members of the U.S. Congress and appropriate branches of the U.S. Government, and is the primary point of contact for government relations activities.’
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 or regulates charitable 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:

1

Comments:

Based on public information, there is evidence that the company provides written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda. The Ethics: Standards of Business Conduct document is broad, provides several examples of conflicts of interest, and contains a brief summary of the key points. The company therefore scores 1. To score higher the company must provide written guidance that contains numerous scenarios or case studies to ensure that any areas of uncertainty are fully explained.

References:

Public:
Ethics: Standards of Business Conduct, unknown date, p.29:
‘Signposts for the wary
Many in the public eye guide their conduct by what they call The New York Times Test, i.e., "How would I feel if what I'm doing right now were to show up tomorrow on the first page of The New York Times?" There are many other warning signs, however, when you are in or getting close to an ethical dilemma. Many of them we've heard before, but it's useful to be reminded that when you hear any of the following, it's time for some serious reflection.’

(pp.32-33): ‘A summary of our code of ethics
The Aerospace Corporation, a California nonprofit corporation, operates an FFRDC that provides technical oversight of space systems development primarily to SMC and the National Reconnaissance Office, but also, when in the national interest, to other government agencies, international organizations, and foreign governments. In pursuit of its mission, Aerospace upholds the highest ethical and professional standards. Toward that end, we affirm the following standards.
• We will maintain a strong commitment to objectivity, independence, and integrity in
dealing with customers, suppliers, and business associates.

- We will zealously guard against the inadvertent public dissemination of sensitive information.

- We will recognize the importance of preventing unauthorized disclosure of classified information.

- We will respect and safeguard proprietary information entrusted to the corporation by taking precautionary measures to prohibit unauthorized disclosure of such information.

- We will act with integrity, good judgment, and common sense, avoiding even the appearance of impropriety when involved in the procurement process.

- We will avoid any relationship that might constitute a conflict of interest, in particular in carrying out the following activities:
  — Hiring U.S. Government employees
  — Representing the corporation
  — Conducting outside business activities
  — Accepting or offering gifts
  — Participating in political activities or candidacy

- We will preserve the corporation’s reputation, ensure that all employees are made aware of their responsibilities and liabilities for personal conduct, and provide a hotline number for employees to call without fear of retaliation, recrimination, or retribution.

- We will improve the opportunities and quality of life for our employees and promote and ensure equal employment opportunity for applicants.

- We will recognize that the physical and psychological health of our fellow employees contributes to a substance-free workplace.

- We will continually monitor our cost-collection system, which is a vital tool for ensuring that all billings to customers are accurately and properly screened for unallowable or otherwise non-billable costs or fees.’
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. It is unclear if the Ethics Awareness and Anti-Fraud Programmes are training programmes. To score higher there would need to be evidence of an explicit anti-corruption module as part of the company’s ethics and compliance training programme.

References:
Public:
TI notes:
Ethics: Standards of Business Conduct, unknown date, p.27:
‘The corporation's commitment to an ethical business climate is buttressed by its Ethics Awareness and Anti-Fraud Programs, both of which are accessible on the corporate website. Timecard mischarging, inappropriate use of company assets, improper expense reporting, and other abuses can subject the company and the employee to serious legal repercussions.’
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. The Ethics: Standards of Business Conduct document states any employees with a question on a potential conflict of interest should talk to their supervisor, the Internal Audit Department or Office of the General Counsel. However, there is no evidence of how the conflict is recorded and resolved.

References:
Public:
TI notes:
Ethics : Standards of Business Conduct, unknown date, pp.9-11:
‘2. CONFLICT OF INTEREST
Individual Conflict. Every individual associated with Aerospace, whether as a trustee, officer, employee, or consultant, must avoid any activity that might detract from, or conflict with, the company’s interests. To this end, management establishes guidelines for all concerned to avoid conflicts of interest.
As a condition to commence employment and annually thereafter, corporate officers, other management officials, and employees are required to review their business, financial, and other such relationships to ensure that conflicts of interest do not exist, and are required to complete an online certification. We are sometimes not the best judges of relationships and other things that others might view as conflicts. You, for example, may know that you would never change your opinion or a written report because a customer took you out to a sporting event or bought your lunch, but others could easily view accepting such a benefit as impairing your fairness and objectivity, or at least creating the perception that it could have. Any doubt cast on your fairness and objectivity damages both you personally and the company.
Organizational Conflict of Interest. In addition to personal conflicts of interest, the work the corporation performs for one customer could conceivably conflict with current or
anticipated work for another customer. The corporation has procedures in place to prevent these conflicts, called "organizational conflicts of interest," from occurring and for remedying them when, despite our best efforts, they do occur. Employees should review these procedures and be vigilant in identifying all such potential conflicts and bringing them to the attention of their management.

Outside Interests. Aerospace does allow employees to engage in other outside business activities, which can be rewarding both professionally and monetarily, provided that there is no conflict with the corporation's mission and contractual obligations. While the use of facilities, equipment, and other corporate resources is not authorized for personal business interests, nominal use of such resources may be approved to support employee participation in professional associations when in the interest of the corporation and the individual.

If you have any questions about whether a relationship poses a potential conflict or could create the perception of such a conflict, talk to your supervisor or contact the Internal Audit Department or Office of the General Counsel.”
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:
1

Comments:
Based on public information, there is evidence that employees can report concerns or instances of suspected corrupt activity using multiple channels. The Ethics: Standards of Business Conduct document directs employees who want to report concerns to the company's Fraud, Waste, and Abuse Hotline. Despite the hotline’s availability to any employee it is not confidential. Employees may also address questions to the Internal Audit Department or the Office of the General Counsel, in an unsigned letter or memo if preferred. However, it is not clear whether the hotline is an independent channel. The company therefore scores 1.

References:
Public:
Ethics: Standards of Business Conduct, unknown date, pp.27-28:
‘Hotline. Employees are required to report known or suspected violations of the Standards of Business Conduct to their supervisors or the company's Fraud, Waste, and Abuse Hotline, ext. 65677. The hotline is available to any employee who would prefer not to address these sensitive issues with a supervisor. While the hotline is not confidential — since it may not be possible to investigate a complaint without the source of the information becoming known — employees can call the hotline without fear of recrimination or retaliation whenever they find themselves in questionable situations; for example:
- They are requested to engage in any activity they believe is contrary to provisions of the Ethics Awareness Program or company policy.
- They believe that the corporation or another employee, individual, or firm representing the corporation is engaged in conduct contrary to, or in violation of, this program or the federal law applicable to contracts with the U.S. Government.’

(p28): ‘If you are still not comfortable reporting a matter of concern using the hotline, you
should feel free to put your concerns in an unsigned letter or memo addressed to the Office of the General Counsel, or Principal Director, Internal Audit, providing sufficient details of the questionable activity as will enable a thorough investigation.’

(p.39): ‘For additional copies of this brochure, call the Office of the General Counsel at 310-336-7097. If you have questions about how a situation should be handled consistent with Aerospace’s Code of Ethics and the Standards of Business Conduct Program, contact the Internal Audit Department or the Office of the General Counsel.’
A33(a): Are the whistleblowing channels available to all employees in all geographies?

Score: 1

Comments:
Based on public information, there is evidence that employees in all geographies have access to one whistleblowing channel, the hotline. It is unclear whether all employees have access to at least one other whistleblowing channel, as specific details are not provided for reporting using an unsigned letter or memo. The company therefore scores 1.

References:
Public:
Ethics: Standards of Business Conduct, unknown date, pp.27-28:
‘Hotline. Employees are required to report known or suspected violations of the Standards of Business Conduct to their supervisors or the company's Fraud, Waste, and Abuse Hotline, ext. 65677. The hotline is available to any employee who would prefer not to address these sensitive issues with a supervisor.’

(p28): ‘If you are still not comfortable reporting a matter of concern using the hotline, you should feel free to put your concerns in an unsigned letter or memo addressed to the Office of the General Counsel, or Principal Director, Internal Audit, providing sufficient details of the questionable activity as will enable a thorough investigation.’
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:

1

Comments:
Based on public information, there is evidence that the company has resources available to all employees where help and advice can be sought on corruption-related issues. This includes managers, the General Counsel's Office, Human Resources, Security and Safety, or Internal Audit. However, it is not clear that these individuals have been specifically trained for this job. The company therefore scores 1.

References:
Public:
Ethics: Standards of Business Conduct, unknown date, p.31:
‘STILL UNSURE OF WHAT TO DO?
Ask, ASK, and ASK again until you know you are doing the best thing for all parties.
WHOM SHOULD YOU ASK?
• Talk to your peers. Chances are they've been there before.
• Talk to your management. They may have a more global perspective.
• Talk to the General Counsel's Office, Human Resources, Security and Safety, or Internal Audit. They are all here to help. Bringing your questions and decisions into the light of day helps to protect you and the company with the knowledge that you're making the best possible choice.’

(p.39): ‘For additional copies of this brochure, call the Office of the General Counsel at 310-336-7097. If you have questions about how a situation should be handled consistent with Aerospace’s Code of Ethics and the Standards of Business Conduct Program, contact the Internal Audit Department or the Office of the General Counsel.’
A35: Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score: 1

Comments: Based on public information, there is evidence of a commitment to non-retaliation for bona fide reporting of corruption. However, there is no evidence that the company states that disciplinary measures are applied to employees who breach this policy. The company therefore scores 1.

References:
Public: Ethics: Standards of Business Conduct, unknown date, p.28:
‘The Company has a strict nonretaliation policy. Whenever an employee feels that he or she is being retaliated against as a result of reporting an act felt to be contrary to our ethics program, it should be reported to the General Counsel’s office immediately. Retaliation will not be tolerated. If you are still not comfortable reporting a matter of concern using the hotline, you should feel free to put your concerns in an unsigned letter or memo addressed to the Office of the General Counsel, or Principal Director, Internal Audit, providing sufficient details of the questionable activity as will enable a thorough investigation.’
Information Sources:

Company Website:
http://www.aerospace.org/

Ethics: Standards of Business Conduct (date unknown):

Vision and Values:
http://www.aerospace.org/about-us/vision-and-values/

Supplier Diversity Program:
http://www.aerospace.org/about-us/supplier-program/

Annual Report 2013:

Annual Report 2012:
http://www.aerospace.org/publications/