

FINAL ASSESSMENT

TACTICAL MISSILES CORPORATION JSC (TRV CORPORATION)

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

The following table represents a summary of your scores:

Topic	Number of questions	% score based on public information
Leadership, Governance and Organisation	10	0%
Risk Management	5	0%
Company Policy and Codes	12	0%
Training	5	0%
Personnel and Helplines	7	0%
Total	39	0%

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:

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. TI notes that the company publishes a statement from the Director General both in Russian and in English but this does not refer to business ethics or anti-corruption.

References:

Public:

TI notes:

Company website: About - Statement from the Director General

‘Thank you for your interest concerning Tactical Missiles Corporation JSC website!

Tactical Missiles Corporation is the parent enterprise which comprises 25 affiliated enterprises of Russian Military Industrial Sector. The Corporation was formed on the base of a reorganized federal state unitary enterprise “State research and production centre “Zvezda-Strela” in 2002 (Korolev, Moscow region).

For the moment, Tactical Missiles Corporation is the largest designer and supplier of anti-ship, anti-radar and multipurpose missiles, aimed to arm airborne, shipborne and coastal missile systems of tactical purpose.

The experience gathered for the time for more than 70 years consists of industrial, scientific and engineering potential which give our specialists a chance to solve the most difficult engineering tasks concerning design of products as of military as well as of civil use. Products manufactured by the Corporation have found their use practically in all existing lines of industry.

Large hands-on experience, groups of professionals, modern means conducting of matters, foreign trade activity and marketing policy let keep leading positions of the Corporation at world market and guarantee high level of service for our clients.

In our website you may find detailed information about the Corporation, its products and

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[HTTP://WWW.KTRV.RU/](http://www.ktrv.ru/)

[HTTP://ENG.KTRV.RU/](http://eng.ktrv.ru/)

engineering capabilities, attractive projects, news from tactical missiles' market, also some information concerning history of missiles' creation in all over the world and in Russia.

I believe that you'll find all information you need on our website, and your interest shown to our company will grow into fruitful and mutually beneficial co-operation!

<http://www.ktrv.ru/about/376/>

http://eng.ktrv.ru/about_eng/377/

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 demonstrate 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 notes that the company publishes a policy on quality that touches upon the company's strategic goals and quality assurance but does not refer to values of business ethics.

References:

Public:

TI notes:

Company website: Company's Quality Policy (Russian):

ПОЛИТИКА В ОБЛАСТИ КАЧЕСТВА

ОАО "Корпорация "Тактическое ракетное вооружение

Наши стратегические цели

- Сохранение позиций Корпорации в разработке, производстве и обслуживании продукции на существующих рынках сбыта.

- Расширение рынков сбыта продукции за счет повышения её конкурентоспособности.

Наша стратегия

- Укрепление авторитета Корпорации как компании в наибольшей степени выполняющей все требования, ожидания государственного и иностранного заказчика.

- Разработка, производство современных образцов конкурентоспособной продукции.

Наша тактика

- Успешная и устойчивая деятельность по разработке, производству и обслуживанию продукции.

- Сохранение и постоянное развитие накопленного опыта научно-исследовательских и опытно-конструкторских работ.

- Развитие производственной и испытательной базы.

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[HTTP://WWW.KTRV.RU/](http://www.ktrv.ru/)

[HTTP://ENG.KTRV.RU/](http://eng.ktrv.ru/)

- Опора на сплоченные и подготовленные кадры с использованием системы переподготовки и повышения квалификации.
- Обеспечение соответствующими ресурсами Корпорации с учетом снижения риска для заказчика при выполнении оборонного заказа.
- Совершенствование отношений с соисполнителями составных частей продукции и поставщиками материалов и комплектующих изделий.

Осуществление Политики

- Осуществление данной Политики достигается на основе разработок продукции высокого качества; обязательств эффективного использования выделенных финансовых и других ресурсов; анализа и совершенствования всех процессов деятельности - путем оптимального сочетания ответственности и инициативы каждого работника, постоянного повышения результативности и эффективности мероприятий по обеспечению качества оборонной продукции и системы менеджмента качества.

Обязательства Руководства

- Соответствовать Целям Корпорации.
- Соответствовать требованиям и постоянно повышать результативность системы менеджмента качества.
- Обеспечить доведение до каждого работника Корпорации принятой Политики, соблюдение её принципов и контроль исполнения.
- Создать условия для эффективной работы персонала, повышения уровня его знаний и квалификации, признания и уважения труда каждого работника.

Руководство Корпорации несет ответственность за проведение Политики Корпорации в области качества.'

'Our strategic goal

- To preserve the Corporation's position in the design, manufacture and services of products in the already existing markets.
- To expand the market of products by increasing their competitiveness.

Our strategy

- Strengthening the authority/reputation of the Corporation as a company which is most likely to fulfill all requirements and expectations of domestic and international customers.
- Design and manufacture of contemporary models of competitive products.

Our tactics

- Successful and sustainable activities for the development, production and services
- Protection and continuous development of the experience in research and development as well as in engineering.
- Building of production and test facilities.
- Reliance on loyal and trained staff by using the system of qualification and advanced training.

- Provision of adequate resources of the Corporation in terms of reduction of risk to the customers of a defence contract.
- Improving relations with subcontractors, responsible for the production of components as well as with suppliers of materials and components.

Policy implementation

The implementation of this policy is based on the development of high quality products; the obligations to efficient use of the allocated financial and other resources; analysis and improvement of the business processes - through the optimal combination of responsibility and initiative of each employee, through the continuous improvement of effectiveness and efficiency to ensure the quality of defence products and the quality management system.

Obligations of the Management

- To act in accordance with the Goals of the Corporation
- To comply with the requirements and to continuously improve the effectiveness of the quality management system.
- To ensure that this policy is communicated to each employee of the Corporation and to oversee its compliance with the principles and implementation.
- To enable conditions for efficient work of staff, enhance their level of comprehension and improve their skills, as well as for the recognition and respect of each worker.

Corporation management is responsible for implementing the Quality policy of the Corporation. ‘

<http://www.ktrv.ru/about/806/>

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:

TI Notes:

TI notes references to an Audit Committee in the 2011 Annual Report; however, the responsibility of this Committee is unclear and Terms of Reference are not provided.

<http://www.ktrv.ru/about/26/610/>

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. TI notes that the company has extensive 'Procurement Regulations' policy and regulations that refer to anti-corruption. Further, its Quality policy makes a reference to the company's relations with sub-contractors and suppliers; however, it is unclear whether this is enforced and elaborated through explicit policy and contractual terms.

References:

Public:

TI notes:

Company website: Procurement Regulations (2011, amended 2013)(Russian), p. 10:

‘ ГЛАВА 1. ОБЩИЕ ПОЛОЖЕНИЯ

Статья 1. Предмет и цели регулирования положения о закупках

1. Настоящее Положение о закупках (далее по тексту - Положение) регулирует отношения, связанные с проведением закупок для нужд ОАО «Корпорация тактическое ракетное вооружение» и нужд его ДЗО в целях:

- обеспечения целевого и экономически эффективного использования денежных средств;
- минимизация рисков и расходов, связанных с осуществлением Головным предприятием и ДЗО закупок;
- продвижения единых внутрикорпоративных стандартов в процедуре закупок и требований к закупаемой продукции;
- оптимизации логистических потоков;
- расширения возможностей участия юридических и физических лиц в закупке продукции и стимулирования такого участия;
- развития добросовестной конкуренции,

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- обеспечения гласности и прозрачности размещения заказов;
- предотвращения коррупции и других злоупотреблений в сфере размещения заказов;
- создания условий для своевременного и полного обеспечения качественной продукцией на выгодных условиях. ‘
-

(p. 10): ‘Chapter 1 : General regulations

Article 1. Scope and objectives of the Procurement Regulations

1. These Procurement regulations refer to the process of procurement for the needs of "Tactical Missiles Corporation" and the needs of its subsidiaries in order to:
 - provide targeted and cost-effective use of funds;
 - minimise the risks and costs associated with the purchases conducted by the parent enterprise and its subsidiaries;
 - promotion of common standards in procurement procedures and setting up requirements for the products;
 - optimisation of logistics;
 - enhance the possibility of legal entities and individuals to take part in purchasing of products as well as encouraging such participation;
 - development of fair competition,
 - ensure openness and transparency of tenders;
 - prevent corruption and other abuses in respect to procurement;
 - enabling conditions for the timely and complete provision of quality products under favourable terms.

Template Contracts:

List of procurement products :’

<http://www.ktrv.ru/1043/>

Company website: Company’s Quality Policy (Russian):

‘Наша тактика

- Успешная и устойчивая деятельность по разработке, производству и обслуживанию продукции.
- Сохранение и постоянное развитие накопленного опыта научно-исследовательских и опытно-конструкторских работ.
- Развитие производственной и испытательной базы.
- Опора на сплоченные и подготовленные кадры с использованием системы переподготовки и повышения квалификации.
- Обеспечение соответствующими ресурсами Корпорации с учетом снижения риска для заказчика при выполнении оборонного заказа.
- Совершенствование отношений с соисполнителями составных частей продукции и поставщиками материалов и комплектующих изделий.’

‘Our tactics

- Successful and sustainable activities for the development, production and services
- Protection and continuous development of the experience in research and development as well as in engineering.
- Building of production and test facilities.
- Reliance on loyal and trained staff by using the system of qualification and advanced training.
- Provison of adequate resources of the Corporation in terms of reduction of risk to the customers of a defence contract.
- Improving relations with subcontractors, responsible for the production of components as well as with suppliers of materials and components.'

<http://www.ktrv.ru/about/806/>

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:

Public:
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:

Public:
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. TI notes that the company has a Code of Corporate Conduct; however, this is only referenced in the 2011 Annual Report and is not publicly available.

References:

Public:

TI Notes:

Company website: Annual and Financial reports (Russian)

<http://www.ktrv.ru/about/26/610/>

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. According to the 2011 Annual Report, the company's Code of Corporate Conduct includes a provision that 'Internal documents of the joint-stock company [state that it is the] responsibility of board members to refrain from actions that will or may result in a conflict between their interests and the interests of the company, and in the case of such conflict - the duty to disclose information to the board about this conflict'. However, this does not constitute a policy on conflicts of interests and is not assessed to be a comprehensive enough policy to score here.

References:

Public:

TI Notes:

Company website: Annual Report (2011), p.30:

‘Наличие во внутренних документах акционерного общества обязанности членов совета директоров воздерживаться от действий, которые приведут или потенциально способны привести к возникновению конфликта между их интересами и интересами акционерного общества, а в случае возникновения такого конфликта – обязанности раскрывать совету директоров информацию об этом конфликте’

‘Internal documents of the joint-stock company [state that it is the] responsibility of board members to refrain from actions that will or may result in a conflict between their interests and the interests of the company, and in the case of such conflict - the duty to disclose information to the board about this conflict.’

<http://www.ktrv.ru/about/26/610/>

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:
NA

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.ktrv.ru>

<http://eng.ktrv.ru>

About the Corporation:

http://eng.ktrv.ru/about_eng/275/

<http://www.ktrv.ru/about/?PHPSESSID=29af4832ddba90acf657c9d7564f0f53>

Annual reports (2011 latest, 2013 Financial report) (Russian):

<http://www.ktrv.ru/about/26/610/>

Board of Directors:

<http://www.ktrv.ru/about/topmanagers/1492/>

Company's Quality Policy:

<http://www.ktrv.ru/about/806/>

Company's Social policy (Russian):

<http://www.ktrv.ru/about/834/>

Company's Social policy:

<http://www.ktrv.ru/about/834/>

Company's Structure:

<http://www.ktrv.ru/about/structure/>

Development of the company:

<http://www.ktrv.ru/about/26/93/101/>

General Director's Address:

<http://www.ktrv.ru/about/376/>

Procurement regulations (Russian):

<http://www.ktrv.ru/1043/>

Statement by the Director General of the Company:

<http://www.ktrv.ru/about/376/>

http://eng.ktrv.ru/about_eng/377/