

DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

FINAL ASSESSMENT

AVIATION INDUSTRY CORPORATION OF CHINA LTD (AVIC)

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	0/8
2. Internal Controls	6	2/12
3. Support to Employees	7	2/14
4. Conflict of Interest	4	0/8
5. Customer Engagement	7	0/14
6. Supply Chain Management	5	0/10
7. Agents, Intermediaries and Joint Ventures	10	0/20
8. Offsets	4	0/8
9. High Risk Markets	4	3/8
10. State-Owned Enterprises	5	0/10
TOTAL		7 / 112
BAND		F

*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
0
Comments
There is some evidence that the company publishes a general commitment to anti-corruption and ethical standards, however the company receives a score of '1' because there is no evidence that this statement is authorised or supported by a senior figure within the organisation.
Evidence
<p>[12] 廉政寄语 / Clean Government Message (Webpage) Accessed 07/10/2019 http://jjc.avic.com/ljwh77/636744.shtml 廉政寄语 (二)</p> <p>来源：国家国防科技工业局发布时间：2016-10-09</p> <ul style="list-style-type: none"> • 不为名，不为利，不为了一己之私去奔忙；为军工，为国防，誓为和平崛起护航。 • 反腐倡廉应常抓不懈，拒腐防变须警钟长鸣。 • 反腐倡廉警钟长鸣，廉洁自律省吾身。 • 反腐从自身做起，倡廉由小处着手。 • 奉公守法，廉洁自律，踏实工作，报效祖国。 • 奉公为德，清廉为荣。 <p>Translation:</p> <p>Clean Government Message Source: National Defence Science and Technology Industry Bureau. Release time: 2016-10-09</p> <ul style="list-style-type: none"> • Not for the name, not for the benefit, not for the self-sufficiency of the self; for the military, for national defence, vow to work towards peace. • Combat corruption and advocate honesty. This commitment should always be unremitting, and anti-corruption work must always be fulfilled. • Anti-corruption advocates Zhong Changming, honest and self-discipline. • Anti-corruption work serves a strong purpose, advocacy is the job of all. • All must be law-abiding, honest and self-disciplined, must work hard, and serve the motherland. • Live by the values of honesty, integrity and pride. <p>[Note: The company's website contains several statements under the heading "Clean Government Message", which broadly advocate living and working by principles of honesty and integrity and refusing to engage in corruption. These messages are delivered by the Chinese government and republished on the company's website without a clear endorsement by a senior figure at the company.]</p>

Question
<p>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</p> <p>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</p> <p>b) All board members, including non-executive directors.</p>
Score
0
Comments
<p>Based on publicly available information, there is no evidence that the company publishes a clear anti-corruption policy that applies to all employees and directors within the organisation. The company states that it operates according to principles of honesty and integrity and publishes an document outlining the disciplinary measures that may result from acts of corruption from the Chinese Communist Party, but there is no evidence that the company itself has a comprehensive anti-corruption policy in place.</p>
Evidence
<p>[18] 《中国共产党纪律处分条例》 / Article on Discipline for Party Members Accessed 08/10/2019 http://jjjc.avic.com/gzzds/663572.shtml</p> <p>第八章 对违反廉洁纪律行为的处分</p> <p>第八十五条 党员干部必须正确行使人民赋予的权力，清正廉洁，反对任何滥用职权、谋求私利的行为。 利用职权或者职务上的影响为他人谋取利益，本人的配偶、子女及其配偶等亲属和其他特定关系人收受对方财物，情节较重的，给予警告或者严重警告处分；情节严重的，给予撤销党内职务、留党察看或者开除党籍处分。</p> <p>第八十六条 相互利用职权或者职务上的影响为对方及其配偶、子女及其配偶等亲属、身边工作人员和其他特定关系人谋取利益搞权权交易的，给予警告或者严重警告处分；情节较重的，给予撤销党内职务或者留党察看处分；情节严重的，给予开除党籍处分。</p> <p>第八十七条 纵容、默许配偶、子女及其配偶等亲属、身边工作人员和其他特定关系人利用党员干部本人职权或者职务上的影响谋取私利，情节较轻的，给予警告或者严重警告处分；情节较重的，给予撤销党内职务或者留党察看处分；情节严重的，给予开除党籍处分。</p> <p>党员干部的配偶、子女及其配偶等亲属和其他特定关系人不实际工作而获取薪酬或者虽实际工作但领取明显超出同职级标准薪酬，党员干部知情未予纠正的，依照前款规定处理。</p> <p>第八十八条 收受可能影响公正执行公务的礼品、礼金、消费卡和有价证券、股权、其他金融产品等财物，情节较轻的，给予警告或者严重警告处分；情节较重的，给予撤销党内职务或者留党察看处分；情节严重的，给予开除党籍处分。</p> <p>收受其他明显超出正常礼尚往来的财物的，依照前款规定处理。</p> <p>第八十九条 向从事公务的人员及其配偶、子女及其配偶等亲属和其他特定关系人赠送明显超出正常礼尚往来的礼品、礼金、消费卡和有价证券、股权、其他金融产品等财物，情节较重的，给予警告或者严重警告处分；情节严重的，给予撤销党内职务或者留党察看处分。</p> <p>第九十条 借用管理和服务对象的钱款、住房、车辆等，影响公正执行公务，情节较重的，给予警告或者严重警告处分；情节严重的，给予撤销党内职务、留党察看或者开除党籍处分。</p> <p>通过民间借贷等金融活动获取大额回报，影响公正执行公务的，依照前款规定处理。</p> <p>[...]</p> <p>第九十二条 接受、提供可能影响公正执行公务的宴请或者旅游、健身、娱乐等活动安排，情节较重的，给予警告或者严重警告处分；情节严重的，给予撤销党内职务或者留党察看处分。</p>

Translation:

Punishments of party members for corruption

Party members must fulfil their work honestly and not abuse their position by seeking to receive unlawful or corrupt advantages. They will be severely punished for such actions and for violating any of the rules described below:

Party members cannot use their position to receive unlawful privileges or benefits for their family members. They cannot arrange work at the company for their family outside of established processes. They cannot receive in an unlawful fashion gifts of cash or other material value. Party members must not give large gifts and cash to other party members, friends, family. Party members cannot use private loans to gain a work advantage.

[...]

Party members cannot use their work positions to seek benefits for their friends and families.

[Document specifically has rules only for party members at the company and not all of its employees]

[10] 社会责任报告 / Social Responsibility Report 2018 (Document)

Accessed 03/10/2019

<http://www.avic.com/images/shzrbg2018.pdf>

[p.32] 廉政监督·执纪问责

加强党风廉政建设和反腐败工作·充分发挥巡视巡查、纪检监察监督作用·强化政治监督和对“重要事”、“重点人”的监督·着力监督执纪问责·一体推进“不亮点 航空工业庆安开展现场警示教育活动 敢腐、不能腐、不想腐”建设·有力维护了集团公司良好政治生态。

Translation:

[p.32] Strengthening the work of building a clean and honest government and anti-corruption work, emphasizing close inspections, supervision of company activities, promotional work of the company's anti-corruption activities, and strengthening political supervision and "important matters",

"Key person" supervision, focus on supervising accountability, and promote construction, effectively safeguarding the good of the group company and good political relations.

[3] Social Responsibility Report 2017 (Document)

Accessed 01/10/2019

<http://www.avic.com/en/images/shzrbg2017.pdf>

[p.13] Promote Responsible Management

Participation of the stakeholders

Aviation Industry Corporation of China, Ltd. We adhere to the principles of integrity, interaction and equality, and establish and improve the mechanisms for stakeholders to communicate and participate.

[...]

[p.39] Comprehensive anti-corruption mechanism and strong disciplinary inspection and supervision

Through the construction of the mechanism of “dare not, cannot and do not want to be corrupt”, Aviation Industry has made efforts in promoting the exercising of full and rigorous governance over the Party to develop in depth and breadth and extend to grassroots.

First of all, enhance political study, earnestly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 19th National Congress of the CPC, make efforts in “learning to understand”, “trying to comprehend” and “being practical” and work hard at being effective.

Second, enhance the political responsibility of management and governance of the Party, build the “1122” Party building work system, and set up the construction of the work style of the Party, a clean government and the anticorruption leading group. The main leadership of the Group Company gives full play to the duty of “the first responsible person” and members of the leading group conscientiously perform “one post and dual duties”, thus forming a responsibility implementation mechanism with a distinct subject, clear responsibility, organic coordination and orderly operation. In 2017, units signed 7,341 agreements of responsibility for the construction of the work style of the Party and a clean government step by step, and talked with 8,249 people; Leaders at all levels signed 8,239 agreements of responsibility for the construction of the work style of the Party and a clean government during the term of office, and talked with 7,920 people. 99 items of decision making post-assessment for major issues were carried out.

Third, starting from punishment of corruption, prevention and control, study and education, build and improve the anti-corruption mechanism of “dare not, cannot and do not want to be corrupt”.

Fourth, deepen “Three Transfers” and create a loyal, clean and responsible team of disciplinary inspection, supervision and auditing.

[11] 教育电影 / Educational Seminars at Subsidiary (Webpage)

Accessed 07/10/2019

<http://jjjc.avic.com/gzsd/431337.shtml>

中航工业洪都：组织900名党员干部观看警示教育片

为进一步深化党风廉政教育，中航工业洪都自5月16日起，每天4场组织党员干部集中观看廉洁从业警示教育片《失控的“自由人”》和《蜕变的人生》。截至5月20日，已累计组织近900名党员干部观看。通过观看警示教育片，使大家深受触动，纷纷表示必须加强学习，严格遵守廉洁自律各项规定，牢固树立正确的人生观、世界观、价值观。

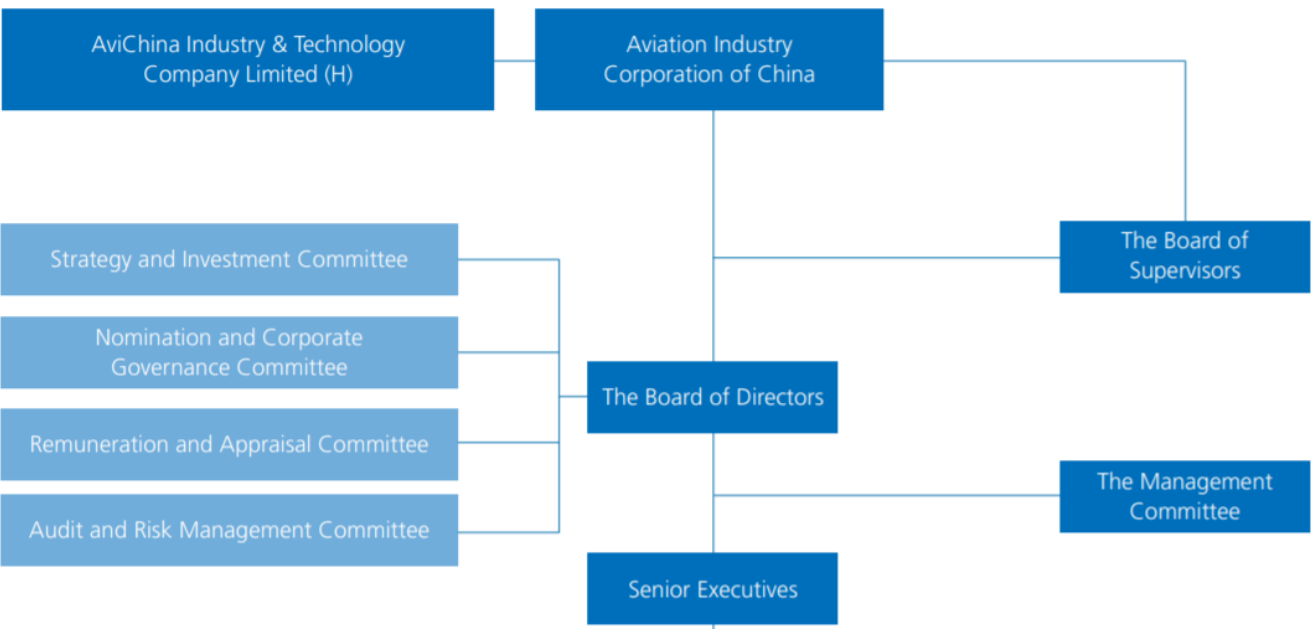
公司党委要求全体党员严格执行《廉洁自律准则》和《党纪处分条例》，自觉规范日常行为，不越“底线”，不碰“红线”，时刻做到心中有党，心中有民，心中有责，心中有戒，努力为公司发展作出应有的贡献。

Translation:

In order to further strengthen the work ethics advocated by the party and educate on the values of clean and integral government, party members and employees of China Aviation Industry Hongdu watched educational films entitled “Free People” and “Metamorphic Life”. Viewings of the films were shown in four daily sessions since May 16. As of May 20, nearly 900 party members and cadres had viewed the films. All who watched the films were moved by what they watched. They all said that they would study harder, strictly abide by rules of honesty and self-discipline, and firmly establish a correct outlook on life, a global outlook and strong values.

The company’s party committee requires all party members to strictly implement the “Code of Integrity and Self-discipline” and the “Regulations on Disciplinary Measures”, consciously regulate daily behaviors, not to “bottom line”, not to “cross the line”, always have the party in mind, live with passion and responsibility. All employees will strive to make due contributions to the company’s development.

[the article relates to events at one of the company’s subsidiaries]

Question
1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
Score
0
Comments
<p>There is no clear evidence that the company has a designated board committee or individual board member responsible for its anti-bribery and corruption programme.</p> <p>The company publishes working regulations produced by the Chinese Communist Party which state that the company's party group is responsible for conducting anti-corruption activities within the company. However, there is no indication that this group has formal oversight functions or that it maintains a reporting line to the company's board of directors.</p>
Evidence
<p>[4] Social Responsibility Report 2016 (Document) Accessed 02/10/2019 http://www.avic.com/en/images/shzrbg2016.pdf [p.7] Organizational Structure</p>  <pre> graph TD AVIC[AviChina Industry & Technology Company Limited (H)] --- AIC[Aviation Industry Corporation of China] AIC --- SIC[Strategy and Investment Committee] AIC --- NCC[Nomination and Corporate Governance Committee] AIC --- RAC[Remuneration and Appraisal Committee] AIC --- ARMC[Audit and Risk Management Committee] AIC --- BOD[The Board of Directors] AIC --- BOS[The Board of Supervisors] AIC --- MC[The Management Committee] AIC --- SE[Senior Executives] SIC --- BOD NCC --- BOD RAC --- BOD ARMC --- BOD BOD --- BOS BOD --- MC BOD --- SE </pre>
<p>[3] Social Responsibility Report 2017 (Document) Accessed 01/10/2019 http://www.avic.com/en/images/shzrbg2017.pdf [p.39] Comprehensive anti-corruption mechanism and strong disciplinary inspection and supervision</p> <p>Through the construction of the mechanism of “dare not, cannot and do not want to be corrupt”, Aviation Industry has made efforts in promoting the exercising of full and rigorous governance over the Party to develop in depth and breadth and extend to grassroots.</p> <p>First of all, enhance political study, earnestly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 19th National Congress of the CPC, make efforts in “learning to understand”, “trying to comprehend” and “being practical” and work hard at being effective.</p> <p>Second, enhance the political responsibility of management and governance of the Party, build the “1122” Party building work system, and set up the construction of the work style of the Party, a clean government and the anticorruption leading group.</p>

[...]

Indicator	2017
Number of letters, calls and tip-offs handled	372
Processing rate of problems and leads	100%
Number of completed audit projects	3,479
The amount of increased income and reduced expenditure	RMB512 milliom
The amount rectified and corrected by audit	RMB6,953 billion
Proportion of general counsel equipped	95%

[15] 中国共产党党组工作条例（试行） / Party Model Working Regulations (Webpage)

Accessed 7/10/2019

<http://jjc.avic.com/gzzds/426925.shtml>

中国共产党党组工作条例（试行）

[...]

第三章 职责

第九条党组应当认真履行政治领导责任，做好理论武装和思想政治工作，负责学习、宣传、贯彻执行党的理论和路线方针政策，贯彻落实党中央和上级党组织的决策部署，发挥好把方向、管大局、保落实的重要作用。

第十条党组讨论和决定本单位下列重大问题：

- （一）需要向上级党组织请示报告的重要事项，下级单位党组、机关和直属单位党组织请示报告的重要事项；
- （二）内部机构设置、职责、人员编制等事项；
- （三）重大决策、重要人事任免、重大项目安排、大额资金使用等事项；
- （四）基层党组织和党员队伍建设方面的重要事项；
- （五）意识形态工作、思想政治工作和精神文明建设方面的重要事项；
- （六）党风廉政建设和反腐败工作方面的重要事项；
- （七）其他应当由党组讨论和决定的重大问题。

Translation:

Communist Party of China Party (Model) Working Regulations

[...]

Chapter III - Duties

Article 9

The company's party committee shall conscientiously fulfil its political leadership responsibilities, perform to a high standard work in communicating the party's message and ideological and political work, and is responsible for studying, propagating, and implementing the party's theory, line, principles, and policies, implementing the decision-making arrangements of the party Central Committee and higher-level party organizations, and operating by the party's rules. An important role is given to direction, overall management, and implementation of the party's policies.

Article 10 - The party group discusses and decides on the following major issues:

- (1) It is necessary to ask the higher-level party organizations for important matters to be reported, and the party organizations, organs and subordinate units of the lower-level units shall request important reports;
- (2) Internal organization setting, responsibilities, staffing and other matters;
- (3) Major decisions, important personnel appointments and dismissals, major project arrangements, and the use of large amounts of funds;
- (4) Important matters concerning the construction of grassroots party organizations and party members;
- (5) Important matters concerning ideological work, ideological and political work, and spiritual civilization construction;
- (6) Important matters concerning the building of a clean and honest government and anti-corruption work;

Question
1.4. Is responsibility for implementing and managing the company’s anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company’s programme?
Score
0
Comments
<p>There is some evidence that one of the company’s senior executives has a role involving corporate ethics, according to its 2016 Social Responsibility Report, however the company does not provide any further information on the individual’s role or responsibilities in relation to anti-corruption. In addition, the company refers to a different individual on its website with the same title but similarly provides no further information on the individual’s duties.</p> <p>Since the information provided is limited and there is no clear evidence that the company has an anti-corruption programme or management system, the company receives a score of ‘0’. There is also no indication that the individuals responsible for corporate ethics have a direct reporting line to the company’s board of directors.</p>
Evidence
<p>[9] Leadership (Webpage) Accessed 02/10/2019 https://www.avic.com/en/aboutus/leadership/index.shtml Ren Yukun Corporate Ethics Team leader</p> <p>Ren Yukun born in March 1965 in Qing'an, Heilongjiang. He began his career in July 1988. Mr. Ren received his Master's Degree in Management Engineering from Harbin Institute of Technology, and a Doctor's Degree in Management Science and Engineering from Beijing University of Technology. Currently, he acts in AVIC as Corporate Ethics Team leader.</p> <p>Previously he served in CASIC as General Manager of Human Resource, member of Corporate Ehtics Team, and part-time supervisor of State-owned Enterprise Supervisory Board.</p> <p>[4] Social Responsibility Report 2016 (Document) Accessed 02/10/2019 http://www.avic.com/en/images/shzrbq2016.pdf [p.4] Leadership Team</p>
 <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="text-align: center;"> <p>Li Benzhen Executive Vice President</p> </div> <div style="text-align: center;"> <p>Zhang Xi Leader of Corporate Ethics</p> </div> <div style="text-align: center;"> <p>Chen Yuanxian Executive Vice President</p> </div> <div style="text-align: center;"> <p>Li Yao Chief Accountant</p> </div> </div>

2. Internal Controls

Question
2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?
Score
0
Comments
Based on publicly available information, there is no evidence that the company has a formal risk assessment procedure which is used to inform the company’s anti-bribery and corruption programme.
Evidence
<p>[6] Social Responsibility Report 2014 (Document) Accessed 02/10/2019 http://www.avic.com/en/images/shzrbg2014.pdf [p.44] G4-SO3 - Percentage and total number of operation sites that have conducted corruption risk assessment, as well as major risk identified - Not Adopted</p>

Question
2.2. Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?
Score
0
Comments
<p>There is no evidence that the company's anti-bribery and corruption programme is subject to audit or review. The company publishes some information on the number of audit projects conducted but makes no clear statement that these relate to the company's anti-corruption programme.</p>
Evidence
<p>[10] 社会责任报告 / Social Responsibility Report 2018 (Document) Accessed 03/10/2019 http://www.avic.com/images/shzrbg2018.pdf [p.32] 廉政监督，执纪问责 加强党风廉政建设和反腐败工作，充分发挥巡视巡查、纪检监察监督作用，强化政治监督和对“重要事”、“重点人”的监督，着力监督执纪问责，一体推进“不亮点 航空工业庆安开展现场警示教育活动 敢腐、不能腐、不想腐”建设，有力维护了集团公司良好政治生态。</p> <p>Translation:</p> <p>[p.32] Strengthening the work of building a clean and honest government and anti-corruption work, emphasizing close inspections, supervision of company activities and strengthening political supervision and "important matters", "Key person" supervision, focus on supervising accountability, and promote construction, effectively safeguarding the good of the group company and good political relations.</p> <p>[6] Social Responsibility Report 2014 (Document) Accessed 02/10/2019 http://www.avic.com/en/images/shzrbg2014.pdf [p.26] (I) Law-abiding and self-disciplined, innovative and progressive</p> <p>1. Enterprise Administration Pursuant to Laws and Working Style Construction</p> <p>[...]</p> <p>AVIC strives to fight corruption and uphold integrity, conducts full inspections and special inspection, strictly investigates and treats disciplinary violations and focuses on establishment of the incorruptible culture.</p> <p>[3] Social Responsibility Report 2017 (Document) Accessed 01/10/2019 http://www.avic.com/en/images/shzrbg2017.pdf [p.39] Comprehensive anti-corruption mechanism and strong disciplinary inspection and supervision</p> <p>Through the construction of the mechanism of “dare not, cannot and do not want to be corrupt”, Aviation Industry has made efforts in promoting the exercising of full and rigorous governance over the Party to develop in depth and breadth and extend to grassroots.</p> <p>[...]</p> <p>starting from punishment of corruption , prevention and control, study and education, build and improve the anti-corruption mechanism of “dare not, cannot and do not want to be corrupt”. Fourth, deepen “Three Transfers” and create a loyal, clean and responsible team of disciplinary inspection, supervision and auditing.</p>

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Number of letters, calls and tip-offs handled	372
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Proportion of general counsel equipped	95%

Question
2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?
Score
1
Comments
<p>There is some evidence that the company publicly commits to investigating incidents, and that there is a specific procedure in place to deal with whistleblowing cases. The company provides a description of its whistleblowing procedure from the initial submission of the report to the final outcome of the investigation. There is clear evidence that information on reports is documented and that individuals submitting reports are provided with updates on the outcome of investigations. In addition, the company publishes some information regarding the number of corruption-related reports submitted and handled.</p> <p>However, the company receives a score of '1' because there is no clear evidence that investigations are handled by an independent team or report to an independent board member or that summary information of investigations is reviewed by a central body on at least an annual basis.</p>
Evidence
<p>[6] Social Responsibility Report 2014 (Document) Accessed 02/10/2019 http://www.avic.com/en/images/shzrbg2014.pdf [p.26] (I) Law-abiding and self-disciplined, innovative and progressive</p> <p>1. Enterprise Administration Pursuant to Laws and Working Style Construction</p> <p>[...]</p> <p>AVIC strives to fight corruption and uphold integrity, conducts full inspections and special inspection, strictly investigates and treats disciplinary violations and focuses on establishment of the incorruptible culture.</p> <p>[19] 纪检监察信访举报指南 / Reporting Procedure (Webpage) Accessed 09/10/2019 http://jjc.avic.com/gzzds/jbzn/index.shtml 纪检监察信访举报指南</p> <p>一、纪检监察机关的受理范围</p> <p>1. 针对党组织、党员和监察对象违反党纪政纪问题的检举、控告；</p> <p>2. 依法应由纪检监察机关受理的党组织、党员和监察对象不服党纪政纪处分和其他处理的申诉；</p> <p>3. 对党风廉政建设和纪检监察工作的意见、建议。</p> <p>二、检举、控告、申诉人的权利和义务</p> <p>《信访条例》、《中国共产党纪律检查机关控告申诉工作条例》、《监察机关举报工作办法》、《中央纪委监察部关于保护检举、控告人的规定》等制度，对检举、控告人的权利和义务作出了具体规定。</p> <p>1. 检举、控告、申诉人享有如下权利：</p> <p>① 对党员、党组织和行政监察对象违法违纪的行为有权提出检举、控告；</p> <p>② 党员对所受党纪处分或纪检监察机关所作的其他处理不服，有权提出申诉，要求复议、复查；</p>

③提出检举、控告、申诉后，在一定期限内得不到答复时，有权向受理机关提出询问，要求给予负责的答复；

④有权要求与检举、控告、申诉案情有关或有牵连的承办人员回避；

⑤对受理机关及承办人员的失职行为和其他违纪行为有权提出检举、控告；

⑥因进行检举、控告、申诉，其合法权益受到威胁或侵害时，有权要求受理机关给予保护。

2.检举、控告、申诉人必须履行的义务：

①对所检举、控告、申诉的事实真实性负责；

②遵守党的纪律和控告申诉工作的有关规定，维护社会秩序和工作秩序；

③接受党组织的正确处理意见，不得提出党章、制度政策规定以外的要求。

三、信访举报信件参考格式（怎样写举报信）

一是标题。如：关于反映XX单位XX职务XX姓名违纪问题的信访举报。

二是被举报人（或单位）信息。写明被举报人姓名、单位及职务等信息。

三是举报人信息。可匿名；为便于联系和反馈，提倡写明举报人姓名、联系电话和联系地址。

四是反映的主要问题。为便于纪检监察机关核实情况，尽可能详尽反映违纪违规行为发生的时间、地点、主要证据、涉及人员、涉及违纪金额等，做到线索明晰、内容清楚、证据详实，不要捕风捉影、道听途说。

四、举报注意事项

1.如实举报。反映问题应当客观真实，不得捏造事实，不得诬告、陷害他人；对借检举、控告诬告陷害他人的，依照有关规定严肃处理，涉嫌犯罪的，移送司法机关。

2.逐级举报。根据国家信访局《关于进一步规范信访事项受理办理程序，引导来访人依法逐级走访的办法》，根据“属地管理、分级负责”的原则，请按照被举报人所在的单位和级别选择相应的举报途径反映问题。提倡实名举报，纪检监察机构优先办理实名举报。不提倡重复举报、多头举报。

Translation:

Misconduct Reporting Procedure Instructions

1. The scope of acceptance of reports submitted to the discipline inspection and supervisory organs

1. Reporting and accusing the party organization, party members, and supervisors of violations of party discipline and discipline;

2. Party organizations, party members and supervisors who are subject to disciplinary inspection and supervisory organs according to law shall not be dissatisfied with the disciplinary actions of the party and the disciplinary action and other complaints;

3. Opinions and suggestions on party management and clean government construction and discipline inspection and supervision.

2. Reporting, accusation, and the rights and duties of the complainant

The following documents contain the full details regarding the rights and obligations of individuals submitting reports: "Registration of Letters and Visits", the "Regulations on Complaints against Complaints by the Communist Party of China's Discipline Inspection Organs", the "Measures for Reporting by the Supervisory Organs", and the "Provisions of the Central Commission for Discipline Inspection and Supervision on the Protection of Reports and Accused Persons", etc., on the rights of prosecutors and accused persons. The obligations are specified in these documents.

1. Reporting, accusations, and the rights of the claimant:

1 Individuals have the right and obligation to submit a report containing an accusation on seeing a violation of party discipline and law by members, workers, organizations and administrative bodies;

2 If party members are dissatisfied with the treatment and investigation of party discipline or the discipline inspection and supervision organs, they have the right to file a complaint and request reconsideration and review;

3 After filing a report, accusation or appeal, if there is no reply within a certain period of time then the individual has the right to ask the receiving organ for a responsible reply;

4 The right to request the contractor who is related to the report, accusation or grievance case to be evaded;

5 The right to request that the individual who committed the offense identified be charged and prosecuted;

6 When legal rights are threatened or infringed by the report, accusation or appeal, the right to request the receiving authority to provide protection.

2. Reporting, accusation, and the obligations that the complainant must perform:

1 The claimant is fully responsible for the authenticity of the facts reported, accused, and appealed;

2 The complainant must comply with the party's discipline and the relevant provisions of the complaints, and maintain social order and work order;

3 Accept the correct handling opinions of the party organization, and do not ask for requirements other than the provisions of the party constitution and system policies.

3. The letter of reference report and format (how to write a report letter)

The first is the title. For example, a petition report on the violation of the XX name XX position XX description of violation.

The second is the information on the person (or unit) being reported. Write information such as the name, unit and position of the person being reported.

The third is to provide information on the individual submitting the report. Anonymous reports are also accepted; for easy contact and feedback, it is recommended to indicate the name, contact number and contact address of the reporter.

The fourth section is a description of the violation witnessed. In order to facilitate the inspection and supervision organs to verify the situation, as far as possible to reflect in detail the time, place, major evidence, involved personnel, amount of disciplinary violations, etc., to acquire clear clues, clear content, detailed evidence, do not tell other individuals about the submission of the report.

4. report matters needing attention

1. Report truthfully. The problem should be objective and true, and the facts must not be fabricated, and no false accusations or attempts to frame others should be made; if the accusation is reported or the accusation is falsely accused of others, it shall be dealt with seriously in accordance with the relevant provisions. If the supervisory bodies suspect that a crime has taken place then information on the incident and all relevant details will be transferred to judicial organs.

2. Report by level. According to the "Policy on Further Regulating the Acceptance Procedures for Letters and Visits and Guided Visiting Persons to Visit According to Law", according to the principle of "local management, grading

and responsibility", please select the corresponding report according to the unit and level of the person being reported according to the nature of the offense being reported. Where possible name the individuals suspected and address the report to discipline inspection and supervision agencies, who give priority to real-name reports. Avoid repeating information and long reports.

[17] 腐败监测网站 / Corruption Monitoring Website (Webpage)

Accessed 08/10/2019

<http://jjjc.avic.com/index.shtml>

纪检监察举报指南

集团有限公司举报方式

地址：北京市朝阳区曙光西里甲5号院19号楼
中国航空工业集团有限公司纪检监察部

邮编：100028 短信举报：15811318454

邮箱：jjjianjubaoxinxiang@avic.com

直属单位举报方式

Translation:

Discipline Inspection Report guide
Group Co., Ltd. Methods of reporting offenses

Address: Building 19, No. 5 courtyard, Shuguang Xili a, Chaoyang district, Beijing
China Aviation Industry Group Co., Ltd.
Zip code: 100028 SMS report:15811318454
Mailbox: jjjianjubaoxinxiang@avic.com

Direct reporting methods

[3] Social Responsibility Report 2017 (Document)

Accessed 01/10/2019

<http://www.avic.com/en/images/shzrbg2017.pdf>

[p.39]

Indicator	2017
Number of letters, calls and tip-offs handled	372
Processing rate of problems and leads	100%
Number of completed audit projects	3,479
The amount of increased income and reduced expenditure	RMB512 milliom
The amount rectified and corrected by audit	RMB6,953 billion
Proportion of general counsel equipped	95%

Question
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
Score
0
Comments
Based on publicly available information, there is no evidence that the company assures itself of the quality of its internal investigations.
Evidence
No evidence found.

Question
2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?
Score
1
Comments
<p>There is some evidence that the company makes a commitment to report suspected instances of corruption and criminality to law enforcement, according to its publicly available investigations procedure. However, the company receives a score of '1' because there is no clear evidence that reports of corruption and criminality are shared with the company's board of directors, nor is there evidence that a designated senior individual has responsibility for ensuring that the disclosure of such findings to relevant authorities is evaluated and acted upon if necessary.</p>
Evidence
<p>[19] 纪检监察信访举报指南 / Reporting Procedure (Webpage) Accessed 09/10/2019 http://jjc.avic.com/gzzds/jbzn/index.shtml</p> <p>三、信访举报信件参考格式（怎样写举报信）</p> <p>一是标题。如：关于反映XX单位XX职务XX姓名违纪问题的信访举报。</p> <p>二是被举报人（或单位）信息。写明被举报人姓名、单位及职务等信息。</p> <p>三是举报人信息。可匿名；为便于联系和反馈，提倡写明举报人姓名、联系电话和联系地址。</p> <p>四是反映的主要问题。为便于纪检监察机关核实情况，尽可能详尽反映违纪违规行为发生的时间、地点、主要证据、涉及人员、涉及违纪金额等，做到线索明晰、内容清楚、证据详实，不要捕风捉影、道听途说</p> <p>Translation:</p> <p><u>4. reporting matters needing attention</u></p> <p>1. Report truthfully. The problem should be objective and true, and the facts must not be fabricated, and no false accusations or attempts to frame others should be made; if the accusation is reported or the accusation is falsely accused of others, it shall be dealt with seriously in accordance with the relevant provisions. If the supervisory bodies suspect that a crime has taken place then information on the incident and all relevant details will be transferred to judicial organs.</p>

Question
2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption investigations or disciplinary actions involving its employees.
Evidence
No evidence found.

3. Support to Employees

Question
3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?
Score
1
Comments
<p>There is evidence that the company provides a training module on the basic principles of the anti-bribery and corruption policy. However, the company receives a score of '1' because is not clear that anti-corruption training is delivered to employees in all divisions, all countries of operation and in all appropriate languages. There is also no clear evidence to indicate how frequently training is conducted.</p>
Evidence
<p>[16] 中航汽车：纪委书记上廉政党课 / Anti-Corruption Film and Seminar (Webpage) Accessed 08/10/2019 http://jjjc.avic.com/yw78/678679.shtml</p> <p>近日，中航汽车组织总部全体党员和入党积极分子集中观看《贪欲之害——吴野松违纪违法安检警示录》和《平“语”近人——习近平总书记用典》第九集之“恶竹应须斩万竿”等警示教育片，党委副书记、纪委书记以《以文化廉、以案警廉、志洁行廉——浅谈近平用典中的廉政思想》为题上了一堂廉政党课。</p> <p>党委书记、董事长刘平强调，要发挥先进典型的示范引领作用，以身边的榜样教育身边党员，以身边事感染身边人；运用反面典型的警示警醒作用，以案施教、以案明纪、以案释法、以案示警、警钟长鸣。刘平要求，聆听纪委书记廉政党课，希望大家以此为鉴，举一反三，自觉践行“志洁行廉、纲纪蓝天”的集团廉洁理念和“志洁行廉、干事不出事”的中航汽车廉洁理念，做到知敬畏、存戒惧、守底线、不碰高压线，干事不出事，拥有健康、丰富、完整的人生。大家要常怀忧党之心、为党之责、强党之志，推动学习贯彻习近平新时代中国特色社会主义思想往深里走、往心里走、往实里走，不断增强政治认同、思想认同、情感认同，自觉做到真信笃行、知行合一。</p> <p>Translation:</p> <p>The company showed a film on anti-corruption to all party members and aspiring party members. Afterwards the company's deputy secretary of the party committee gave a lecture on the importance of rejecting corruption and ethics in work.</p> <p>He stressed that party members should set a good example by working with integrity and be a positive influence. He added that party members should take these lessons seriously and lead an honest and healthy life.</p> <p>[6] Social Responsibility Report 2014 (Document) Accessed 02/10/2019 http://www.avic.com/en/images/shzrbg2014.pdf [p.43] Integrity and ethics</p> <p>G4-56 Describe value, principle, standard and codes of conduct, such as the rules of conduct and ethics P1</p> <p>G4-57 Seek internal and external mechanisms of moral and legal behavior recommendations, and the things related to the integrity of the organization, such as a helpline or advice hotline P12, P42-45</p> <p>G4-58 Internal and external mechanisms of reporting unethical or illegal behaviors, as well as the matters related to the integrity of the organization, such as reporting by the line manager step by step, reporting mechanism or hotline - Not Adopted</p> <p>[...]</p>

[p.44] G4-SO4 Communication and training of anti-corruption policies and procedures P43-44

[11] 教育电影 / Educational Seminars at Subsidiary (Webpage)

Accessed 07/10/2019

<http://jjc.avic.com/qzsd/431337.shtml>

中航工业洪都：组织900名党员干部观看警示教育片

为进一步深化党风廉政教育，中航工业洪都自5月16日起，每天4场组织党员干部集中观看廉洁从业警示教育片《失控的“自由人”》和《蜕变的人生》。截至5月20日，已累计组织近900名党员干部观看。通过观看警示教育片，使大家深受触动，纷纷表示必须加强学习，严格遵守廉洁自律各项规定，牢固树立正确的人生观、世界观、价值观。

公司党委要求全体党员严格执行《廉洁自律准则》和《党纪处分条例》，自觉规范日常行为，不越“底线”，不碰“红线”，时刻做到心中有党，心中有民，心中有责，心中有戒，努力为公司发展作出应有的贡献。

Translation:

In order to further strengthen the work ethics advocated by the party and educate on the values of clean and integral government, party members and employees of China Aviation Industry Hongdu watched educational films entitled "Free People" and "Metamorphic Life". Viewings of the films were shown in four daily sessions since May 16. As of May 20, nearly 900 party members and cadres had viewed the films. All who watched the films were moved by what they watched. They all said that they would study harder, strictly abide by rules of honesty and self-discipline, and firmly establish a correct outlook on life, a global outlook and strong values.

The company's party committee requires all party members to strictly implement the "Code of Integrity and Self-discipline" and the "Regulations on Disciplinary Measures", consciously regulate daily behaviors, not to "bottom line", not to "cross the line", always have the party in mind, live with passion and responsibility. All employees will strive to make due contributions to the company's development.

[the article relates to events at one of the company's subsidiaries]

Question
<p>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</p> <p>a) Employees in high risk positions, b) Middle management, c) Board members.</p>
Score
0
Comments
<p>There is no evidence that the company provides tailored anti-bribery and corruption training to its employees based on an assessment of their role and exposure to corruption risk. There is some evidence that company representatives give occasional seminars on business ethics, including anti-corruption, to selected managers, however there is no evidence to indicate that these events constitute a training programme for all relevant individuals across the organisation.</p>
Evidence
<p>[20] 航空工业宏远：党委书记讲授专题纪律党课 / Secretary of the Party Committee Gives Anti-Corruption Lecture To Managers Accessed 09/10/2019 http://jjc.avic.com/yw78/678538.shtml 航空工业宏远：党委书记讲授专题纪律党课</p> <ul style="list-style-type: none"> 来源：航空工业宏远 发布时间：2019-09-10 <p>为扎实贯彻集团公司推进全面从严治党，深化党风廉政建设会议精神，落实中航重机全面从严治党警示教育大会要求，9月4日，航空工业宏远召开干部大会，党委书记王宽新以“明纪律，知敬畏，存戒惧，守底线，做表率，促发展”为题，对全体领导干部讲授了一次专题纪律党课。</p> <p>王宽新详细阐述了明纪律，知敬畏，存戒惧，守底线，做表率，促发展之间的辩证关系；用中国共产党推进革命、建设和改革开放事业的成功经验，详细讲解了明纪律，知敬畏，存戒惧，守底线，做表率的重要性和必要性。同时也强调了目前干部队伍纪律建设方面存在的各种问题和表现，要求全体干部，一是加强理论学习，增强党性修养；二是发挥表率作用，形成头雁效应；三是坚持问题导向，持续改进作风。</p> <p>Translation:</p> <p>Aviation Industry Hongyuan: Secretary of the Party Committee teaches special discipline party class</p> <ul style="list-style-type: none"> Source: Aviation Industry Hongyuan Release time: 2019-09-10 <p>The company commits to implement group ethics across the company's operations and in a comprehensive manner, whilst promoting the party's spirit of strict governance, promoting the spirit of the party's work style and clean governance free from corruption, and implementing the requirements of China Aviation Aircraft's comprehensive and strict management. The company's party committee gave an educational conference on these themes. On September 4, the aviation industry Hongyuan subsidiary held a conference with the title of "Ming discipline, knowing awe, saving fear, keeping the bottom line, doing the example, and promoting development". The party secretary Wang Kuanxin, taught a special seminar on discipline and ethics to all middle and leading managers.</p> <p>Wang Kuanxin elaborated on the importance of discipline, awe, fear, effective business practices, leading by example and promoting the dialectical relationship between development; He also used the successful experience</p>

of the Communist Party of China in promoting revolution, construction, and reform and opening up, explaining the concept of work discipline in great detail. At the same time, he also stressed the various problems and manifestations in the current discipline construction of cadres. All cadres are required to strengthen theoretical study and enhance party spirit. Second, these managers play a leading role in setting ethical examples and improving the company's working culture.

Question
3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?
Score
0
Comments
There is no evidence that the company measures or reviews the efficacy of its anti-bribery and corruption communications or training programme.
Evidence
No evidence found.

Question
3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
There is no evidence that the company's incentive schemes incorporate ethical or anti-bribery and corruption principles.
Evidence
No evidence found.

Question
3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?
Score
0
Comments
There is no evidence that the company makes a public commitment to support or protect employees who refuse to act unethically.
Evidence
No evidence found.

Question
3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?
Score
0
Comments
There is no evidence that the company has a publicly available policy of non-retaliation against whistleblowers or employees who report bribery and corruption incidents.
Evidence
No evidence found.

Question
3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?
Score
1
Comments
There is evidence that the company provides whistleblowing and advice channels that allow for anonymous reporting. However, the company receives a score of '1' because it only offers internally operated channels. In addition, the company makes no explicit statement that its whistleblowing and advice channels are available to all employees in any country of operation, or in multiple languages, or to any employees of third parties, suppliers or joint venture partners.
Evidence
<p>[19] 纪检监察信访举报指南 / Reporting Procedure (Webpage) Accessed 09/10/2019 http://jjc.avic.com/gzzds/jbzn/index.shtml 纪检监察信访举报指南</p> <p>一、纪检监察机关的受理范围</p> <p>1.针对党组织、党员和监察对象违反党纪政纪问题的检举、控告；</p> <p>2.依法应由纪检监察机关受理的党组织、党员和监察对象不服党纪政纪处分和其他处理的申诉；</p> <p>3.对党风廉政建设和纪检监察工作的意见、建议。</p> <p>二、检举、控告、申诉人的权利和义务</p> <p>《信访条例》、《中国共产党纪律检查机关控告申诉工作条例》、《监察机关举报工作办法》、《中央纪委监察部关于保护检举、控告人的规定》等制度，对检举、控告人的权利和义务作出了具体规定。</p> <p>1.检举、控告、申诉人享有如下权利：</p> <p>①对党员、党组织和行政监察对象违法违纪的行为有权提出检举、控告；</p> <p>②党员对所受党纪处分或纪检监察机关所作的其他处理不服，有权提出申诉，要求复议、复查；</p> <p>③提出检举、控告、申诉后，在一定期限内得不到答复时，有权向受理机关提出询问，要求给予负责的答复；</p> <p>④有权要求与检举、控告、申诉案情有关或有牵连的承办人员回避；</p> <p>⑤对受理机关及承办人员的失职行为和其他违纪行为有权提出检举、控告；</p> <p>⑥因进行检举、控告、申诉，其合法权益受到威胁或侵害时，有权要求受理机关给予保护。</p> <p>2.检举、控告、申诉人必须履行的义务：</p> <p>①对所检举、控告、申诉的事实真实性负责；</p> <p>②遵守党的纪律和控告申诉工作的有关规定，维护社会秩序和工作秩序；</p>

③接受党组织的正确处理意见，不得提出党章、制度政策规定以外的要求。

三、信访举报信件参考格式（怎样写举报信）

一是标题。如：关于反映XX单位XX职务XX姓名违纪问题的信访举报。

二是被举报人（或单位）信息。写明被举报人姓名、单位及职务等信息。

三是举报人信息。可匿名；为便于联系和反馈，提倡写明举报人姓名、联系电话和联系地址。

四是反映的主要问题。为便于纪检监察机关核实情况，尽可能详尽反映违纪违规行为发生的时间、地点、主要证据、涉及人员、涉及违纪金额等，做到线索明晰、内容清楚、证据详实，不要捕风捉影、道听途说。

四、举报注意事项

1.如实举报。反映问题应当客观真实，不得捏造事实，不得诬告、陷害他人；对借检举、控告诬告陷害他人的，依照有关规定严肃处理，涉嫌犯罪的，移送司法机关。

2.逐级举报。根据国家信访局《关于进一步规范信访事项受理办理程序，引导来访人依法逐级走访的办法》，根据“属地管理、分级负责”的原则，请按照被举报人所在的单位和级别选择相应的举报途径反映问题。提倡实名举报，纪检监察机构优先办理实名举报。不提倡重复举报、多头举报。

Translation:

Misconduct Reporting Procedure Instructions

1. The scope of acceptance of reports submitted to the discipline inspection and supervisory organs

1. Reporting and accusing the party organization, party members, and supervisors of violations of party discipline and discipline;

2. Party organizations, party members and supervisors who are subject to disciplinary inspection and supervisory organs according to law shall not be dissatisfied with the disciplinary actions of the party and the disciplinary action and other complaints;

3. Opinions and suggestions on party management and clean government construction and discipline inspection and supervision.

2. Reporting, accusation, and the rights and duties of the complainant

The following documents contain the full details regarding the rights and obligations of individuals submitting reports: "Registration of Letters and Visits", the "Regulations on Complaints against Complaints by the Communist Party of China's Discipline Inspection Organs", the "Measures for Reporting by the Supervisory Organs", and the "Provisions of the Central Commission for Discipline Inspection and Supervision on the Protection of Reports and Accused Persons", etc., on the rights of prosecutors and accused persons The obligations are specified in these documents.

1. Reporting, accusations, and the rights of the claimant:

1 Individuals have the right and obligation to submit a report containing an accusation on seeing a violation of party discipline and law by members, workers, organizations and administrative bodies;

2 If party members are dissatisfied with the treatment and investigation of party discipline or the discipline inspection and supervision organs, they have the right to file a complaint and request reconsideration and review;

3 After filing a report, accusation or appeal, if there is no reply within a certain period of time then the individual has the right to ask the receiving organ for a responsible reply;

- 4 The right to request the contractor who is related to the report, accusation or grievance case to be evaded;
- 5 The right to request that the individual who committed the offense identified be charged and prosecuted;
- 6 When legal rights are threatened or infringed by the report, accusation or appeal, the right to request the receiving authority to provide protection.

2. Reporting, accusation, and the obligations that the complainant must perform:

- 1 The claimant is fully responsible for the authenticity of the facts reported, accused, and appealed;
- 2 The complainant must comply with the party's discipline and the relevant provisions of the complaints, and maintain social order and work order;
- 3 Accept the correct handling opinions of the party organization, and do not ask for requirements other than the provisions of the party constitution and system policies.

3. The letter of reference report and format (how to write a report letter)

The first is the title. For example, a petition report on the violation of the XX name XX position XX description of violation.

The second is the information on the person (or unit) being reported. Write information such as the name, unit and position of the person being reported.

The third is to provide information on the individual submitting the report. Anonymous reports are also accepted; for easy contact and feedback, it is recommended to indicate the name, contact number and contact address of the reporter.

The fourth section is a description of the violation witnessed. In order to facilitate the inspection and supervision organs to verify the situation, as far as possible to reflect in detail the time, place, major evidence, involved personnel, amount of disciplinary violations, etc., to acquire clear clues, clear content, detailed evidence, do not tell other individuals about the submission of the report.

4. report matters needing attention

1. Report truthfully. The problem should be objective and true, and the facts must not be fabricated, and no false accusations or attempts to frame others should be made; if the accusation is reported or the accusation is falsely accused of others, it shall be dealt with seriously in accordance with the relevant provisions. If the supervisory bodies suspect that a crime has taken place then information on the incident and all relevant details will be transferred to judicial organs.

2. Report by level. According to the "Policy on Further Regulating the Acceptance Procedures for Letters and Visits and Guided Visiting Persons to Visit According to Law", according to the principle of "local management, grading and responsibility", please select the corresponding report according to the unit and level of the person being reported according to the nature of the offense being reported. Where possible name the individuals suspected and address the report to discipline inspection and supervision agencies, who give priority to real-name reports. Avoid repeating information and long reports.

[17] 腐败监测网站 / Corruption Monitoring Website (Webpage)

Accessed 08/10/2019

<http://jjic.avic.com/index.shtml>

纪检监察举报指南

集团有限公司举报方式

地址：北京市朝阳区曙光西里甲5号院19号楼
中国航空工业集团有限公司纪检监察部

邮编：100028 短信举报：15811318454

邮箱：jjjianjubaoxinxiang@avic.com

直属单位举报方式

Translation:

Discipline Inspection Report guide
 Group Co., Ltd. report method
 Address: Building 19, No. 5 courtyard, Shuguang Xili a, Chaoyang district, Beijing
 China Aviation Industry Group Co., Ltd.
 Zip code: 100028 SMS report:15811318454
 Mailbox: jijianjubaoxinxiang@avic.com
 Direct reporting methods

[6] Social Responsibility Report 2014 (Document)

Accessed 02/10/2019

<http://www.avic.com/en/images/shzrbg2014.pdf>

[p.43] Integrity and ethics

G4-56 Describe value, principle, standard and codes of conduct, such as the rules of conduct and ethics P1

G4-57 Seek internal and external mechanisms of moral and legal behavior recommendations, and the things related to the integrity of the organization, such as a helpline or advice hotline P12, P42-45

G4-58 Internal and external mechanisms of reporting unethical or illegal behaviors, as well as the matters related to the integrity of the organization, such as reporting by the line manager step by step, reporting mechanism or hotline
 - Not Adopted

[3] Social Responsibility Report 2017 (Document)

Accessed 01/10/2019

<http://www.avic.com/en/images/shzrbg2017.pdf>

[p.39]

Indicator	2017
Number of letters, calls and tip-offs handled	372
Processing rate of problems and leads	100%
Number of completed audit projects	3,479
The amount of increased income and reduced expenditure	RMB512 milliom
The amount rectified and corrected by audit	RMB6,953 billion
Proportion of general counsel equipped	95%

4. Conflict of Interest

Question
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
Score
0
Comments
Based on publicly available information, there is no evidence that the company has a policy on conflicts of interest.
Evidence
No evidence found.

Question
4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?
Score
0
Comments
There is no evidence that the company has procedures in place to manage conflicts of interest or their oversight.
Evidence
No evidence found.

Question
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
Score
0
Comments
There is no evidence that the company has a policy regulating the employment of current or former public officials.
Evidence
No evidence found.

Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
0
Comments
There is no evidence that the company reports details of the contracted services of serving politicians.
Evidence
No evidence found.

5. Customer Engagement

5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
Based on publicly available information, there is no evidence that the company has a policy or procedure to regulate corporate political contributions.
Evidence
No evidence found.

Question
5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?
Score
0
Comments
There is no evidence that the company publishes details of its political contributions.
Evidence
No evidence found.

Question		
5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?		
Score		
0		
Comments		
The company discloses information on its charitable activities but receives a score of '0' because there is no clear evidence that it has policies and procedures to protect against charitable donations being used as vehicles for bribery or corruption. There is no evidence that the company has procedures in place to stipulate criteria for donations or oversight mechanisms for any charitable expenditures.		
Evidence		
<p>[3] Social Responsibility Report 2017 (Document) Accessed 01/10/2019 http://www.avic.com/en/images/shzrbg2017.pdf [p.14]</p>		
Stakeholders	Expectations for the Corporation	Communication and Response
Society At Large	Provide quality and qualified product services; assume the responsibilities of the actual controller and controlling shareholders in the capital market to ensure the compliance and efficient operation and development of the enterprise; information disclosure as for compliance; provide more jobs; bear social responsibility	actively organize and participate in earthquake relief and other public welfare activities
Communities	Create a good community living environment and promote a prosperous community	Real-time communication with communities, carry out community bonding activities and participate in community construction
Educational Institutions	Combine the production, academics, and research, provide practical training conditions; provide good jobs; guide vocational education and employment training; assist in aviation science education; aid poor students; subsidize education resources in poor areas	Sign the strategic cooperation agreement with Greentown Release the campus recruitment plan in the official website, CAN News and related human resources agencies; organize training and lectures in relevant schools; regularly organize teacher allocation and alleviate poverty to support education
Non-Governmental Organizations	Support the development of social organizations, enhance information disclosure and participate in public welfare undertakings	Take an active part in the activities of mass organizations, actively offer advice and suggestions, enhance information disclosure and support public welfare undertakings
[...]		
[p.63] Help Those In Need And Distress, Finesse in Public Welfare		
Since the 18th National Congress of the Communist Party, the Party Central Committee with Comrade Xi Jinping as the core put the poverty relief and development in an important position of governance. Aviation Industry		

Corporation of China, Ltd (Aviation Industry) began to undertake the national task of fixed-point poverty alleviation in 1993, it pays high attention to this matter and actively responds to the nation's call. It worked tirelessly for 20 years on poverty alleviation and made remarkable achievements. When facing social emergencies or vulnerable groups such as poor children, the Aviation Industry and various units actively organized their employees to give a hand, do charitable donations and volunteer activities, assuming the social responsibility of helping the poor and the distressed to the largest extent.

Poverty alleviation must be accurate, problem solving requires innovation

Since it started to undertake the national fixed-point poverty alleviation task in 1993, Aviation Industry targeted 5 impoverished counties in Guizhou and Shaanxi provinces. It bears the most poverty alleviation tasks among the military industrial enterprises. Other than poverty alleviation of the 5 fixed-point impoverished counties, various units also undertake multiple poverty relief tasks arranged by several national ministries and departments and local governments. In the last 25 years, the headquarters of the Aviation Industry has spent over RMB40 million in poverty alleviation cumulatively. Over 70 member units under the Group Company targeted 64 impoverished villages and spent RMB43.3 million. In 2016, Aviation Industry contributed RMB300 million and became the first initiator of the Poverty-Stricken Area Industry Investment Fund of Chinese Enterprises.

In 2017, various member units continue to carry out the targeted helping tasks and invested 8 million and donated RMB2 million worth of articles. Over the past 25 years, the Aviation Industry designated over 120 residential village cadres, residential major village secretary and service deputy county mayors who are involved in poverty alleviations directly. They carried out 532 poverty alleviation projects of all types ranging from industrial development, education funding, infrastructure and improvement of people's livelihood, to the environment and invested RMB80 million. These projects greatly improved the local people's living and production standards, the poverty-stricken area finally changed and the Party Central Committee and the State Council's requirements regarding poverty alleviation were fully implemented. At the same time, Aviation Industry constantly held the activity of "Love Aviation". It purchases agricultural products from the targeted poverty-stricken area, organizes "blue chalk" public education activity, provides gratuitous diagnosis for the poor area and perfects the medical conditions, displaying the great love of aviation people and establishing a good social image of Aviation Industry.

[p.64] In Shuijing Village of Puding County of Guizhou, there is a clear lotus root industrial chain -- use the lotus leaf to make lotus leaf tea. When the lotus flowers bloom, hold lotus flower festivals and attract urban visitors with tourism items such as rural inn and barbecue; the seedpod of the lotus can be sold and the dry lotus seed can be made into crafts; when the lotus stem dries up, the loaches and finless eels cultivated in the mud can be harvested; and don't forget, the lotus root is a very delicious dish. Currently, the planting scale of lotus in Shuijing village has reached over 1,000mu (1 mu=roughly 7 acres); It cooperates with adjacent village and expands the scale to 2,000mu, and has become the largest lotus planting base in Anshun.

Aviation Industry spent RMB300,000 to initiate the construction project of organic and ecological tea garden in Huilong Village of Xixiang County of Shaanxi. By land circulation, after the village collective operates and manages the lands for three years, the land will be transferred to the households to operate and manage for free. In the same year, 120mu tea garden of 27 households was implemented by land circulation, including 55.2mu from 12 poverty-stricken households, who enjoyed a gain in income of RMB600 when the project was implemented.

Additionally, Aviation Industry helped Huilong Village set up a professional tea cooperative which attracted 23 poverty-stricken households. This association provides special funds and technical support for concentrated development of industry by the poor households. After that, the Aviation Industry spent another RMB128,000 to initiate care of and replanting of a 120mu organic and ecological tea garden. Each household is subsidized with an industry development fund of RMB5,000 and appoint a person to tracks and supervises along the way. A file is established for each of the 12 poverty-stricken households and help 12 willing poor households to develop industry and get rid of poverty, thus truly realizing accurate poverty alleviation and income increase. According to the statistics, newly developed 10mu of tea gardens, 2mu of forest fruits, 2mu of lindera aggregata, 5 cows, 28 goats, 1000 chickens and 6 labor exports.

[...]

[p.70] Africa is a key area for the overseas development of Aviation Industry. While developing its business in Africa, Aviation Industry has never forgotten the idea of "creating a better world beyond commerce" and has carried out vocational education, mobile hospital building, and training of national youth service teams and other livelihood project in African countries, dedicating to improve African youth's skills and employment and improve local medical standards. In November 2017, Aviation Industry held the fourth Africa Tech Challenge in Africa.

The ATC competition originated from the original intention of the Aviation Industry to “repay Africa and benefit the local community”. It hopes to promote local youth’s skills for employment through professional skill training and competition as well as the relevant industrial chains of aviation industry in Africa and China. The ATC has been held for 4 times since 2014. It covers 4 African countries and has cultivated hundreds of skilled talented professionals; it selected 6 excellent African young people to pursue advanced studies in China; and provides orders for 4 schools, which promote the development of local industry and education combination.

[7] Social Responsibility (Webpage)

Accessed 02/10/2019

<https://www.avic.com/en/aboutus/csr/index.shtml>

As a responsible enterprise, AVIC actively participate in those activities to serve the society.

To secure the harmony between corporate growth and social progress, we always pay close attention to the growth of both our corporation and communities, and make sure to support public welfare activities. These can range from poverty reduction, disaster relief and educational donations, to active participation in community development programs.

[...]

Company and Society

We play a positive role in developing new energy resources and high-level solutions such as wind power, solar energy, biomass power generation, energy storage and distributed energy. We organize employees to engage as volunteers in activities such as environmental improvement and promoting scientific knowledge , so as to create a good environment for public engagement.

[The company’s website contains numerous further articles and information on charitable projects it supports]

5.2 Lobbying

Question
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
Score
0
Comments
There is no evidence that the company has a policy and/or procedure on lobbying.
Evidence
No evidence found.

Question
5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?
Score
0
Comments
There is no evidence that the company publishes any information on its lobbying aims, topics or activities.
Evidence
No evidence found.

Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
0
Comments
There is no evidence that the company publishes details of its global lobbying expenditure.
Evidence
No evidence found.

5.3 Gifts and Hospitality

Question
5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?
Score
0
Comments
<p>There is no evidence that the company has a policy or procedure on gifts and hospitality, to ensure that such promotional expenses are not used as vehicles for corruption. The company publishes a document which states that Chinese Communist Party members will face punishment for giving and/or receiving lavish or inappropriate gifts or cash; however, the company receives a score of '0' because there is no clear evidence that these principles are incorporated into the company's own anti-corruption policies or apply to all employees across the company.</p>
Evidence
<p>[18] 《中国共产党纪律处分条例》 / Article on Discipline for Party Members Accessed 08/10/2019 http://jjjc.avic.com/qzdzs/663572.shtml</p> <p>第八章 对违反廉洁纪律行为的处分</p> <p>第八十五条 党员干部必须正确行使人民赋予的权力，清正廉洁，反对任何滥用职权、谋求私利的行为。 利用职权或者职务上的影响为他人谋取利益，本人的配偶、子女及其配偶等亲属和其他特定关系人收受对方财物，情节较重的，给予警告或者严重警告处分；情节严重的，给予撤销党内职务、留党察看或者开除党籍处分。</p> <p>第八十六条 相互利用职权或者职务上的影响为对方及其配偶、子女及其配偶等亲属、身边工作人员和其他特定关系人谋取利益搞权权交易的，给予警告或者严重警告处分；情节较重的，给予撤销党内职务或者留党察看处分；情节严重的，给予开除党籍处分。</p> <p>第八十七条 纵容、默许配偶、子女及其配偶等亲属、身边工作人员和其他特定关系人利用党员干部本人职权或者职务上的影响谋取私利，情节较轻的，给予警告或者严重警告处分；情节较重的，给予撤销党内职务或者留党察看处分；情节严重的，给予开除党籍处分。</p> <p>党员干部的配偶、子女及其配偶等亲属和其他特定关系人不实际工作而获取薪酬或者虽实际工作但领取明显超出同职级标准薪酬，党员干部知情未予纠正的，依照前款规定处理。</p> <p>第八十八条 收受可能影响公正执行公务的礼品、礼金、消费卡和有价证券、股权、其他金融产品等财物，情节较轻的，给予警告或者严重警告处分；情节较重的，给予撤销党内职务或者留党察看处分；情节严重的，给予开除党籍处分。</p> <p>收受其他明显超出正常礼尚往来的财物的，依照前款规定处理。</p> <p>第八十九条 向从事公务的人员及其配偶、子女及其配偶等亲属和其他特定关系人赠送明显超出正常礼尚往来的礼品、礼金、消费卡和有价证券、股权、其他金融产品等财物，情节较重的，给予警告或者严重警告处分；情节严重的，给予撤销党内职务或者留党察看处分。</p> <p>第九十条 借用管理和服务对象的钱款、住房、车辆等，影响公正执行公务，情节较重的，给予警告或者严重警告处分；情节严重的，给予撤销党内职务、留党察看或者开除党籍处分。</p> <p>通过民间借贷等金融活动获取大额回报，影响公正执行公务的，依照前款规定处理。</p> <p>[...]</p> <p>第九十二条 接受、提供可能影响公正执行公务的宴请或者旅游、健身、娱乐等活动安排，情节较重的，给予警告或者严重警告处分；情节严重的，给予撤销党内职务或者留党察看处分。</p>

Translation:

Punishments of party members for corruption

Party members must fulfil their work honestly and not abuse their position by seeking to receive unlawful or corrupt advantages. They will be severely punished for such actions and for violating any of the rules described below:

Party members cannot use their position to receive unlawful privileges or benefits for their family members. They cannot arrange work at the company for their family outside of established processes. They cannot receive in an unlawful fashion gifts of cash or other material value. Party members must not give large gifts and cash to other party members, friends, family. Party members cannot use private loans to gain a work advantage.

[...]

Party members cannot use their work positions to seek benefits for their friends and families.

[The document specifically implies that the rules apply to party members at the company, not to all employees]

6. Supply Chain Management

Question
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
Score
0
Comments
Based on publicly available information, there is no evidence that the company requires the involvement of its procurement department in the establishment and/or oversight of its supplier base.
Evidence
No evidence found.

Question
6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?
Score
0
Comments
There is no evidence that the company conducts anti-bribery and corruption due diligence on its supply chain.
Evidence
No evidence found.

Question
6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?
Score
0
Comments
Based on publicly available evidence, there is no clear evidence that the company ensures that its suppliers have anti-bribery and corruption policies in place that meet a high standard.
Evidence
<p>[3] Social Responsibility Report 2017 (Document) Accessed 01/10/2019 http://www.avic.com/en/images/shzrbg2017.pdf [p.14] Suppliers</p> <p>Expectations for the Corporation - Fair and transparent procurement, and stable cooperative relations</p> <p>Communication and Response – Contract negotiation, regular visits, contractor billet auctions, consultations</p>

Question
6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?
Score
0
Comments
There is no evidence that the company takes steps to ensure that the substance of its anti-bribery and corruption programme and standards are required throughout the supply chain.
Evidence
No evidence found.

Question
6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or anti-bribery and corruption investigations relating to its suppliers, or the associated disciplinary actions.
Evidence
No evidence found.

7. Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

Question
7.1.1 Does the company have a clear policy on the use of agents?
Score
0
Comments
Based on publicly available information, there is no evidence that the company has a policy on the use of agents.
Evidence
No evidence found.

Question
7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?
Score
0
Comments
There is no evidence that the company conducts anti-bribery and corruption due diligence on its agents or intermediaries.
Evidence
No evidence found.

Question
7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?
Score
0
Comments
There is no evidence that the company commits to establishing the beneficial ownership of its agents, nor that it commits to not engaging or terminating its engagement with agents or intermediaries if beneficial ownership cannot be established.
Evidence
No evidence found.

Question
7.1.4 Does the company’s anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?
Score
0
Comments
There is no evidence that the company includes anti-bribery and corruption clauses in its contracts with agents and intermediaries.
Evidence
No evidence found.

Question
7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
There is no evidence that the company considers incentive structures as a risk factor in agent behaviour, nor that incentive structures for agents are designed to minimise risks of anti-bribery and corruption.
Evidence
No evidence found.

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for or on behalf of the company.
Evidence
No evidence found.

Question
7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?
Score
0
Comments
There is no evidence that the company publishes any data on ethical or bribery and corruption related investigations, incidents or the associated disciplinary actions involving agents.
Evidence
No evidence found.

7.2 Joint Ventures

Question
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
Score
0
Comments
There is no evidence that the company conducts anti-bribery and corruption due diligence on its joint ventures.
Evidence
No evidence found.

Question
7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?
Score
0
Comments
There is no clear evidence that the company commits to establishing or implementing anti-bribery and corruption policies or procedures in its joint ventures, nor that it requires anti-bribery and corruption clauses in its contracts with joint venture partners. The company publicly commits to operate in accordance with the law and in good faith in all of its business partnerships, without making specific reference to corruption, but this does not specifically relate to joint ventures nor does it imply that specific anti-corruption policies will be put in place.
Evidence
<p>[3] Social Responsibility Report 2017 (Document) Accessed 01/10/2019 http://www.avic.com/en/images/shzrbg2017.pdf [p.14] Partnerships</p> <p>Expectations for the corporation Strictly abide by laws and regulations, advocate business ethics, maintain long-term cooperative relations, and achieve mutual benefit and win-win</p> <p>Communication and response Operate in good faith, strictly abide by the contract, regularly meet with top management, share technology and management experience, cooperate in investment, business and meetings</p>

Question
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
Score
0
Comments
There is no evidence that the company commits to take an active role in preventing bribery and corruption in all of its joint ventures.
Evidence
No evidence found.

8. Offsets

Question
8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?
Score
0
Comments
There is no evidence that the company addresses the corruption risks associated with offset contracting and there is no evidence that a dedicated body, department or team is responsible for monitoring of the company's offset activities.
Evidence
No evidence found.

Question
8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?
Score
0
Comments
There is no evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations.
Evidence
No evidence found.

Question
8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of its offset programme.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
0
Comments
There is no evidence that the company publishes any details of its offset obligations and/or contracts.
Evidence
No evidence found.

9. High Risk Markets

Question
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
Score
0
Comments
There is no evidence that the company acknowledges the corruption risks of operating in different markets, nor that risk assessment procedures are used to inform the company's operations in high risk markets.
Evidence
No evidence found.

Question
9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?
Score
1
Comments
<p>The company publishes a list of its subsidiaries, which includes information about the country of incorporation for each entity. However, the company receives a score of '1' because it is not clear whether the companies listed are principal subsidiaries or joint ventures, or if they represent all of the company's holdings. In addition, the company's data does not include information on percentage ownership or country of operation. There is also no evidence to indicate whether the data is updated on at least an annual basis.</p>
Evidence
<p>[1] Company Overview (Webpage) Accessed 01/10/2019 https://www.avic.com/en/aboutus/overview/index.shtml We have over 100 subsidiaries, 28 listed companies and more than 450,000 employees.</p> <p>[4] Social Responsibility Report 2016 (Document) Accessed 02/10/2019 http://www.avic.com/en/images/shzrbg2016.pdf [p.4]</p> <pre> graph LR subgraph Departments D1[Retirees Management Center] D2[Defense Affairs Engineering Department] D3[Industry Development Department] D4[Civil Aircraft Industrial Department] D5[Disciplinary Inspection Supervision Department] D6[Party Construction and Ideological and Political Work Department] D7[Audit and Legal Department] D8[International Affairs Department] D9[Scientific and Technological Quality Department] D10[Human Resources Department] D11[Capital Management Department] D12[Planning and Finance Department] D13[Strategy and Development Department] D14[Integrated Management Department] end subgraph Subsidiaries S1[China National Aero-Technology Import & Export Corporation] S2[China Aviation Planning and Design Institute (Group) Co., Ltd.] S3[AVIC Capital Co., Ltd.] S4[AVIC International Holding Corporation] S5[AVIC Assets Management Co., Ltd.] S6[Chinese Flight Test Establishment] S7[Chinese Aviation Manufacturing Technology Establishment] S8[Chinese Aeronautical Establishment] S9[China Aviation Industry General Aircraft Co., Ltd.] S10[AVIC Electromechanical Systems Co., Ltd.] S11[China AVIC Avionics System Co., Ltd.] S12[AVIC Helicopter Co., Ltd.] S13[AVIC Aircraft Co., Ltd.] end </pre>

[2] Listed Subsidiaries (Webpage)

Accessed 01/10/2019

<https://www.avic.com/en/aboutus/listedsubsidiaries/index.shtml>

Listed Subsidiaries

We own 27 listed companies.

Overseas Listed Companies

FACC AG(Austrain FACC) - Listing location: Austria

www.facc.com

AVIC International Maritime Holdings Limited - Listing location: Singapore

www.avicintl.com.sg

KHD Humboldt Wedag - Listing location: Germany

www.khd.com

Companies Listed on Hong Kong Stock Exchange

AviChina Industry & Technology Company Limited

02357

www.avichina.com

AVIC International Holding Corporation

00161

www.avic161.com/web/

AVIC International Holding (HK) Limited

00232

AVIC Joy Holdings (HK) Limited

00260

Nexteer Automotive

01316

www.nexteer.com

Companies Listed on Shanghai Stock Exchange

AVICOPTER PLC

600038

China Avionics Systems Co., Ltd.

600372

Sichuan Chengfa Aero Science&Technology Co., Ltd.

600391

Zhonghang Heibao Co., Ltd.

600760

AVIC Heavy Machinery Co., Ltd.

600765

AVIC Capital Co., Ltd.

600705

Jiangxi Hongdu Aviation Industry Co., Ltd.

600316

Baosheng Science and Technology Innovation Co., Ltd.

600973

Guizhou Guihang Automotive Components Co., Ltd.

600523

Companies Listed on Shenzhen Stock Exchange
Sichuan Chengfei Integration Technology Co., Ltd.
002190

China Aviation Optical-Electrical Technology Co., Ltd.
002179

AVIC Sanxin Co., Ltd.
002163

AVIC Aircraft Co., Ltd.
000768

AVIC Electromechanical Systems Co., Ltd.
002013

AVIC Real Estate Co., Ltd.
000043

Rainbow Department Store Co., Ltd.
002419

Zhonghang Electronic Measuring Instruments Co., Ltd.
300114

Question
9.3 Does the company disclose its beneficial ownership and control structure?
Score
2
Comments
There is evidence to indicate that the company is a state-owned enterprise, with all shares held by Chinese government.
Evidence
<p>[3] Social Responsibility Report 2017 (Document) Accessed 01/10/2019 http://www.avic.com/en/images/shzrbg2017.pdf [p.5] About Us</p> <p>Aviation Industry Corporation of China,Ltd (hereinafter referred to as "Aviation Industry") is a large state-owned enterprise managed by the central government as well as a state authorized investment institution, and was established through restructuring integration of the original AVIC I and AVIC II on November 6, 2008.</p> <p>[...]</p> <p>[p.12] Group Completes Corporate Restructuring</p> <p>Aviation Industry has been restructured from an enterprise owned by the whole people into a wholly state-owned company for which SASAC of the State Council performs the duties of a sponsor on behalf of the State Council, and the company name was changed to "Aviation Industry Corporation of China".</p> <p>[14] 集团简介 / Group Profile (Webpage) Accessed 7/10/2019 http://www.avic.com/cn/gxwm/jqgk/jqjg/index.shtml 中国航空工业集团有限公司（简称“航空工业”）是由中央管理的国有特大型企业，是国家授权的投资机构，于2008年11月6日由原中国航空工业第一、第二集团公司重组整合而成立。</p> <p>Translation:</p> <p>China Aviation Industry Corporation ("Aviation Industry") is a state-owned large-scale enterprise managed by the central government. It is a state-authorized investment institution. It was reorganized by the former China Aviation Industry First and Second Group Corporation on November 6, 2008.</p>

Question
9.4 Does the company publish a percentage breakdown of its defence sales by customer?
Score
0
Comments
The company states that it is a major provider to the Chinese armed forces, without providing detail on sales figures or data representing a percentage of its overall sales. The company receives a score of '0' because it does not disclose the countries or customers that represent at least 50% of its defence sales.
Evidence
<p>[3] Social Responsibility Report 2017 (Document) Accessed 01/10/2019 http://www.avic.com/en/images/shzrbg2017.pdf [p.23] As the main contractor of aviation weapon equipment in our country, it is the primary political task of Aviation Industry to build and maintain strong armed forces.</p>

10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
0
Comments
There is no evidence that the company publishes information on shareholder voting rights.
Evidence
No evidence found.

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
0
Comments
<p>The company publishes some information on its areas of activity in the national defence industry. However, the company receives a score of '0' because there is no evidence that it publishes clear information on its commercial or public policy objectives.</p>
Evidence
<p>[3] Social Responsibility Report 2017 (Document) Accessed 01/10/2019 http://www.avic.com/en/images/shzrbg2017.pdf [p.5] About Us</p> <p>Aviation Industry Corporation of China,Ltd (hereinafter referred to as "Aviation Industry") is a large state-owned enterprise managed by the central government as well as a state authorized investment institution, and was established through restructuring integration of the original AVIC I and AVIC II on November 6, 2008. The Group Company mainly engages in such industries as aviation weapons equipment, military transport aircraft, helicopters, airborne systems, auto components and parts, general aviation, aviation research, flight testing, the aviation supply chain, asset management, finance, engineering construction and automobiles. It oversees more than 100 member units and 27 listed companies and is home to over 450,000 employees. The Group Company has entered The Fortune Global 500 list for 9 consecutive years, ranked the 162nd in 2017, in the forefront of aeronautics and astronautics and defense sectors, and was selected for Fortune's 2017 Most Admirable Chinese Company Industry Star List.</p> <p>In the field of military aviation, Aviation Industry serially develops military aircraft, including fighter planes, fighter bombers, bombers, transport aircraft, training planes, reconnaissance planes, helicopters, attack aircraft and unmanned aerial vehicles, comprehensively researches and develops the air-to-air, airto-surface and ground-to-air missiles and carries out the airborne system development and aviation technology research and testing which provides advanced aviation weapon equipment for national defense security.</p> <p>In the civil aviation field, Aviation Industry independently develops the "MA" series regional aircraft, AC series civilian helicopters, AG series aircraft, Y-12 series aircraft and Eaglet 500, Seagull 300 and SF50 light business jets, Cirrus series general aircraft and "Sparrow Hawk" civilian unmanned aerial vehicles, and carries out the aviation subcontracting production business which provides advanced civil aviation products for domestic and international customers, while also devoting ourselves to the development of the general aviation industry.</p> <p>In the non-aeronautical civilian products and modern service fields, Aviation Industry adheres to uniformity in technical expertise, centralized industrial organization and synchronized values in its vision for military-civilian integration, in its advancement of an "informationization and industrialization merger," in its integration of high-tech aviation high-tech with the civil field, development of smart devices, auto components, LCD and electronic components and other industries, and of such modern service industries as financial investment, engineering construction, aviation creative economy and Internet applications, which provide society with high-end equipment and the impetus for innovation, promote national smart manufacturing, support the development of aviation industry and serve the social masses.</p> <p>[...]</p> <p>[p.11] The Concept and Model of Responsibility</p> <p>- Responsibility Is Rooted in the Mission and Integrated into the Strategy Aviation industry is a national strategic industry.</p> <p>The core of AVIC's social responsibility begins with serving the country with aviation and a strong and equipped military is its fundamental responsibility, insisting on the whole undertaking of political, economic and social</p>

responsibilities and creating comprehensive value including economic, social and environmental value for stakeholders.

[14] 集团简介 / Group Profile (Webpage)

Accessed 7/10/2019

<http://www.avic.com/cn/gxwm/jqgk/jqjg/index.shtml>

为国防安全提供先进航空武器装备

航空工业系列发展歼击机、歼击轰炸机、轰炸机、运输机、教练机、侦察机、直升机、强击机、通用飞机、无人机等飞行器，全面研发空空、空面、地空导弹，强力塑造运-20“鲲鹏”大型运输机、“鹞鹰”战斗机、“飞鲨”舰载战斗机、歼10系列飞机、歼11系列飞机、“霹雳火”直-10武装直升机、“黑旋风”直19武装直升机、轰-6系列轰炸机、空警200和空警2000等系列预警机、“飞豹”歼击轰炸机、“枭龙”飞机、“翼龙”系列无人机、“猎鹰”和“山鹰”高级教练机、“霹雳”系列和“闪电”系列导弹等品牌，为用户提供先进航空武器装备。

为交通运输提供先进民用航空装备

航空工业大力发展民用飞机，自主研发AG600大型水陆两栖飞机，系列发展新舟60、新舟600、新舟700等“新舟”系列支线飞机，AC311、AC312、AC313、AC322、AC352等AC系列民用直升机，大力发展AG50、AG100教练机、AG300等AG系列，运-12系列、小鹰500、海鸥300、SF50轻型公务机、西锐系列通用飞机和“鹞鹰”民用无人机，全力支持C919大型客机、ARJ21新支线飞机发展，承接国际航空转包生产任务并成为优秀供应商，为国内外客户提供优质、可靠的民用航空产品。同时以通航运营发展为推手，以商业成功为目的，努力成为国内通航产业系统解决方案实践者、通航产业链健康快速发展的推动者、国家通航产业战略目标实现的贡献者。

为先进制造提供高端装备和创新动力

航空工业秉承技术同源、产业同根、价值同向的军民融合式发展理念，积极探索制造业转型之路，深入推进工业化和信息化“两化融合”和智能制造。将航空高技术融入民用领域，大力发展汽车零部件、液晶显示、电线电缆、印刷线路板、光电连接器、锂离子动力电池、智能装备等产品，并协调发展金融投资、工程建设、航空创意经济等现代服务业。

Translation:

Providing advanced aviation weaponry for national defence and security

The company's aviation industry section develops fighters, precision bombers, bombers, transport aircraft, training aircraft, reconnaissance aircraft, helicopters, attack aircraft, general aircraft, unmanned aerial vehicles and other aircraft, and comprehensively develops air and surface-to-air missiles. The company additionally develops the following sorts of aircraft: "Large transport aircraft, "Eagle" fighters, "Flying Shark" carrier-based fighters, series aircraft, "Bonfire" straight-10 armed helicopters, "Black Cyclone" straight 19 armed helicopters, H-6 Series bombers, Air Police 200 and Air Police 2000 series of early warning aircraft, "Flying Leopard" sniper bomber, "Zhenlong" aircraft, "Pterosaur" series of drones, "Falcon" and "Mountain Eagle" advanced training aircraft, " The advanced series and the "Lightning" series of missiles and other brands represent the best and most advanced forms of advanced aviation weapons and equipment.

Providing advanced civil aviation equipment for transportation

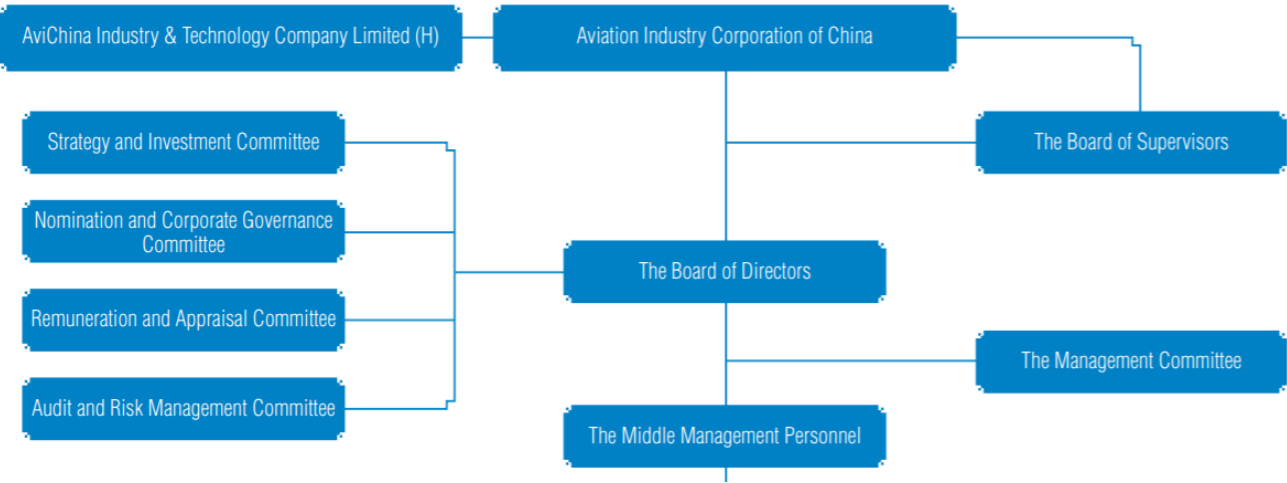
The company's aviation industry segment vigorously develops civilian aircraft, independently develops AG600 large-scale amphibious aircraft, and develops "Xinzhou" series regional aircraft such as Xinzhou 60, Xinzhou 600 and Xinzhou 700, AC series ACDX, AC312, AC313, AC322, AC352, etc. Helicopter, vigorously develop AG50, AG100 trainer, AG300 and other AG series, Yun-12 series, Kitty 500, Seagull 300, SF50 light business jet, Xirui series general aircraft and "Xiaoying" civilian drone. The development of passenger aircraft and the ARJ21 new regional aircraft has taken on the task of international air subcontracting production and has become an excellent supplier to provide high quality and reliable civil aviation products for domestic and foreign customers. At the same time, with the development of navigation operations as the driving force, with the aim of commercial success, we strive to become a producer serving the domestic aviation industry, and a promoter of the healthy and rapid

development of the navigation industry chain, and a contributor to realizing the strategic goals of the national aerospace industry.

Providing high-end equipment and innovative power for advanced manufacturing

The aviation industry division of the company adheres to the development concept of military-civilian integration using the same technology, servicing the same industry, and providing the same value. It actively explores the road of manufacturing transformation and further promotes the integration of industrialization and informationization and intelligent manufacturing. Integrating aviation high-tech technology into the civilian sector, and vigorously developing automotive parts, liquid crystal displays, wires and cables, printed circuit boards, optical connectors, lithium-ion power batteries, intelligent equipment and other products, and coordinating the development of financial investment, engineering construction are key goals. The company serves the aviation creative economy, developing into a modern service industry.

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
0
Comments
There is no evidence that the company publishes any information about its board members or the process for their nomination and appointment.
Evidence
No evidence found.

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
0
Comments
There is no evidence that it is composed of a majority of independent directors. The company publishes information to indicate that it has an audit committee, but provides no further information on the composition of the committee.
Evidence
<p>[3] Social Responsibility Report 2017 (Document) Accessed 01/10/2019 http://www.avic.com/en/images/shzrbg2017.pdf [p.6] Organizational Structure</p>  <p>The diagram shows the organizational structure of Aviation Industry Corporation of China. At the top is 'Aviation Industry Corporation of China'. Below it are 'The Board of Directors', 'The Board of Supervisors', and 'The Middle Management Personnel'. To the left of 'The Board of Directors' are four committees: 'Strategy and Investment Committee', 'Nomination and Corporate Governance Committee', 'Remuneration and Appraisal Committee', and 'Audit and Risk Management Committee'. To the right of 'The Board of Directors' is 'The Management Committee'. 'AviChina Industry & Technology Company Limited (H)' is listed as a subsidiary of the Aviation Industry Corporation of China.</p>

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
0
Comments
There is no evidence that the company publishes any information regarding its management of asset transactions.

Evidence

[3] Social Responsibility Report 2017 (Document)

Accessed 01/10/2019

<http://www.avic.com/en/images/shzrbg2017.pdf>

Set up the office of the expatriate board of supervisors The Group Company deepens reforms, integrates supervision, adjusts the occupational organization of full-time directors and supervisors sent by the company and sets up the office of the expatriate board of supervisors of the Group Company to supervise major business activities of the units to which they belong and the operation and management of people in charge of the units and ensures the value of state-owned assets are maintained and increased.

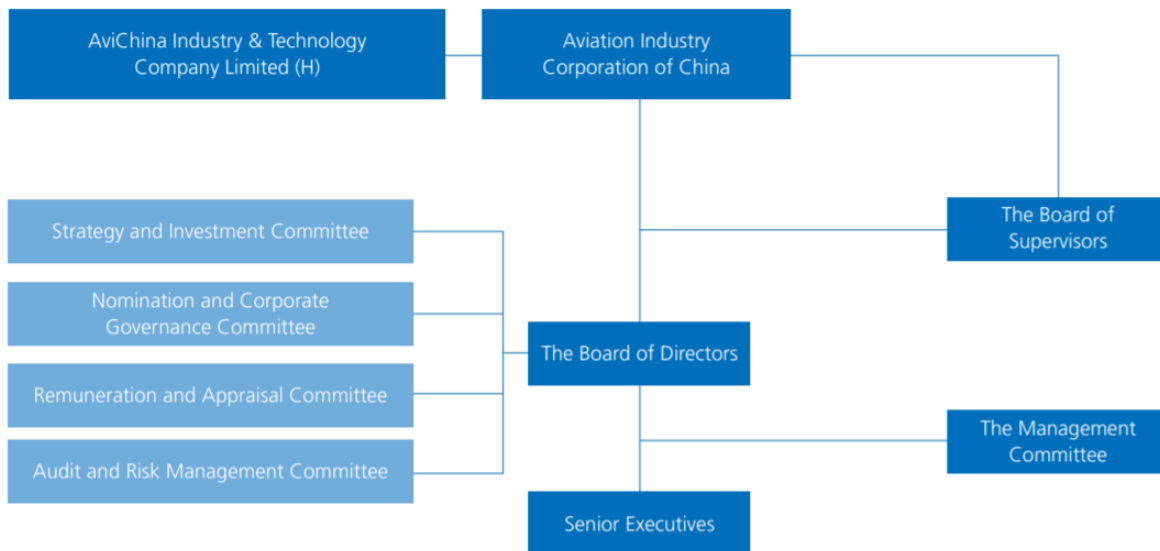
[4] Social Responsibility Report 2016 (Document)

Accessed 02/10/2019

<http://www.avic.com/en/images/shzrbg2016.pdf>

[p.7]

Organizational Structure



List of Evidence & Sources

No.	Type <i>(Webpage or Document)</i>	Name	Download Date	Link
01	Webpage	Company Overview	01/10/19	[https://www.avic.com/en/aboutus/overview/index.shtml]
02	Webpage	Listed Subsidiaries	01/10/19	[https://www.avic.com/en/aboutus/listedsubsidiaries/index.shtml]
03	Document	Social Responsibility Report 2017	01/10/19	[http://www.avic.com/en/images/shzrbg2017.pdf]
04	Document	Social Responsibility Report 2016	02/10/19	[http://www.avic.com/en/images/shzrbg2016.pdf]
05	Webpage	Open Ownership Search	02/10/19	[https://register.openownership.org/search?country=CN&q=avionics+corporation+of+china+Ltd]
06	Document	Social Responsibility Report 2014	02/10/19	[http://www.avic.com/en/images/shzrbg2014.pdf]
07	Webpage	Social Responsibility	02/10/19	[https://www.avic.com/en/aboutus/csr/index.shtml]
09	Webpage	Leadership	02/10/19	[https://www.avic.com/en/aboutus/leadership/index.shtml]
10	Document	Social responsibility Report 2018	03/10/19	[http://www.avic.com/images/shzrbg2018.pdf]
11	Webpage	Education seminars at Subsidiary	07/10/19	[http://jjic.avic.com/gzzd/431337.shtml]
12	Webpage	Clean Government Message	07/10/19	[http://jjic.avic.com/ljwh77/636744.shtml]
13	Webpage	Reporting Instructions	7/10/19	[http://www.12388.gov.cn/]
14	Webpage	Group Profile	7/10/19	[http://www.avic.com/cn/gxwm/jqgk/jqjg/index.shtml]
15	Webpage	Party Model Working Regulations	7/10/19	[http://jjic.avic.com/gzzds/426925.shtml]
16	Webpage	Anti-Corruption Film and Seminar	08/10/19	[http://jjic.avic.com/yw78/678679.shtml]

17	Webpage	Corruption Monitoring Website	08/10/19	[http://jjic.avic.com/index.shtml]
18	Webpage	Article on Discipline for Party Members	08/10/19	[http://jjic.avic.com/gzzds/663572.shtml]
19	Webpage	Reporting Procedure	09/10/19	[http://jjic.avic.com/gzzds/jbzn/index.shtml]
20	Webpage	Secretary of the Party Committee Gives Anti-Corruption Lecture To Managers	09/10/19	[http://jjic.avic.com/yw78/678538.shtml]