

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

### FINAL ASSESSMENT

#### CHINA NORTH INDUSTRIES GROUP CORPORATION

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	0/12
3. Support to Employees	7	0/14
4. Conflict of Interest	4	0/8
5. Customer Engagement	7	0/14
6. Supply Chain Management	5	1/10
7. Agents, Intermediaries and Joint Ventures	10	0/20
8. Offsets	4	0/8
9. High Risk Markets	4	1/8
10. State-Owned Enterprises	5	2/10
<b>TOTAL</b>		<b>4/112</b>
<b>BAND</b>		<b>F</b>

\*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

<b>Question</b>
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company has a commitment to ethical or anti-bribery and corruption standards.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<p>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</p> <ul style="list-style-type: none"> <li>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</li> <li>b) All board members, including non-executive directors.</li> </ul>
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company publishes an anti-corruption policy which applies to all employees.
<b>Evidence</b>
No evidence found.

<b>Question</b>
1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
<b>Score</b>
0
<b>Comments</b>
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.
<b>Evidence</b>
<p><b>[1] Organizational Chart (Webpage)</b>                  Accessed 02/10/2019  <a href="http://en.norincogroup.com.cn/art/2015/8/23/art_439_1481.html">http://en.norincogroup.com.cn/art/2015/8/23/art_439_1481.html</a></p> <p><b>Organization</b></p>  <pre>                 graph LR                 GC[Group Corporation] --- GO[General Office (Board of directors Office) Directorate Office]                 GC --- DPD[Development and Planning Department]                 GC --- TSE[Technology, Safety &amp; Environmental Protection Department]                 GC --- DRD[Research &amp; Development Department of Defense Products]                 GC --- DDD[Defense Products Department]                 GC --- GPD[General Products Department]                 GC --- HRD[Human Resources Department]                 GC --- FD[Finance Department]                 GC --- RAM[Reform and Asset Management Department]                 GC --- SD[Supervision Department]                 GC --- ARMD[Auditing and Risk Management Department]                 GC --- CCD[Corporate Culture Department]                 GC --- RAD[Retirees Affairs Department]                 GC --- NID[Northwest Industries Department]                 </pre>

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company has a specific managerial-level employee with ultimate responsibility for implementing and managing the company’s anti-bribery and corruption programme.
<b>Evidence</b>
No evidence found.

## 2. Internal Controls

<b>Question</b>
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?
<b>Score</b>
0
<b>Comments</b>
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.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company clearly states that its anti-bribery and corruption programme is subject to audit or review.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes any information on its procedures for dealing with bribery and corruption allegations, incidents or whistleblowing reports.
<b>Evidence</b>
No evidence found.



<b>Question</b>
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company assures itself of the quality of its internal investigations.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company publishes an investigative procedure which includes a commitment to report material findings.
<b>Evidence</b>
No evidence found.

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

### 3. Support to Employees

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company provides anti-bribery and corruption training to all employees.
<b>Evidence</b>
<p><b>[11] 警示教育参观学习 / Anti-Corruption Seminar in Subsidiary (Webpage)</b>  Accessed 08/10/2019  <a href="http://www.norincogroup.com.cn/art/2019/8/6/art_6386_165137.html">http://www.norincogroup.com.cn/art/2019/8/6/art_6386_165137.html</a>  北奔重汽组织“不忘初心，牢记使命”警示教育参观学习</p> <p>为加强党风廉政建设，落实兵器集团及北奔重汽党委“不忘初心，牢记使命”主题教育活动要求，7月26日，北奔重汽纪委组织各单位90余人到包头市青山区人民检察院廉政教育基地参观学习，接受廉政教育。</p> <p>通过参观警示教育基地、观看由青山区人民检察院制作的警示教育反腐微电影《变形记》，使参观人员深刻认识到，要从现实中发生的职务犯罪案件中汲取深刻教训，以腐为鉴，时刻保持清醒头脑，珍惜工作岗位、珍惜生活，做到预防腐败工作防微杜渐、警钟长鸣。更要树立正确的职业价值观，提高自身免疫力，抵制不良侵蚀，不断增强廉洁的自觉性和坚定性，增强风险防范意识，远离职务犯罪。(李健冬)</p> <p><b>Translation:</b></p> <p>Beiben Heavy Duty Truck organization hosted an educational seminar entitled "Do not forget integrity, remember the mission"</p> <p>In order to strengthen the work of building a clean and honest system of corporate governance, and implement the requirements of the educational activities of the weapons manufacturing group and the Beiben Heavy-duty Steam Party Committee, "Do not forget integrity, remember the mission", on July 26, the Beiben Heavy-duty Discipline Commission organized more than 90 people from all units to Qingshan District, Baotou City. The People's Procuratorate's Integrity Education Department visited and studied and approved the educational lessons on anti-corruption, ethics and honest management.</p> <p>By visiting the seminars and watching the warning education anti-corruption micro-film "Metamorphosis" produced by the Qingshan District People's Procuratorate, the visitors gained a strong awareness of the need to learn from the actual past crimes of the real world. The chief lessons of the talks and films of the event were: To always keep a clear head, cherish work, cherish life, prevent corruption, prevent the micro-duration, and alarm. It is necessary to establish correct professional values, strengthen your resolve against corruption, resist negative influences, continuously enhance the consciousness and firmness of integrity, enhance the awareness of risk prevention, and reject the chances to commit crimes and misdemeanours in your professional duties.</p>

<b>Question</b>
<p><b>3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees:</b></p> <ul style="list-style-type: none"> <li>a) Employees in high risk positions,</li> <li>b) Middle management,</li> <li>c) Board members.</li> </ul>
<b>Score</b>
0
<b>Comments</b>
<p>There is no evidence that the company tailors its anti-bribery and corruption training to employees based on an assessment of their role and exposure to corruption risk.</p>
<b>Evidence</b>
<p>No evidence found.</p>

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

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company's incentive schemes incorporate ethical or anti-bribery and corruption principles.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company commits to support or protect employees who refuse to act unethically.
<b>Evidence</b>
No evidence found.



<b>Question</b>
<b>3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
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.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company has either whistleblowing or advice channels.
<b>Evidence</b>
No evidence found.

## 4. Conflict of Interest

<b>Question</b>
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
<b>Score</b>
0
<b>Comments</b>
There is no evidence to suggest that the company has a policy on conflicts of interest.
<b>Evidence</b>
No evidence found.

<b>Question</b>
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?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company has procedures to manage conflicts of interest or their oversight.
<b>Evidence</b>
No evidence found.

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

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

## 5. Customer Engagement

### 5.1 Contributions, Donations and Sponsorships

<b>Question</b>
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company has a policy on corporate political contributions.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company discloses details of its political contributions.
<b>Evidence</b>
No evidence found.



Question
<b>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?</b>
Score
<b>0</b>
Comments
There is no evidence that the company has a policy and/or procedure covering both charitable donations and sponsorships.
Evidence
<p><b>[7] Targeted Poverty Alleviation (Webpage)</b>            Accessed 03/10/2019  <a href="http://en.norincogroup.com.cn/col/col448/index.html">http://en.norincogroup.com.cn/col/col448/index.html</a></p> <div style="border: 1px solid #ccc; padding: 10px;"> <h2 style="margin: 0;">Targeted poverty alleviation</h2> <hr/> <p>2015-06-04            NORINCO International donates for primary schools in Laos</p> <p>2014-07-29            SASAC: NORINCO GROUP cost more than 20 million yuan on public welfare donation in 2013</p> <p>2013-05-21            The employees of NORINCO GROUP donates 500,000 yuan to set up the hope primary school in Jiangxi</p> <p>2013-07-11            A thank-you note was sent by Sichuan Charity Federation to NORINCO GROUP</p> <p style="text-align: right;">共4条，每页 15 条，页次1 / 1页， 跳转到第 <input type="text" value="1"/> 页</p> </div> <p><b>[6] Charity Work in Laos (Webpage)</b>            Accessed 03/10/2019  <a href="http://en.norincogroup.com.cn/art/2015/6/4/art_448_1510.html">http://en.norincogroup.com.cn/art/2015/6/4/art_448_1510.html</a>            NORINCO International donates for primary schools in Laos</p> <p>On Songkran Festival Day of traditional Buddhist calendar in Laos, two charity events were held by China North Industries Group Corporation International Cooperation Ltd. (NORINCO International). Sports and cultural items such as football, colored pencil, textbook, sports uniform were donated for Nadi primary school and Naxasovang school where is nearby Nanpai hydropower station project location. The local village head, village committee members and headmasters of the school have expressed their support for the project, saying they appreciate the long-term harmonious relationship between local community and NORINCO International, hoping Nanpai project will be completed successfully and will make benefits for local people.</p> <p><b>[9] 江麓集团：教育扶贫助脱贫攻坚 / Education and Poverty Alleviation Project (Webpage)</b>            Accessed 03/10/2019  <a href="http://www.norincogroup.com.cn/art/2019/8/16/art_167_165608.html">http://www.norincogroup.com.cn/art/2019/8/16/art_167_165608.html</a></p>

### 江麓集团：教育扶贫助脱贫攻坚—首批保靖职业中专对口帮扶学子来厂实习

“今天能够到江麓集团实习，是我们农村孩子难得的机会，我希望通过自己的努力，成为一名合格的江麓技术工人，改善家里的经济状况……”湖南保靖县职业中专2017级“江麓班”建档立卡户学生薛选晋与同学们一道参观了兵器工业集团江麓机电集团有限公司的厂史展览馆、厂区、生产车间，在首届“江麓集团—保靖县教育扶贫暨首届专技实习生见面会”上如是说。

近日，江麓集团—保靖县教育扶贫暨首届专技实习生见面会举行。此次保靖职业中专输送了首批17名对口帮扶实习生来江麓集团进行为期半年的工厂实习。

2019年以来，江麓集团创新扶贫模式，通过开展技能培训、帮助解决就业困难，从根本上实现和巩固脱贫目标。公司与保靖职业中专建立“订单式”人才培养合作模式联合办学，重点对贫困家庭学子提供教学、就业帮扶，实现精准扶贫对接。

根据联合办学协议，对扶贫对口帮扶学生推行“2年在保靖职业中专，1年在江麓”的“2+1”培养模式，江麓集团每年安排30名以上对口帮扶学生进厂实习，实习期间给学生发放一定数额的生活津贴和学习补助，实习结束经考核合格后留岗工作。此次首批17名对口帮扶实习生多为电子和数控专业，经过江麓集团安全、保密、企业文化等系统培训，目前已被安排在钳工等岗位实习。江麓集团还为实习生们提供餐费补贴和学习补助，并提供免费住宿，同时车间工人师傅“一对一师徒制”手把手教学、岗位实操等为学生学有所成提供保障。(付炼)

#### Translation:

Jiangyan Group: Education and poverty alleviation help out of poverty - the first batch of Baojing vocational secondary school to help students to internship

"Today's internship with Jiangyan Group is a rare opportunity for our rural children. I hope that through my own efforts, I will become a qualified Jiangyan technical worker and improve my family's economic situation..." Hunan Baojing Xue Zhanjin, a student of the county's vocational secondary school, "Jiangyan class", established a card-based student, Xue Xuanjin, and his classmates visited the factory history exhibition hall, factory area and production workshop of China Weaponry Industry Group Jiangyan Electromechanical Group Co., Ltd. The group – Baojing County Education Poverty Alleviation and the First Specialized Intern Meetup Meeting" said.

Recently, Jiangyan Group - Baojing County Education Poverty Alleviation and the first special technical intern meeting will be held. The Baojing Vocational Secondary School delivered the first batch of 17 counterparts to help the Jiangyan Group to conduct a half-year factory internship.

Since 2019, Jiangyan Group has innovated poverty alleviation mode, and through the implementation of skills training to help solve employment difficulties, fundamentally achieve and consolidate the goal of poverty alleviation. The company and Baojing Vocational Secondary School set up an "order-based" talent training cooperation mode to jointly run schools, focusing on providing education and employment assistance to poor families, and achieving accurate poverty alleviation.

According to the joint school-running agreement, the "2+1" training mode of "two years in Baojing vocational secondary school and one year in Jiangyan" was promoted for poverty alleviation counterparts. Jiangyan Group arranged more than 30 counterparts to help students every year. During the internship, during the internship, students will be given a certain amount of living allowance and study subsidy. After the internship is completed, they will be retained after the examination. The first batch of 17 counterparts internships were mostly electronic and numerical control majors. After the system training of Jiangyan Group's safety, confidentiality and corporate culture, they have been arranged for internships in fitters and other positions. Jiangyan Group also provides meal subsidies and study subsidies for interns, and provides free accommodation. At the same time, the workshop worker masters "one-on-one mentoring system" hands-on teaching, post practical exercises, etc. to provide students with a guarantee of success. (fu)

[The company publishes on its website a large number of news releases related to its charitable activities]

## 5.2 Lobbying

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

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

<b>Question</b>
<b>5.2.3 Does the company publish full details of its global lobbying expenditure?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company provides any details about its global lobbying expenditure.
<b>Evidence</b>
No evidence found.

### 5.3 Gifts and Hospitality

<b>Question</b>
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?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company has a policy or procedure on gifts and hospitality.
<b>Evidence</b>
No evidence found.

## 6. Supply Chain Management

Question
<b>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?</b>
Score
<b>1</b>
Comments
<p>There is evidence that the company's procurement department is involved, in some capacity, in the establishment and oversight of supplier relationships. There is clear evidence that the company's procurement department is the main body responsible for oversight of the company's supplier base.</p> <p>However, the company receives a score of '1' because the company does not state that the involvement of the procurement department is required for establishing any new suppliers over a certain threshold. Additionally, there is no clear evidence that the company assures itself of the procurement department's involvement at least every three years.</p>
Evidence
<p><b>[8] 招标采购 / Procurement (Webpage)</b>            Accessed 03/10/2019  <a href="http://www.norincogroup.com.cn/col/col137/index.html">http://www.norincogroup.com.cn/col/col137/index.html</a>            兵器工业电子采购商务平台</p> <p>为扎实推进采购管理工作，集团公司以“统计汇总，上网比较，分析选优，评价集聚”原则为指导，加快推进两级集中采购管理体系建设，加快推进采购管理信息平台建设，加快推进两级集中采购，建立健全采购信息网上公开机制，全面推行竞争性采购，进一步扩大集中采购规模和范围，在“规范管理、降低成本、预防腐败”等方面取得了初步成效。规范化采购体系逐步完善 以集团公司《采购管理办法》为基础，研究制定了集团公司《集团级供应商管理规定》、《废旧物资处置管理规定》、《进口军用电解铜管理实施细则》，进一步加强、细化了供应商、废旧物资处置、军用电解铜等专项管理，促进了采购管理工作规范化。</p> <p>阳光化采购水平持续提升 积极推进采购管理信息平台、采购电子商务平台、采购管理编码数据库等基础条件建设，积极开展采购合同信息、供应商信息网上登记备案，积极推进网上超市、网上询价、网上比价等网上采购，使采购阳光化水平得到大幅提升。</p> <p>两级集中采购取得显著成效 持续开展大宗原材料、办公自动化设备、商旅机票、通用电子元器件、刀具刀具等生产辅材的集中采购，集中采购总金额达到2026.12 亿元，集采率达到55.17%，累计节约采购成本4.13 亿元。</p>
<p><b>Translation:</b></p> <p>Weapon Industry Electronic Purchasing Business Platform</p> <p>In order to improve the company's procurement management system, the Group's company followed the principles of “statistical summary, online comparison, analysis and selection, evaluation and agglomeration” to accelerate the construction of a two-level centralized procurement management system. This involved accelerating the construction of a procurement management information platform, and creating two levels of procurement management.</p> <p>The company now has a centralized procurement department and has establish an improved online disclosure mechanism for procurement information which comprehensively promotes competitive bidding and tenders, and has led to further expansion of the scale and scope of centralized procurement. This has achieved early results in terms of “regulating management, reducing costs, and preventing corruption”.</p>

The standardized procurement system was gradually improved based on the Group's Purchasing Management Measures, the Group's "Group-level Supplier Management Regulations", "Disposal of Waste Materials" and "Implementation Rules for the Administration of Imported Military Electrolytic Copper" were further developed. The company has refined the special management of suppliers, waste materials disposal, military electrolytic copper and other materials, and promoted the standardization of procurement management.

The management of procurement of electricity continued to improve through active promotion of the construction of basic conditions such as a procurement management information platform, an e-commerce procurement platform, a procurement management code database, actively disseminating procurement contract information, supplier information online registration and filing, and actively promoting online marketing platforms, online inquiry channels.

The two-level centralized procurement department has achieved remarkable results and continued to carry out centralized procurement of bulk materials, office automation equipment, business travel tickets, general electronic components, cutting tools and other production auxiliary materials. The total amount of centralized procurement reached 202.612 billion yuan, and the collection rate reached 55.17%. The accumulated procurement cost was 413 million yuan.



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

<b>Question</b>
<b>6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company ensures that its suppliers have anti-bribery and corruption policies in place that meet a high standard.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
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.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
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.
<b>Evidence</b>
No evidence found.

## 7. Agents, Intermediaries and Joint Ventures

### 7.1 Agents and Intermediaries

<b>Question</b>
7.1.1 Does the company have a clear policy on the use of agents?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company has a clear policy covering the use of agents.
<b>Evidence</b>
No evidence found.

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

<b>Question</b>
<b>7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company aims to establish the ultimate beneficial ownership of the agents.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company includes anti-bribery and corruption clauses in its contracts with agents and intermediaries.
<b>Evidence</b>
No evidence found.



<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company mentions incentive structures as a risk factor in agent behaviour.
<b>Evidence</b>
No evidence found.

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

<b>Question</b>
<b>7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
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.
<b>Evidence</b>
No evidence found.

## 7.2 Joint Ventures

<b>Question</b>
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?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company conducts anti-bribery and corruption due diligence on its joint ventures.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company commits to establishing or implementing anti-bribery and corruption policies or procedures in its joint ventures, and it does not require anti-bribery and corruption clauses in its contracts with joint venture partners.
<b>Evidence</b>
No evidence found.

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

## 8. Offsets

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
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.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company conducts risk-based anti-bribery and corruption due diligence on its offset obligations.
<b>Evidence</b>
No evidence found.



<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
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 the company's offset programme.
<b>Evidence</b>
No evidence found.

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

## 9. High Risk Markets

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the company acknowledges the corruption risks of operating in different markets, or that risk assessment procedures are used to inform the company's operations in high risk markets.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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)?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>The company publishes a list of subsidiaries, and states that they are all registered in China.</p> <p>However, the company receives a score of ‘1’ because it does not clearly state that the data presented represents all of the company’s holdings and it does not identify which companies are principal or significant subsidiaries and which are affiliates and joint ventures. The company also does not provide information regarding the country of operation of each entity or the company’s percentage ownership in each entity. Additionally, it is unclear if the information is updated on at least an annual basis or if it is current. The list is also not accompanied by a statement that it is complete at the time of publication to the best of the company’s knowledge.</p>
<b>Evidence</b>
<p><b>[3] Description of Norinco Group (Webpage)</b>                  Accessed 03/10/2019  <a href="http://en.norincogroup.com.cn/col/col432/index.html">http://en.norincogroup.com.cn/col/col432/index.html</a>                  Norinco Group has more than 50 subgroups and units under its direct management that are distributed in 20 provinces, municipalities, and autonomous regions across the country.</p> <p><b>[4] Subsidiary Companies (Webpage)</b>                  Accessed 03/10/2019  <a href="http://en.norincogroup.com.cn/col/col440/index.html">http://en.norincogroup.com.cn/col/col440/index.html</a></p> <p><b>Member Unit</b></p> <hr/> <p>2015-09-11                  1 Ordnance Science and Research Academy of China</p> <p>2015-09-11                  2 China North Industries Corporation</p> <p>2015-09-11                  3 China North Chemical Industries Group Co.,Ltd.</p> <p>2015-09-11                  4 China Ordnance Group Co.,Ltd.</p> <p>2015-09-11                  5 North Industries Group Finance Co.,Ltd.</p> <p>2015-09-11                  6 North General Power Group Co., Ltd.</p> <p>2015-09-11                  7 North Eletro-Mechanical Intelligent Technology Corporation Ltd.</p> <p>2015-09-11                  8 North Special Energy Group Co.,Ltd.</p> <p>2015-09-11                  9 China North Material Science and Engineering Technology Group Corporation</p> <p>2015-09-11                  10 North Electro-Optics Group Co.,Ltd.</p> <p>[The list extends to 47 companies over 4 pages. All the companies are registered in China]</p>

**Question**

**9.3 Does the company disclose its beneficial ownership and control structure?**

**Score**

**0**

**Comments**

There is no evidence that the company discloses any information regarding its beneficial ownership or control structure, nor a statement that no individual owns 25% or more of shares or voting rights.

**Evidence**

**[10] Open Ownership Search (Webpage)**  
 Accessed 03/10/2019  
<https://register.openownership.org/search?utf8=%E2%9C%93&q=china+north+industries+group+corporation+limited>

The screenshot shows a search interface on the Open Ownership Register website. The search query is "china north industries group corporation limited". The results page displays a list of companies and filters.

**Who controls, influences, or benefits from a company?**

Search results for "china north industries group corporation limited":

- CHINA REINSURANCE (GROUP) CORPORATION** China  
China Re Building, 11 Jinrong Avenue, Xicheng District, Beijing
- CHINA INDUSTRIES LIMITED** United Kingdom (2003-12-09 - )  
Creative Industries Centre, Wolverhampton Science Park, Wolverhampton, West Midlands, WV10 9TG
- CHINA BOCA GROUP CORPORATION LIMITED** United Kingdom (2010-01-25 - )  
Churchill House, 142-146 Old Street, London, EC1V 9BW
- CHINA YUNAN CORPORATION** China
- CHINA PETROLEUM CORPORATION** Hong Kong (2005-05-03 - )  
No.22 Chaoyangmen North Street, No.22 Chaoyangmen North Street, Chaoyang District, Beijing, 100728
- CHINA INVESTMENT CORPORATION** Delaware (US) (2004-11-05 - )  
New Poly Plaza, No.1 Chaoyangmen Beidajie, Dongcheng District, Beijing, 100010

**FILTER BY TYPE**

- Legal entity 113673
- Person 1132

**FILTER BY COUNTRY**

- United Kingdom 105084
- Denmark 3470
- Switzerland 1156
- United States 1073
- Slovakia 361
- Japan 333
- Australia 184
- Jersey 178
- Hong Kong 136
- British Virgin Islands 120








<b>Question</b>
<b>9.4 Does the company publish a percentage breakdown of its defence sales by customer?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
<p>The company receives a score of '0' because it does not clearly disclose the customers of at least 50% of its defence sales. Although the company states that it is a supplier to China's armed forces, it provides no specific information regarding an overall percentage of its sales and does not clarify if the Chinese military is its sole customer.</p>
<b>Evidence</b>
<p><b>[3] Description of Norinco Group (Webpage)</b>                  Accessed 03/10/2019  <a href="http://en.norincogroup.com.cn/col/col432/index.html">http://en.norincogroup.com.cn/col/col432/index.html</a>                  Norinco Group is the foundation of national security and the cornerstone of PLA's equipment development. It is the main entity of equipment development and production in the Army, and the backbone of strike ability and informatization equipment development in PLA. It provides support for China's implementation of the "Going global" and "Belt and road initiative" strategy. It is the main force for China to promote the deep development of civil-military integration.</p> <p>Norinco Group has always considered national interest as its highest priority. It has always adhered to the spirit of people's ordnance industry by "giving everything to the party", and made "serving the national defense and national economic development" its mission. Norinco Group has more than 50 subgroups and units under its direct management that are distributed in 20 provinces, municipalities, and autonomous regions across the country. With the goals of building a technically advanced, independent and controllable, civil-military integrated, economical and efficient, and vital ordnance industry system with Chinese characteristics, as well as to achieve quality, profitable, and sustainable development, Norinco Group carries out comprehensive and in-depth implementation of a full value chain systematic and lean management strategy to achieve coordinated and rapid growth of its four main business segments: military products, industrial products for civil applications, strategic resources, and financial circulation. The development quality and profitability of Norinco Group has seen continuous improvement, and Norinco Group has made important contributions to the modernization of national defense and the development of national economy.</p>

## 10. State-Owned Enterprises (SOEs)

<b>Question</b>
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the SOE publishes details of its shareholder voting rights.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>10.2 Are the SOE's commercial and public policy objectives publicly available?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>There is some evidence that the SOE publishes its commercial and public policy objectives.</p> <p>However, there is no evidence that these are updated on an annual basis.</p>
<b>Evidence</b>
<p><b>[3] Description of Norinco Group (Webpage)</b>                  Accessed 03/10/2019  <a href="http://en.norincogroup.com.cn/col/col432/index.html">http://en.norincogroup.com.cn/col/col432/index.html</a>                  Norinco Group is the foundation of national security and the cornerstone of PLA's equipment development. It is the main entity of equipment development and production in the Army, and the backbone of strike ability and informatization equipment development in PLA. It provides support for China's implementation of the "Going global" and "Belt and road initiative" strategy. It is the main force for China to promote the deep development of civil-military integration.</p> <p>Norinco Group has always considered national interest as its highest priority. It has always adhered to the spirit of people's ordnance industry by "giving everything to the party", and made "serving the national defense and national economic development" its mission. Norinco Group has more than 50 subgroups and units under its direct management that are distributed in 20 provinces, municipalities, and autonomous regions across the country. With the goals of building a technically advanced, independent and controllable, civil-military integrated, economical and efficient, and vital ordnance industry system with Chinese characteristics, as well as to achieve quality, profitable, and sustainable development, Norinco Group carries out comprehensive and in-depth implementation of a full value chain systematic and lean management strategy to achieve coordinated and rapid growth of its four main business segments: military products, industrial products for civil applications, strategic resources, and financial circulation. The development quality and profitability of Norinco Group has seen continuous improvement, and Norinco Group has made important contributions to the modernization of national defense and the development of national economy.</p>



<b>Question</b>
<b>10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?</b>
<b>Score</b>
1
<b>Comments</b>
<p>The SOE identifies each board member as either an executive or an independent director.</p> <p>However, the company does not provide information on whether each board member is a state representative or financial beneficiary. The company also publishes no clear information on its nomination and appointment process for directors.</p>
<b>Evidence</b>
<p><b>[2] Board of Directors (Webpage)</b>                  Accessed 03/10/2019  <a href="http://en.norincogroup.com.cn/col/col433/index.html">http://en.norincogroup.com.cn/col/col433/index.html</a></p> <div style="text-align: center;">   <b>Jiao Kaihe</b>                  Chairman of the Board             </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">   <b>Liu Dashan</b>                  Director             </div> <div style="text-align: center;">   <b>Shi Yan</b>                  Director             </div> <div style="text-align: center;">   <b>Wang Jiuling</b>                  External Director             </div> <div style="text-align: center;">   <b>Wang Ligang</b>                  External Director             </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">   <b>Tian Min</b>                  External Director             </div> <div style="text-align: center;">   <b>Liu Zhiyong</b>                  External Director             </div> <div style="text-align: center;">   <b>Cheng Wen</b>                  External Director             </div> <div style="text-align: center;">   <b>Yu Zhongchi</b>                  Worker Director             </div> </div> <p><b>[5] Leadership (Webpage)</b>                  Accessed 03/10/2019  <a href="http://en.norincogroup.com.cn/col/col434/index.html">http://en.norincogroup.com.cn/col/col434/index.html</a></p>



**Jiao Kaihe**  
Chairman



**Liu Dashan**  
President Board Member



**Shi Yan**  
Board Member



**Zhang hua**  
Chief Accountant



**Jia Hongqian**  
Vice President



**Chen Xuechuan**  
Chief Inspector of the  
Discipline Inspection and  
Supervision Office



**Zou Wenchao**  
Vice President



**Li Chunjian**  
Vice President

<b>Question</b>
10.4 Is the SOE's audit committee composed of a majority of independent directors?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the SOE's audit committee is composed of a majority of independent directors.
<b>Evidence</b>
No evidence found.

<b>Question</b>
<b>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?</b>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no evidence that the SOE publishes any details about its management of asset transactions.
<b>Evidence</b>
No evidence found.

## List of Evidence & Sources

<b>N o.</b>	<b>Type</b> <i>(Webpage or Document)</i>	<b>Name</b>	<b>Downl oad Date</b>	<b>Link</b>
01	Webpage	Organizational Chart	02/10/19	<a href="http://en.norincogroup.com.cn/art/2015/8/23/art_439_1481.html">[http://en.norincogroup.com.cn/art/2015/8/23/art_439_1481.html]</a>
02	Webpage	Board of Directors	03/10/19	<a href="http://en.norincogroup.com.cn/col/col433/index.html">[http://en.norincogroup.com.cn/col/col433/index.html]</a>
03	Webpage	Description of Norinco Group	03/10/19	<a href="http://en.norincogroup.com.cn/col/col432/index.html">[http://en.norincogroup.com.cn/col/col432/index.html]</a>
04	Webpage	Subsidiary Companies	03/10/19	<a href="http://en.norincogroup.com.cn/col/col440/index.html">[http://en.norincogroup.com.cn/col/col440/index.html]</a>
05	Webpage	Leadership	03/10/19	<a href="http://en.norincogroup.com.cn/col/col434/index.html">[http://en.norincogroup.com.cn/col/col434/index.html]</a>
06	Webpage	Charity Work in Laos	03/10/19	<a href="http://en.norincogroup.com.cn/art/2015/6/4/art_448_1510.html">[http://en.norincogroup.com.cn/art/2015/6/4/art_448_1510.html]</a>
07	Webpage	Targeted Poverty Alleviation	03/10/19	<a href="http://en.norincogroup.com.cn/col/col448/index.html">[http://en.norincogroup.com.cn/col/col448/index.html]</a>
08	Webpage	Procurement	03/10/19	<a href="http://www.norincogroup.com.cn/col/col137/index.html">[http://www.norincogroup.com.cn/col/col137/index.html]</a>
09	Webpage	Education and Poverty Alleviation Project	03/10/19	<a href="http://www.norincogroup.com.cn/art/2019/8/16/art_167_165608.html">[http://www.norincogroup.com.cn/art/2019/8/16/art_167_165608.html]</a>
10	Webpage	Open Ownership search	03/10/19	<a href="https://register.openownership.org/search?utf8=%E2%9C%93&amp;q=china+north+industries+group+corporation+limited">[https://register.openownership.org/search?utf8=%E2%9C%93&amp;q=china+north+industries+group+corporation+limited]</a>
11	Webpage	Anti-Corruption Seminar in Subsidiary	08/10/19	<a href="http://www.norincogroup.com.cn/art/2019/8/6/art_6386_165137.html">[http://www.norincogroup.com.cn/art/2019/8/6/art_6386_165137.html]</a>