

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

## FINAL ASSESSMENT

### ARSENAL JSCo.

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	4/8
2. Internal Controls	6	3/12
3. Support to Employees	7	1/14
4. Conflict of Interest	4	1/8
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	0/8
10. State-Owned Enterprises	0	N/A
<b>TOTAL</b>		<b>9/102</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

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
2
Comments
The company has a publicly stated anti-bribery and corruption commitment, which details the company's stance against any form of bribery or corruption within the organisation. It is clear that this commitment was authorised and endorsed by the company's leadership.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.1]</p> <p>Ethical conduct is a prerequisite for success.</p> <p>The activity of <b>ARSENAL JSCo.</b> is accomplished observing the principles of:</p> <ul style="list-style-type: none"> <li>- initiative;</li> <li>- good management;</li> <li>- observance of all relevant national and international legislation;</li> <li>- correctness;</li> <li>- social engagement;</li> <li>- observance of all universally accepted trade, professional and ethical codes;</li> <li>- prevention and disclosure of conflict of interest and corruption.</li> </ul> <p>Observance of the above principles of conduct is an irreversible part of the vision for development of <b>ARSENAL JSCo.</b> and a key factor for the reputation and good name of the Company among its customers, business partners, civil and national institutions.</p> <p>In pursuance of these principles <b>ARSENAL JSCo.</b> states in public and adopts a general company policy for prevention and disclosure of conflict of interest and corruption.</p> <p><b>Risk of acts of corruption and conflict of interest</b></p> <p>The Board of Directors of <b>ARSENAL JSCo.</b> takes the view that the conflict of interest and corruption reduce the effectiveness of the economy and degrade the quality of the manufactured products. Moreover, the acts of systematic corruption destroy the public confidence in the Government and the companies, undermine the functioning of the free market, and affect adversely the capabilities of the state and the society.</p> <p><b>Basis of the policy for prevention and disclosure of conflict of interest and corruption</b></p> <p>Corruption can take the form of offering, promising and granting of financial benefits (active corruption), as well as be concealed by camouflage as intercession, pressure and extortion (passive corruption). In all its forms and manifestations, corruption violates the market competition, it is a crime and as such it has to be unequivocally condemned. Corruption is an obstacle to the free business initiative, the normal functioning of the market economy and the effective management.</p> <p>In our view the acts of corruption in the relations with the national authorities, as well as in the relations with private organizations, with the purpose of obtaining and retaining certain illegal advantages, has to be eradicated from the economic life.</p> <p>The managing bodies, officials in leadership and administrative positions in <b>ARSENAL JSCo.</b>, or those acting on their behalf, undertake the obligation to refrain, under any circumstances, from any forms of direct or indirect corruption in the activity of</p>

[p.2]

**ARSENAL JSCo.**, as well as in the companies controlled by **ARSENAL JSCo.**, its joint ventures, agents and subcontractors.

The officials of **ARSENAL JSCo.** take all necessary measures to avoid conflict of interest, refuse financial or other benefits, offered unlawfully, directly or indirectly, by or to, individuals or entities outside the company.

The company policy for prevention and disclosure of conflict of interest and corruption is based on the strict observance of the generally accepted ethical code of conduct by all employees of **ARSENAL JSCo.**, enhancement of the transparency of decisions, actions and results, as well as improvement of the control and accountability on all levels.

**The basic principles in the practical implementation of the Policy are:**

- applying uniform rules and regulations for all workers, employees and external partners;
- undertaking to ensure high transparency in taking managing decisions on all levels;
- determined and effective opposition against any act of corruption and conflict of interest;
- regular analysis of the risk of corruption and conflict of interest;
- uninterrupted monitoring for identification and termination of detected corruption practices or behavior carrying high risk of corruption and conflict of interest;
- regular account of the accomplishments and upgrading of the policy by the Board of Directors of **ARSENAL JSCo.**, as well as taking into account and adopting good world practices.

**Main measures**

The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of **ARSENAL JSCo.** The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.

Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.

This deed has been approved by the Board of Directors of **ARSENAL JSCo.** with Record No10, 7<sup>th</sup> October, 2014.

**Board of Directors of ARSENAL JSCo.:**

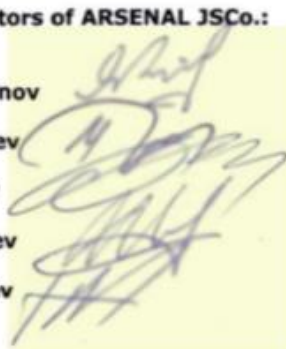
**Yanko Kostadinov**

**Nikolay Ibushev**

**Stanil Stanilov**

**Hristo Ibouchev**

**Dobrin Dragnev**



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; b) All board members, including non-executive directors.</p>
Score
1
Comments
<p>The company publishes an explicit anti-bribery and corruption policy, which makes specific reference to the prohibition of bribery and commercial bribery. This policy clearly applies to all employees, including staff and leadership of subsidiaries and other controlled entities as well as all board members, including non-executive directors.</p> <p>However, the policy does not specify that it includes a prohibition of facilitation payments.</p>
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.1]</p> <p>Ethical conduct is a prerequisite for success.</p> <p>The activity of <b>ARSENAL JSCo.</b> is accomplished observing the principles of:</p> <ul style="list-style-type: none"> <li>- initiative;</li> <li>- good management;</li> <li>- observance of all relevant national and international legislation;</li> <li>- correctness;</li> <li>- social engagement;</li> <li>- observance of all universally accepted trade, professional and ethical codes;</li> <li>- prevention and disclosure of conflict of interest and corruption.</li> </ul> <p>Observance of the above principles of conduct is an irreversible part of the vision for development of <b>ARSENAL JSCo.</b> and a key factor for the reputation and good name of the Company among its customers, business partners, civil and national institutions.</p> <p>In pursuance of these principles <b>ARSENAL JSCo.</b> states in public and adopts a general company policy for prevention and disclosure of conflict of interest and corruption.</p> <p><b>Risk of acts of corruption and conflict of interest</b></p> <p>The Board of Directors of <b>ARSENAL JSCo.</b> takes the view that the conflict of interest and corruption reduce the effectiveness of the economy and degrade the quality of the manufactured products. Moreover, the acts of systematic corruption destroy the public confidence in the Government and the companies, undermine the functioning of the free market, and affect adversely the capabilities of the state and the society.</p> <p><b>Basis of the policy for prevention and disclosure of conflict of interest and corruption</b></p> <p>Corruption can take the form of offering, promising and granting of financial benefits (active corruption), as well as be concealed by camouflage as intercession, pressure and extortion (passive corruption). In all its forms and manifestations, corruption violates the market competition, it is a crime and as such it has to be unequivocally condemned. Corruption is an obstacle to the free business initiative, the normal functioning of the market economy and the effective management.</p> <p>In our view the acts of corruption in the relations with the national authorities, as well as in the relations with private organizations, with the purpose of obtaining and retaining certain illegal advantages, has to be eradicated from the economic life.</p> <p>The managing bodies, officials in leadership and administrative positions in <b>ARSENAL JSCo.</b>, or those acting on their behalf, undertake the obligation to refrain, under any circumstances, from any forms of direct or indirect corruption in the activity of</p>

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**The basic principles in the practical implementation of the Policy are:**

- applying uniform rules and regulations for all workers, employees and external partners;
- undertaking to ensure high transparency in taking managing decisions on all levels;
- determined and effective opposition against any act of corruption and conflict of interest;
- regular analysis of the risk of corruption and conflict of interest;
- uninterrupted monitoring for identification and termination of detected corruption practices or behavior carrying high risk of corruption and conflict of interest;
- regular account of the accomplishments and upgrading of the policy by the Board of Directors of **ARSENAL JSCo.**, as well as taking into account and adopting good world practices.

**Main measures**

The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of **ARSENAL JSCo.** The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.

Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.

Question
1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
Score
1
Comments
<p>There is evidence that a designated board committee oversees the company's anti-bribery and corruption programme.</p> <p>However, there is no evidence to suggest that it engages in formal oversight functions, such as reviewing reports from management or the results of internal and external audits.</p>
Evidence
<p><b>[2] Anti-Corruption Policy - Company Policy (Webpage)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/anti-corruption-policy-8">http://arsenal-bg.com/anti-corruption-policy-8</a>  <b>ETHICS COMMITTEE &amp; BOARD OF DIRECTORS OF ARSENAL JSCO</b>  On its board meeting at 7th October, 2014 the Board of Directors of ARSENAL JSCo. updated the Company Policy for Prevention and Disclosure of Conflict of Interest and Corruption, and rendered the following decisions:</p> <ol style="list-style-type: none"> <li>1. In implementation of the Company Policy for Prevention and Disclosure of Conflict of Interest and Corruption, the Board of Directors has elected an Ethics Committee with the following members:</li> </ol> <p>CHAIRMAN: Yanko Kostadinov - Chairman of the Board of Directors;</p> <p>MEMBERS:  Dobrin Dragnev - Member of the Board of Directors;  Stefan Stoev - Head of Internal Financial Control Dept.  Vasil Vasilev - Head of Security Department  Penko Totev - Head of Staff Department</p> <p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.2]</p> <p><b>Main measures</b></p> <p>The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of <b>ARSENAL JSCo.</b> The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.</p> <p>Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.</p>

Question
<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>
Score
<b>0</b>
Comments
There is no evidence that a specific managerial-level employee has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme.
Evidence
<p><b>[2] Anti-Corruption Policy - Company Policy (Webpage)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/anti-corruption-policy-8">http://arsenal-bg.com/anti-corruption-policy-8</a>  ETHICS COMMITTEE &amp; BOARD OF DIRECTORS OF ARSENAL JSCO  On its board meeting at 7th October, 2014 the Board of Directors of ARSENAL JSCo. updated the Company Policy for Prevention and Disclosure of Conflict of Interest and Corruption, and rendered the following decisions:</p> <ol style="list-style-type: none"> <li>1. In implementation of the Company Policy for Prevention and Disclosure of Conflict of Interest and Corruption, the Board of Directors has elected an Ethics Committee with the following members:</li> </ol> <p>CHAIRMAN: Yanko Kostadinov - Chairman of the Board of Directors;</p> <p>MEMBERS:  Dobrin Dragnev - Member of the Board of Directors;  Stefan Stoev - Head of Internal Financial Control Dept.  Vasil Vasilev - Head of Security Department  Penko Totev - Head of Staff Department</p>

## 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
1
Comments
<p>There is evidence that the company has a formal bribery and corruption risk assessment procedure that informs the design of the anti-corruption and bribery programme.</p> <p>However, there is no evidence that the results of this risk analysis are reviewed at board level on at least an annual basis.</p>
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.1]</p> <p><b>Risk of acts of corruption and conflict of interest</b></p> <p>The Board of Directors of <b>ARSENAL JSCo.</b> takes the view that the conflict of interest and corruption reduce the effectiveness of the economy and degrade the quality of the manufactured products. Moreover, the acts of systematic corruption destroy the public confidence in the Government and the companies, undermine the functioning of the free market, and affect adversely the capabilities of the state and the society.</p> <p>[p.2]</p> <p>The company policy for prevention and disclosure of conflict of interest and corruption is based on the strict observance of the generally accepted ethical code of conduct by all employees of <b>ARSENAL JSCo.</b>, enhancement of the transparency of decisions, actions and results, as well as improvement of the control and accountability on all levels.</p> <p><b>The basic principles in the practical implementation of the Policy are:</b></p> <ul style="list-style-type: none"> <li>• applying uniform rules and regulations for all workers, employees and external partners;</li> <li>• undertaking to ensure high transparency in taking managing decisions on all levels;</li> <li>• determined and effective opposition against any act of corruption and conflict of interest;</li> <li>• regular analysis of the risk of corruption and conflict of interest;</li> <li>• uninterrupted monitoring for identification and termination of detected corruption practices or behavior carrying high risk of corruption and conflict of interest;</li> <li>• regular account of the accomplishments and upgrading of the policy by the Board of Directors of <b>ARSENAL JSCo.</b>, as well as taking into account and adopting good world practices.</li> </ul> <p><b>Main measures</b></p> <p>The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of <b>ARSENAL JSCo.</b> The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.</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
There is no evidence that the company's anti-bribery and corruption programme is subject to audit or review.
Evidence
No evidence found.

Question
<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>
Score
<b>1</b>
Comments
<p>There is evidence that the company publicly commits to investigating incidents, and there is a specific procedure in place to deal with whistleblowing cases which stipulates documentation and actions to be taken. There is evidence that the procedure covers the whole investigation process from receipt to final outcome. There is also evidence that reports shall be reviewed by the Board of Directors within thirty days from its entry.</p> <p>However, it is unclear whether investigations are handled by an independent team. There is also no evidence of a commitment to provide whistleblowers with updates on the outcome of investigations or that the information on each investigation is documented.</p>
Evidence
<p><b>[2] Anti-Corruption Policy - Company Policy (Webpage)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/anti-corruption-policy-8">http://arsenal-bg.com/anti-corruption-policy-8</a></p> <ol style="list-style-type: none"> <li>1. On the Company web-site <a href="http://www.arsenal-bg.com">www.arsenal-bg.com</a> a postal address, hotline number and an e-mail address shall be published, for sending warnings/signal reports to the Ethics Committee.</li> <li>2. A file shall be opened for each received warning/report, and within seven working days from its receipt a report to the Board of Directors shall be prepared.</li> <li>3. The Board of Directors shall review the introduced report within thirty days from its entry.</li> <li>4. In case of detected conflict of interest or corruption, the operating management shall be immediately notified in order to take relevant measures.</li> </ol> <p>Board of Directors of ARSENAL JSCo.:</p> <p>Yanko Kostadinov  Nikolay Ibushev  Stanil Stanilov  Hristo Ibouchev  Dobrin Dragnev</p> <p><b>[3] Reporting Irregularities – Company Policy (Webpage)</b>  Accessed 06/10/2019  <a href="http://www.arsenal-bg.com/reporting-irregularities-9">http://www.arsenal-bg.com/reporting-irregularities-9</a></p> <p><b>REPORTING IRREGULARITIES</b></p> <p>In implementation of decision of the Board of Directors and for the purpose of increasing the possibility to report/signal for conflict of interest and corruption, the following manners can be used for submitting the signals/reports:</p> <p>By post – to address:  Ethics Committee  ARSENAL JSCo,  100, Rozova Dolina Str,  6100 Kazanlak, BULGARIA</p> <p>By e-mail : <a href="mailto:signals@arsenal-bg.com">signals@arsenal-bg.com</a>  By phone call – Hotline No: +359 882987880</p> <p><i>You are kindly requested, in your signal/report addressed to the Ethics Committee to give your address, which we be used to inform you and confirm the your signal is obtained and the case is filed for further processing.</i></p>

Question
<b>2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?</b>
Score
<b>0</b>
Comments
There is no evidence that the company assures itself of the quality of its internal investigations.
Evidence
<p><b>[2] Anti-Corruption Policy - Company Policy (Webpage)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/anti-corruption-policy-8">http://arsenal-bg.com/anti-corruption-policy-8</a></p> <ol style="list-style-type: none"> <li>5. On the Company web-site <a href="http://www.arsenal-bg.com">www.arsenal-bg.com</a> a postal address, hotline number and an e-mail address shall be published, for sending warnings/signal reports to the Ethics Committee.</li> <li>6. A file shall be opened for each received warning/report, and within seven working days from its receipt a report to the Board of Directors shall be prepared.</li> <li>7. The Board of Directors shall review the introduced report within thirty days from its entry.</li> <li>8. In case of detected conflict of interest or corruption, the operating management shall be immediately notified in order to take relevant measures.</li> </ol> <p>Board of Directors of ARSENAL JSCo.:</p> <p>Yanko Kostadinov  Nikolay Ibushev  Stanil Stanilov  Hristo Ibouchev  Dobrin Dragnev</p> <p><b>[3] Reporting Irregularities – Company Policy (Webpage)</b>  Accessed 06/10/2019  <a href="http://www.arsenal-bg.com/reporting-irregularities-9">http://www.arsenal-bg.com/reporting-irregularities-9</a></p> <p><b>REPORTING IRREGULARITIES</b></p> <p>In implementation of decision of the Board of Directors and for the purpose of increasing the possibility to report/signal for conflict of interest and corruption, the following manners can be used for submitting the signals/reports:</p> <p>By post – to address:  Ethics Committee  ARSENAL JSCo,  100, Rozova Dolina Str,  6100 Kazanlak, BULGARIA</p> <p>By e-mail : <a href="mailto:signals@arsenal-bg.com">signals@arsenal-bg.com</a>  By phone call – Hotline No: +359 882987880</p> <p><i>You are kindly requested, in your signal/report addressed to the Ethics Committee to give your address, which we be used to inform you and confirm the your signal is obtained and the case is filed for further processing.</i></p>

Question
<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>
Score
<b>1</b>
Comments
<p>The company commits to report material findings of bribery and corruption from investigations to the board.</p> <p>However, the company receives a score of '1' because there is no evidence that an appropriate senior individual is responsible for ensuring that the disclosure of criminal offences to relevant authorities is evaluated and acted upon if necessary.</p>
Evidence
<p><b>[2] Anti-Corruption Policy - Company Policy (Webpage)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/anti-corruption-policy-8">http://arsenal-bg.com/anti-corruption-policy-8</a></p> <ol style="list-style-type: none"> <li>1. On the Company web-site <a href="http://www.arsenal-bg.com">www.arsenal-bg.com</a> a postal address, hotline number and an e-mail address shall be published, for sending warnings/signal reports to the Ethics Committee.</li> <li>2. A file shall be opened for each received warning/report, and within seven working days from its receipt a report to the Board of Directors shall be prepared.</li> <li>3. The Board of Directors shall review the introduced report within thirty days from its entry.</li> <li>4. In case of detected conflict of interest or corruption, the operating management shall be immediately notified in order to take relevant measures.</li> </ol>

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
0
Comments
There is no evidence that the company provides anti-bribery and corruption training to all employees.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.2]</p> <p><b>Main measures</b></p> <p>The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of <b>ARSENAL JSCo</b>. The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.</p> <p>Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.</p>

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 anti-bribery and corruption training to all employees, nor that it tailors its anti-bribery and corruption training to employees based on an assessment of their role and exposure to corruption risk.</p>
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.2]</p> <p><b>Main measures</b></p> <p>The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of <b>ARSENAL JSCo</b>. The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.</p> <p>Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.</p>

Question
<b>3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?</b>
Score
<b>0</b>
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
The company's approach to incentives is unclear to the extent that it cannot satisfy the requirements of score '1'.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.2]</p> <p><b>Main measures</b></p> <p>The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of <b>ARSENAL JSCo</b>. The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.</p> <p>Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.</p>

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 commits to support or protect employees who refuse to act unethically.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.2]</p> <p><b>Main measures</b></p> <p>The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of <b>ARSENAL JSCo</b>. The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.</p> <p>Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.</p>

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 some evidence to suggest that the company has a policy of non-retaliation against individuals who report bribery and corruption incidents, however, the policy does not explicitly refer to both whistleblowers and employees who report bribery and corruption incidents, and does not apply company-wide.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.2]</p> <p><b>Main measures</b></p> <p>The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of <b>ARSENAL JSCo</b>. The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.</p> <p>Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.</p>

Question
<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>
Score
<b>1</b>
Comments
<p>There is evidence that the company has a whistleblowing channel.</p> <p>However, there is no evidence that the company has an advice channel, there are no explicitly anonymous or confidential channels, the company only offers internally operated channels, and the channels are not explicitly 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.</p>
Evidence
<p><b>[3] Reporting Irregularities – Company Policy (Webpage)</b>  Accessed 06/10/2019  <a href="http://www.arsenal-bg.com/reporting-irregularities-9">http://www.arsenal-bg.com/reporting-irregularities-9</a>  <b>REPORTING IRREGULARITIES</b>  In implementation of decision of the Board of Directors and for the purpose of increasing the possibility to report/signal for conflict of interest and corruption, the following manners can be used for submitting the signals/reports:</p> <p>By post – to address:  Ethics Committee  ARSENAL JSCo,  100, Rozova Dolina Str,  6100 Kazanlak, BULGARIA</p> <p>By e-mail : signals@arsenal-bg.com  By phone call – Hotline No: +359 882987880</p> <p><i>You are kindly requested, in your signal/report addressed to the Ethics Committee to give your address, which we be used to inform you and confirm the your signal is obtained and the case is filed for further processing.</i></p>

## 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
1
Comments
<p>The company has a policy for conflicts of interest that applies to all employees, and third parties.</p> <p>However, there is no evidence that the policy covers all of the categories listed in the question, and it does not clearly define the types of relationships or conflicts covered under its policy.</p>
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.1]</p> <p><b>Risk of acts of corruption and conflict of interest</b></p> <p>The Board of Directors of <b>ARSENAL JSCo.</b> takes the view that the conflict of interest and corruption reduce the effectiveness of the economy and degrade the quality of the manufactured products. Moreover, the acts of systematic corruption destroy the public confidence in the Government and the companies, undermine the functioning of the free market, and affect adversely the capabilities of the state and the society.</p> <p><b>Basis of the policy for prevention and disclosure of conflict of interest and corruption</b></p> <p>Corruption can take the form of offering, promising and granting of financial benefits (active corruption), as well as be concealed by camouflage as intercession, pressure and extortion (passive corruption). In all its forms and manifestations, corruption violates the market competition, it is a crime and as such it has to be unequivocally condemned. Corruption is an obstacle to the free business initiative, the normal functioning of the market economy and the effective management.</p> <p>In our view the acts of corruption in the relations with the national authorities, as well as in the relations with private organizations, with the purpose of obtaining and retaining certain illegal advantages, has to be eradicated from the economic life.</p> <p>The managing bodies, officials in leadership and administrative positions in <b>ARSENAL JSCo.</b>, or those acting on their behalf, undertake the obligation to refrain, under any circumstances, from any forms of direct or indirect corruption in the activity of</p> <p>[p.2]</p>

**ARSENAL JSCo.**, as well as in the companies controlled by **ARSENAL JSCo.**, its joint ventures, agents and subcontractors.

The officials of **ARSENAL JSCo.** take all necessary measures to avoid conflict of interest, refuse financial or other benefits, offered unlawfully, directly or indirectly, by or to, individuals or entities outside the company.

The company policy for prevention and disclosure of conflict of interest and corruption is based on the strict observance of the generally accepted ethical code of conduct by all employees of **ARSENAL JSCo.**, enhancement of the transparency of decisions, actions and results, as well as improvement of the control and accountability on all levels.

**The basic principles in the practical implementation of the Policy are:**

- applying uniform rules and regulations for all workers, employees and external partners;
- undertaking to ensure high transparency in taking managing decisions on all levels;
- determined and effective opposition against any act of corruption and conflict of interest;
- regular analysis of the risk of corruption and conflict of interest;
- uninterrupted monitoring for identification and termination of detected corruption practices or behavior carrying high risk of corruption and conflict of interest;
- regular account of the accomplishments and upgrading of the policy by the Board of Directors of **ARSENAL JSCo.**, as well as taking into account and adopting good world practices.

**Main measures**

The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of **ARSENAL JSCo.** The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.

Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.

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
<p>While there is some evidence to suggest that the company has a policy to identify conflict of interest (whistleblowing channel) with clearly assigned responsibility over handling the reported cases, there is no evidence that there are further procedures to declare and manage conflicts of interest. The company does not state that all employee and board member declarations are held in a dedicated register or central depository that is accessible to those responsible for oversight of the process, and the policy does not mention examples of criteria for recusals and does not state that disciplinary measures will apply if breached. Therefore, there is no evidence that the company has sufficiently clear procedures in order to receive a score of '1'.</p>
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.2]</p> <p><b>ARSENAL JSCo.</b>, as well as in the companies controlled by <b>ARSENAL JSCo.</b>, its joint ventures, agents and subcontractors.</p> <p>The officials of <b>ARSENAL JSCo.</b> take all necessary measures to avoid conflict of interest, refuse financial or other benefits, offered unlawfully, directly or indirectly, by or to, individuals or entities outside the company.</p> <p>The company policy for prevention and disclosure of conflict of interest and corruption is based on the strict observance of the generally accepted ethical code of conduct by all employees of <b>ARSENAL JSCo.</b>, enhancement of the transparency of decisions, actions and results, as well as improvement of the control and accountability on all levels.</p> <p><b>The basic principles in the practical implementation of the Policy are:</b></p> <ul style="list-style-type: none"> <li>• applying uniform rules and regulations for all workers, employees and external partners;</li> <li>• undertaking to ensure high transparency in taking managing decisions on all levels;</li> <li>• determined and effective opposition against any act of corruption and conflict of interest;</li> <li>• regular analysis of the risk of corruption and conflict of interest;</li> <li>• uninterrupted monitoring for identification and termination of detected corruption practices or behavior carrying high risk of corruption and conflict of interest;</li> <li>• regular account of the accomplishments and upgrading of the policy by the Board of Directors of <b>ARSENAL JSCo.</b>, as well as taking into account and adopting good world practices.</li> </ul> <p><b>Main measures</b></p> <p>The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of <b>ARSENAL JSCo.</b> The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.</p> <p>Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.</p>

**[2] Anti-Corruption Policy - Company Policy (Webpage)**

Accessed 06/10/2019

<http://arsenal-bg.com/anti-corruption-policy-8>

1. On the Company web-site [www.arsenal-bg.com](http://www.arsenal-bg.com) a postal address, hotline number and an e-mail address shall be published, for sending warnings/signal reports to the Ethics Committee.
2. A file shall be opened for each received warning/report, and within seven working days from its receipt a report to the Board of Directors shall be prepared.
3. The Board of Directors shall review the introduced report within thirty days from its entry.

In case of detected conflict of interest or corruption, the operating management shall be immediately notified in order to take relevant measures.

<b>Question</b>
<b>4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?</b>
<b>Score</b>
<b>0</b>
<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.

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
There is no evidence that the company has a policy on 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 discloses details of its political contributions.
Evidence
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 or procedure covering charitable donations and sponsorships.
Evidence
No evidence found.

## 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 or procedure on lobbying.
Evidence
No evidence found.

Question
<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>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any information on its lobbying aims, topics or activities.
Evidence
No evidence found.

Question
<b>5.2.3 Does the company publish full details of its global lobbying expenditure?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any details about 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
There is no publicly available evidence that the company has a policy or procedure on gifts or hospitality.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.1]</p> <p>Ethical conduct is a prerequisite for success.</p> <p>The activity of <b>ARSENAL JSCo.</b> is accomplished observing the principles of:</p> <ul style="list-style-type: none"> <li>- initiative;</li> <li>- good management;</li> <li>- observance of all relevant national and international legislation;</li> <li>- correctness;</li> <li>- social engagement;</li> <li>- observance of all universally accepted trade, professional and ethical codes;</li> <li>- prevention and disclosure of conflict of interest and corruption.</li> </ul> <p>Observance of the above principles of conduct is an irreversible part of the vision for development of <b>ARSENAL JSCo.</b> and a key factor for the reputation and good name of the Company among its customers, business partners, civil and national institutions.</p> <p>In pursuance of these principles <b>ARSENAL JSCo.</b> states in public and adopts a general company policy for prevention and disclosure of conflict of interest and corruption.</p> <p><b>Risk of acts of corruption and conflict of interest</b></p> <p>The Board of Directors of <b>ARSENAL JSCo.</b> takes the view that the conflict of interest and corruption reduce the effectiveness of the economy and degrade the quality of the manufactured products. Moreover, the acts of systematic corruption destroy the public confidence in the Government and the companies, undermine the functioning of the free market, and affect adversely the capabilities of the state and the society.</p> <p><b>Basis of the policy for prevention and disclosure of conflict of interest and corruption</b></p> <p>Corruption can take the form of offering, promising and granting of financial benefits (active corruption), as well as be concealed by camouflage as intercession, pressure and extortion (passive corruption). In all its forms and manifestations, corruption violates the market competition, it is a crime and as such it has to be unequivocally condemned. Corruption is an obstacle to the free business initiative, the normal functioning of the market economy and the effective management.</p> <p>In our view the acts of corruption in the relations with the national authorities, as well as in the relations with private organizations, with the purpose of obtaining and retaining certain illegal advantages, has to be eradicated from the economic life.</p> <p>The managing bodies, officials in leadership and administrative positions in <b>ARSENAL JSCo.</b>, or those acting on their behalf, undertake the obligation to refrain, under any circumstances, from any forms of direct or indirect corruption in the activity of</p> <p>[p.2]</p>

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## 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
There is no evidence that the company requires the involvement of its procurement department in the establishment or oversight of its supplier base.
Evidence
No evidence found.

Question
<b>6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?</b>
Score
<b>0</b>
Comments
There is no evidence that the company states that it conducts 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
Although there is evidence that the Company Policy for Prevention applies to the company's subcontractors, there is no evidence that the company ensures that its suppliers have anti-bribery and corruption policies in place that meet a high standard.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.1]</p> <p>The managing bodies, officials in leadership and administrative positions in <b>ARSENAL JSCo.</b>, or those acting on their behalf, undertake the obligation to refrain, under any circumstances, from any forms of direct or indirect corruption in the activity of</p> <p>[p. 2]</p> <p><b>ARSENAL JSCo.</b>, as well as in the companies controlled by <b>ARSENAL JSCo.</b>, its joint ventures, agents and subcontractors.</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
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.1]</p> <p>The managing bodies, officials in leadership and administrative positions in <b>ARSENAL JSCo.</b>, or those acting on their behalf, undertake the obligation to refrain, under any circumstances, from any forms of direct or indirect corruption in the activity of <b>ARSENAL JSCo.</b>, as well as in the companies controlled by <b>ARSENAL JSCo.</b>, its joint ventures, agents and subcontractors.</p>

Question
<b>6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?</b>
Score
<b>0</b>
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
There is no evidence that the company has a policy covering the use of agents.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.1]</p> <p>The managing bodies, officials in leadership and administrative positions in <b>ARSENAL JSCo.</b>, or those acting on their behalf, undertake the obligation to refrain, under any circumstances, from any forms of direct or indirect corruption in the activity of</p> <p>[p. 2]</p> <p><b>ARSENAL JSCo.</b>, as well as in the companies controlled by <b>ARSENAL JSCo.</b>, its joint ventures, agents and subcontractors.</p>

Question
<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>
Score
<b>0</b>
Comments
There is no evidence that the company states that it conducts anti-bribery and corruption due diligence on its agents or intermediaries.
Evidence
No evidence found.

Question
<b>7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?</b>
Score
<b>0</b>
Comments
There is no evidence that the company aims to establish the beneficial ownership of its agents.
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
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p. 1]</p> <p>The managing bodies, officials in leadership and administrative positions in <b>ARSENAL JSCo.</b>, or those acting on their behalf, undertake the obligation to refrain, under any circumstances, from any forms of direct or indirect corruption in the activity of</p> <p>[p. 2]</p> <p><b>ARSENAL JSCo.</b>, as well as in the companies controlled by <b>ARSENAL JSCo.</b>, its joint ventures, agents and subcontractors.</p>

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 mentions incentive structures as a risk factor in agent behaviour.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.2]</p> <p><b>Main measures</b></p> <p>The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of <b>ARSENAL JSCo</b>. The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.</p> <p>Among the main organizational measures is the establishment of an Ethics Committee and creating the opportunity to file warnings and complaints relating to corruption, conflict of interest and unethical conduct; also creating an adequate system for the protection of individuals warning in good faith about any acts of corruption and conflict of interest; improvement of the additional incentive bonus system, and providing information to the traditional partners and the public.</p>

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
<b>7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?</b>
Score
<b>0</b>
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 evidence to suggest that the company requires anti-bribery and corruption clauses in its contracts with joint venture partners.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p. 1]</p> <p>The managing bodies, officials in leadership and administrative positions in <b>ARSENAL JSCo.</b>, or those acting on their behalf, undertake the obligation to refrain, under any circumstances, from any forms of direct or indirect corruption in the activity of</p> <p>[p. 2]</p> <p><b>ARSENAL JSCo.</b>, as well as in the companies controlled by <b>ARSENAL JSCo.</b>, its joint ventures, agents and subcontractors.</p>

Question
<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>
Score
<b>0</b>
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
<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>
Score
<b>0</b>
Comments
There is no evidence that the company addresses the corruption risks associated with offset contracting.
Evidence
No evidence found.

Question
<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>
Score
<b>0</b>
Comments
There is no evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations.
Evidence
No evidence found.

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

Question
<b>8.4 Does the company publish details about the beneficiaries of its indirect offset projects?</b>
Score
<b>0</b>
Comments
There is no evidence that the company publishes any details of its offset obligations 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, or that risk assessment procedures are used to inform the company's operations in high risk markets.
Evidence
<p><b>[1] Company Policy for Prevention (Document)</b>  Accessed 06/10/2019  <a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>  [p.1]</p> <p>The company policy for prevention and disclosure of conflict of interest and corruption is based on the strict observance of the generally accepted ethical code of conduct by all employees of <b>ARSENAL JSCo.</b>, enhancement of the transparency of decisions, actions and results, as well as improvement of the control and accountability on all levels.</p> <p><b>The basic principles in the practical implementation of the Policy are:</b></p> <ul style="list-style-type: none"> <li>• applying uniform rules and regulations for all workers, employees and external partners;</li> <li>• undertaking to ensure high transparency in taking managing decisions on all levels;</li> <li>• determined and effective opposition against any act of corruption and conflict of interest;</li> <li>• regular analysis of the risk of corruption and conflict of interest;</li> <li>• uninterrupted monitoring for identification and termination of detected corruption practices or behavior carrying high risk of corruption and conflict of interest;</li> <li>• regular account of the accomplishments and upgrading of the policy by the Board of Directors of <b>ARSENAL JSCo.</b>, as well as taking into account and adopting good world practices.</li> </ul> <p><b>Main measures</b></p> <p>The policy is implemented via a set of normative, organizational and individually oriented measures, including providing information to the partners and the employees of <b>ARSENAL JSCo.</b> The normative measures include the introduction of this policy, the risk analysis and the adoption of internal deeds and instructions.</p>

Question
<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>
Score
<b>0</b>
Comments
There is no evidence that the company publishes a list of its subsidiaries and non-fully consolidated holdings.
Evidence
No evidence found.

Question
<b>9.3 Does the company disclose its beneficial ownership and control structure?</b>
Score
<b>0</b>
Comments
There is no evidence that the company discloses any information about its beneficial ownership or control structure, nor a statement that no individual owns 25% or more of shares or voting rights.
Evidence
<p><b>[4] Our History – About Us (Webpage)</b>  Accessed 06/10/2019  <a href="http://www.arsenal-bg.com/about/history">http://www.arsenal-bg.com/about/history</a>  On 12.06.1989 the company was registered as Arsenal State-Owned Company, and on 20.12.1991 it was transformed into a Sole Owner Joint Stock Company.</p>

Question
9.4 Does the company publish a percentage breakdown of its defence sales by customer?
Score
0
Comments
There is no evidence that the company provides a percentage breakdown of its defence sales by customer.
Evidence
<p><b>[5] Company Profile – About Us (Webpage)</b>  Accessed 07/10/2019  <a href="http://www.arsenal-bg.com/company-profile-12">http://www.arsenal-bg.com/company-profile-12</a>  Arsenal JSCo. is officially licensed by the Government of the Republic of Bulgaria for trade in Military Equipment.</p> <p>As an export company possessing wide trade experience, ARSENAL JSCo. manufactures high quality and competitive products. More than 90% of the production is exported all over the world.</p>

## 10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
N/A
Comments
N/A
Evidence

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
N/A
Comments
N/A
Evidence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
N/A
Comments
N/A
Evidence

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
N/A
Comments
N/A
Evidence

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
N/A
Comments
N/A
Evidence

## List of Evidence & Sources

No.	Type (Webpage or Document)	Name	Download Date	Link
01	Document	Company Policy for Prevention	06/10/2019	<a href="http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf">http://arsenal-bg.com/assets/pdf/company-policy/Company-policy-for-prevention.pdf</a>
02	Webpage	Anti-Corruption Policy	06/10/2019	<a href="http://arsenal-bg.com/anti-corruption-policy-8">http://arsenal-bg.com/anti-corruption-policy-8</a>
03	Webpage	Reporting Irregularities	06/10/2019	<a href="http://www.arsenal-bg.com/reporting-irregularities-9">http://www.arsenal-bg.com/reporting-irregularities-9</a>
04	Webpage	Our History	06/10/2019	<a href="http://www.arsenal-bg.com/about/history">http://www.arsenal-bg.com/about/history</a>
05	Webpage	Company Profile	06/10/2019	<a href="http://www.arsenal-bg.com/company-profile-12">http://www.arsenal-bg.com/company-profile-12</a>