

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

### FINAL ASSESSMENT

### RUAG HOLDING AG

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	8/8
2. Internal Controls	6	11/12
3. Support to Employees	7	11/14
4. Conflict of Interest	4	6/8
5. Customer Engagement	6	5/12
6. Supply Chain Management	5	4/10
7. Agents, Intermediaries and Joint Ventures	10	16/20
8. Offsets	4	0/8
9. High Risk Markets	4	5/8
10. State-Owned Enterprises	4	7/8
<b>TOTAL</b>		<b>72/108</b>
<b>BAND</b>		<b>B</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>
<b>1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company has a publicly stated commitment to anti-bribery and corruption, which details the company's stance against any form of bribery or corruption within the organisation. It is clear that this commitment is authorised and endorsed by the company's CEO and General Counsel.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Zero tolerance for Corruption                  RUAG applies a zero tolerance policy to corruption and rejects any form of bribery or any other corrupt behaviour. Benefits must always be of a lawful, neutral, suitable, appropriate and transparent nature.</p> <p><b>[2] Anti-Corruption (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf</a>                  [p. 3] 1.1 Goal and scope</p> <p>This Directive establishes RUAG's basic anti-corruption rules, in particular with regard to benefits for third parties, in order to minimise RUAG's corruption and reputational risks.</p> <p>In the RUAG Code of Conduct, the Board of Directors of RUAG Holding AG and the Group Executive Board of the Group have decreed that RUAG strictly adheres to national legislations and inter- national agreements. RUAG expects its employees and business partners to behave with integrity and in accordance with the law. RUAG makes careful and economical use of its assets and objects their abuse for improper or dubious ends. RUAG applies a zero tolerance policy to corruption and rejects any form of bribery or any other corrupt behaviour without exception. In further substantiating the RUAG Code of Conduct, this Directive is part of RUAG's business policy and as such specifies the binding rules on how RUAG deals with benefits to Private Persons and Public Officials.</p> <p>This Group Directive applies to all legal entities of the RUAG Group, i.e. Board of Directors, the Group Executive Board and all employees, as well as associated companies in which RUAG holds a controlling influence. In other affiliated companies, RUAG strives to enact this or a comparable Group Directive.</p> <p>[p. 8] Urs Breitmeier                  CEO RUAG Group</p> <p>Dr. Judith Bischof                  General Counsel</p>

<b>Question</b>
<p><b>1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:</b></p> <p><b>a) All employees, including staff and leadership of subsidiaries and other controlled entities;</b>  <b>b) All board members, including non-executive directors.</b></p>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company publishes a formal and clearly stated anti-bribery and corruption policy, which specifically prohibits bribery, commercial bribery, payments to public officials, and facilitation payments. The policy clearly applies to all employees and board members as described in (a) and (b) in the question.</p>
<b>Evidence</b>
<p><b>[2] Anti-Corruption (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf</a>                  [p. 3] 1.1 Goal and scope</p> <p>This Directive establishes RUAG's basic anti-corruption rules, in particular with regard to benefits for third parties, in order to minimise RUAG's corruption and reputational risks.</p> <p>In the RUAG Code of Conduct, the Board of Directors of RUAG Holding AG and the Group Executive Board of the Group have decreed that RUAG strictly adheres to national legislations and international agreements. RUAG expects its employees and business partners to behave with integrity and in accordance with the law. RUAG makes careful and economical use of its assets and objects their abuse for improper or dubious ends. RUAG applies a zero tolerance policy to corruption and rejects any form of bribery or any other corrupt behaviour without exception. In further substantiating the RUAG Code of Conduct, this Directive is part of RUAG's business policy and as such specifies the binding rules on how RUAG deals with benefits to Private Persons and Public Officials.</p> <p>This Group Directive applies to all legal entities of the RUAG Group, i.e. Board of Directors, the Group Executive Board and all employees, as well as associated companies in which RUAG holds a controlling influence. In other affiliated companies, RUAG strives to enact this or a comparable Group Directive.</p> <p>[p. 4] 2.1 Zero tolerance for corruption                  In accordance with local customs, traditions and moral values, in many situations a person is expected to offer, give or receive proportionate gifts, entertainment or other benefits in good faith. Such Benefits are often required to establish or sustain business relationships.</p> <p>On the other hand, offering, giving or receiving a Benefit with the intention or effect of influencing the decision process of a business partner or Public Official is considered a bribe in the laws of most countries and is consequently prohibited within RUAG Group - regardless whether directly by a RUAG-Employee or through any sort of intermediary.</p> <p>When concerning a Public Official, the offering, giving or receiving of Benefits is subject to particularly strict rules. No benefits should be provided to Public Officials, unless this is necessary under objective criteria.</p> <p>[p.7] Facilitation Payments                  Facilitation payments are generally prohibited. Facilitation payments are usually small amounts paid to mid or low level public officials for routine governmental action in order to initiate or expedite performance of duties of non-discretionary nature, to which the provider has a legal or other claim (e.g. the payment of a small amount to a customs officer in order for him to treat a shipment with preference).</p> <p>Exceptions are only permissible in case of danger to personal health and safety. They need to be documented and reported to the compliance officer of the Division as soon as possible.</p> <p>In case of doubt the Compliance &amp; Risk Management may be contacted at any time.</p>

<b>Question</b>
<b>1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the Audit Committee and Board of Directors are ultimately responsible for providing oversight of the company's anti-bribery and corruption programme. This includes reviewing reports from management on the programme's performance, along with the results of internal and external audits, and there is evidence that these bodies have the authority to required that changes to the programme are made.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Compliance Organisation                  RUAG is currently strengthening its compliance organisation with dedicated Compliance Officers for the divisions. On Corporate level, the Compliance &amp; Risk Management function is in particular responsible for the implementation of RUAG's policies throughout the Group through the establishment and adaptation of directives and trainings and for the operation of the whistleblower system. The business is fully included through different Communities of Interest for Trade Compliance and Commercial Compliance, as well as through the Compliance Board.</p> <p>The Vice President Compliance &amp; Risk Management reports to the General Counsel who is a member of the Group Executive Board. He also reports directly on a regular basis to the Audit Committee, the Board of Directors and in bi-annual detailed personal updates to the Chairman of the Board of Directors .The shareholder is provided with summarized information on compliance issues within the context of quarterly reports and meetings as well as via the Annual Report.</p> <p>The Audit Committee and the Board of Directors do maintain the ultimate oversight of the program Integrity@RUAG with special emphasize on the program against bribery and corruption. Through regular compliance-updates provided by the Vice President Compliance &amp; Risk Management, these bodies are in the position to assess the effectiveness of the compliance initiatives and specific measure implemented taking into account the results of internal and external audits and assessments and thereby ensuring that required adaptations are being implemented.</p> <p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p.97] Audit Committee</p> <p>The Audit Committee is composed of three members of the Board of Directors. The members of the Audit Committee are experienced in financial and accounting matters. The Audit Committee meets regularly and is convened by the Chair as often as business requires. Usually the meetings are also attended by the CEO, CFO, Vice President of Internal Audit, General Counsel and representatives of the statutory auditor.</p> <p>The main task of the Audit Committee is to ensure a comprehensive and efficient audit strategy for RUAG Holding Ltd and the Group. The duties of the Audit Committee include:</p> <p>[...]</p> <ul style="list-style-type: none"> <li>• Regularly examining the Compliance Management System</li> </ul>

<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>2</b>
<b>Comments</b>
<p>There is evidence that a designated senior executive has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme. It is clear that this person has a direct reporting line to the board and the Audit Committee, which jointly provide oversight of the anti-bribery and corruption programme. There is evidence of reporting and feedback activities between this person and the board as part of the company's reporting structure.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Compliance Organisation                  RUAG is currently strengthening its compliance organisation with dedicated Compliance Officers for the divisions. On Corporate level, the Compliance &amp; Risk Management function is in particular responsible for the implementation of RUAG’s policies throughout the Group through the establishment and adaptation of directives and trainings and for the operation of the whistleblower system. The business is fully included through different Communities of Interest for Trade Compliance and Commercial Compliance, as well as through the Compliance Board.</p> <p>The Vice President Compliance &amp; Risk Management reports to the General Counsel who is a member of the Group Executive Board. He also reports directly on a regular basis to the Audit Committee, the Board of Directors and in bi-annual detailed personal updates to the Chairman of the Board of Directors .The shareholder is provided with summarized information on compliance issues within the context of quarterly reports and meetings as well as via the Annual Report.</p> <p>The Audit Committee and the Board of Directors do maintain the ultimate oversight of the program Integrity@RUAG with special emphasize on the program against bribery and corruption. Through regular compliance-updates provided by the Vice President Compliance &amp; Risk Management, these bodies are in the position to assess the effectiveness of the compliance initiatives and specific measure implemented taking into account the results of internal and external audits and assessments and thereby ensuring that required adaptations are being implemented.</p>

## 2. Internal Controls

<b>Question</b>
<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>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company has a formal bribery and corruption risk assessment procedure in place that informs the design of its anti-bribery and corruption programme. The company indicates that the results of risk assessments are reviewed by the board on at least an annual basis, or when the results of the risk assessments reveal significant findings. There is evidence that the results of such reviews are used to develop tailored mitigation plans and to update specific parts of the company's anti-bribery and corruption programme.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Risk-based approach                  The design of the program Integrity@RUAG and the compliance organisation is based on a detailed assessment of the relevant compliance risks. All compliance-initiatives and specific measures are based on risk-assessments that are being conducted continuously. In particular, the Compliance Officers of the divisions do perform regular, risk-based reviews of the division-specific anti-corruption requirements with special emphasize on contracts with third parties. This approach ensures tailored mitigation-plans and hence an efficient allocation of the available compliance resources.</p> <p>The processes and elements of compliance risk assessments have been formally implemented in Q1 2017 and are subject to regular reviews. A comprehensive and systematic review will be conducted by Q4 2019 at the latest.</p> <p>The Audit Committee and the Board of Directors do maintain the ultimate oversight of the program Integrity@RUAG with special emphasize on the program against bribery and corruption. Through regular compliance-updates provided by the Vice President Compliance &amp; Risk Management, these bodies are in the position to assess the effectiveness of the compliance initiatives and specific measure implemented taking into account the results of internal and external audits and assessments and thereby ensuring that required adaptations are being implemented.</p> <p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p. 33] As a key element in Corporate Governance, the Group-wide risk management system protects RUAG's assets, facilities and employees. Risks are identified and addressed using a broad-based methodology drawing on the international COSO II, ISO 31000 and DIN EN 62198 standards. Under this methodology, risks are identified, analysed and assessed once a year in all business units in a structured process using the seven main categories of external risks, strategy, markets, processes, resources, compliance and culture, and finance. By gradually consolidating at the division and Group levels, each level of the corporation gains a management tool geared to its requirements.</p> <p>RUAG sees compliance as an integral part of risk management. As an enterprise owned by the Swiss Confederation, RUAG is committed to upholding particularly high ethical principles going beyond compliance with all guidelines, international agreements and domestic laws.</p> <p>[p.97] The main task of the Audit Committee is to ensure a comprehensive and efficient audit strategy for RUAG Holding Ltd and the Group. The duties of the Audit Committee include:</p> <ul style="list-style-type: none"> <li>Assessing processes in the risk and control environment (internal control system)</li> </ul>

<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>2</b>
<b>Comments</b>
<p>There is some evidence that the company’s anti-bribery and corruption programme is subject to regular review, including internal and external audits. The company indicates that the results of these audits are presented to the board and then used to ensure that the programme is consistent with best practice and the business risks facing the company. The company also states that it reviews and adapts all anti-corruption related processes and policies at least every three years, or as regulatory requirements demand, with the company’s compliance department holding responsibility for implementing required changes.</p>
<b>Evidence</b>
<p><b>[1] Compliance – Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Compliance Organisation                  RUAG is currently strengthening its compliance organisation with dedicated Compliance Officers for the divisions. On Corporate level, the Compliance &amp; Risk Management function is in particular responsible for the implementation of RUAG’s policies throughout the Group through the establishment and adaptation of directives and trainings and for the operation of the whistleblower system. The business is fully included through different Communities of Interest for Trade Compliance and Commercial Compliance, as well as through the Compliance Board.</p> <p>The Vice President Compliance &amp; Risk Management reports to the General Counsel who is a member of the Group Executive Board. He also reports directly on a regular basis to the Audit Committee, the Board of Directors and in bi-annual detailed personal updates to the Chairman of the Board of Directors. The shareholder is provided with summarized information on compliance issues within the context of quarterly reports and meetings as well as via the Annual Report.</p> <p>The Audit Committee and the Board of Directors do maintain the ultimate oversight of the program Integrity@RUAG with special emphasize on the program against bribery and corruption. Through regular compliance-updates provided by the Vice President Compliance &amp; Risk Management, these bodies are in the position to assess the effectiveness of the compliance initiatives and specific measure implemented taking into account the results of internal and external audits and assessments and thereby ensuring that required adaptations are being implemented.</p> <p><b>[18] Compliance – Commitment – Risk Based Approach (Webpage)</b>                  Accessed 13/05/2020  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  The design of the program Integrity@RUAG and the compliance organisation is based on a detailed assessment of the relevant compliance risks. All compliance-initiatives and specific measures are based on risk-assessments that are being conducted continuously. In particular, the Compliance Officers of the divisions do perform regular, risk-based reviews of the division-specific anti-corruption requirements with special emphasize on contracts with third parties. This approach ensures tailored mitigation-plans and hence an efficient allocation of the available compliance resources.</p> <p>The processes and elements of compliance risk assessments have been formally implemented in Q1 2017 and are reviewed on a regular basis of at least every two years.</p> <p>All internal compliance documents (Codes, Directives, Regulations and Supporting Documents) and the respective processes and procedures are reviewed and revised on a regular basis of at least every three years or in response to relevant changes in the regulatory environment.</p>



<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>2</b>
<b>Comments</b>
<p>There is evidence that the company has a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels. The company indicates that it takes steps to ensure the independence of its investigations and that it commits to ensure whistleblowers are informed of the outcome, if they so wish. For whistleblowing cases, there is evidence of a procedure in place that stipulates documentation and actions to be taken at every step of the case, from receipt to final outcome. There is evidence that the company's Board of Directors, Audit Committee and Group Executive Board receive summary information of all investigations on a quarterly basis.</p>
<b>Evidence</b>
<p><b>[4] Internal Compliance Investigations (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Internal_Compliance_Investigations.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Internal_Compliance_Investigations.pdf</a>                  [p. 3] RUAG takes infringements of the code of conduct very seriously and does hence investigate any concrete suspicions of relevant infringements in a prompt, objective, consequent and unconditional manner. The compliance cases and the results of internal investigations are reported to the Board of Directors, the Audit Committee and the Group Executive Board. All compliance cases are reported at least quarterly in case statistics comprising: number of reports, reporting channel, reports per division, categories of allegations, categories of sanctions taken and in a table-overview describing the details of all cases. Particularly relevant cases and results of internal investigations are reported on an ad-hoc basis.</p> <p>[p. 4] 2.3 Standard process                  All steps of the investigation process must be properly documented in an auditable manner.</p> <p>2.3.1. Reports                  Employees can report any known or suspected violations of the code of conduct to the following contact persons:</p> <ol style="list-style-type: none"> <li>1. Managers</li> <li>2. HR managers</li> <li>3. Compliance officers</li> <li>4. General Counsel</li> </ol> <p>In addition, RUAG employees may also use the external Integrity Line. Contact information can be found on the Intranet and the RUAG website.</p> <p>The external Integrity Line, the compliance officers and General Counsel can ensure that the identity of the employees reporting known or suspected violations of this code of conduct is treated strictly confidential.</p> <p>1<sup>st</sup> step: upon receipt of a report it will be decided on a case-by-case basis whether the Vice President Compliance &amp; Risk Management or another Compliance Officer will be the investigator of the case. The investigator will then immediately establish contact with the reporter and ask for the additional information required to assess whether the report refers to violations of the code of conduct and whether it is substantiated.</p> <p>Reports that do not refer to violations of the code of conduct but need further actions will be transferred to the responsible functions and the investigator will ensure that the report will be followed- up properly.</p> <p>2.3.2 Concrete and substantiated initial suspicion                  2<sup>nd</sup> step: the investigator will investigate the substantiated report in order to assess whether there is a concrete and substantiated initial suspicion of a violation of the code of conduct.</p> <p>The responsible HR manager will be informed about the case in an anonymized manner and must ensure the involvement of employees' representations (e.g. workers council, Betriebsrat, ANV) as required under the applicable legislation.</p>



[p. 5] 2.3.3 Investigation

3<sup>rd</sup> step: after establishment of a concrete and substantiated initial suspicion, the investigator will launch the investigation and align its set-up with the responsible HR manager and - if objectively possible without jeopardizing the investigation - the responsible line-manager.

The Vice President Compliance & Risk Management will always keep oversight of the investigation to ensure - if required also by means of escalation to the Board of Directors - that it will be conducted in a prompt, objective, consequent and unconditional manner.

2.3.4 Decision

4<sup>th</sup> step: after establishment of a violation of the code of conduct, line-management decides on the sanction to be applied. The Vice President Compliance & Risk Management advises line management with their professional assessment on the severity of the violation and safeguards adherence to the principle of anti-discrimination to ensure - if required also by means of escalation to the Board of Directors - that sanctions are applied strictly according to the severity of the violation.

The person who reported a specific case will - if objectively possible under the applicable legislation - be informed about the outcome of the investigation and the decisions taken.

The Vice President Compliance & Risk Management and the General Counsel will decide together whether it is required to disclose violations to the relevant authorities (e.g. prosecutors, export-control authorities, anti-trust authorities, data-protection authorities).

2.3.5 Remediation and improvements of compliance management system

5<sup>th</sup> step: after any established violation of the code of conduct, the Vice President Compliance & Risk Management will analyse the root-causes for the violation and implement the required remediation plans and improvements of the compliance management system.

[...] 2.5 External Support

In order to ensure professional and objective investigations,

- specialized external lawyers will be involved in the investigation of any concrete suspicions of severe violations, in particular of any criminal acts or antitrust-violations and
- specialized external audit and/or IT-forensic service providers will be involved in any complex investigations.

**[8] Integrity Line Platform FAQs (Webpage)**

Accessed 15/08/2019

<https://ruag.integrityplatform.org/index.php?action=displayFaq#faqEntry-1>

What happens after I file a report?

All reports will be sent through EQS Group's secure server to RUAG's responsible official. You will decide the further procedure. In case of concrete suspect report specialist will be consulted to initiate an investigation. You will be informed once the investigation of the reported incident is completed. The investigation can take several months, especially in complex cases. For data protection reasons, you may generally not be informed about the outcome and the result of the investigation.

What do I need the "Mailbox" for?

At the end of the reporting process you will receive an incident number and give yourself a password. With these two elements, you can log in to your personal mailbox by clicking on ""Mailbox"" and then follow the instructions. The mailbox allows you to communicate - anonymously - with RUAG employees who receive and process your message. The possibility of an anonymous dialogue is important because more information might be needed in order to clear up the incident.

When will my reporting be answered?

Give us five working-days to respond to your reporting.

<b>Question</b>
<b>2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?</b>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>There is some evidence that the company assures itself of the quality of its investigations. The company states that the Vice President Compliance &amp; Risk Management and the responsible Compliance Officer conduct investigations, with support from the General Counsel. There is evidence that the company may involve external lawyers and specialised external audit or IT forensic service providers in complex investigations. In addition, the company indicates that it reviews its investigations procedure as part of a wider periodic review of its anti-corruption programme at least every three years or in response to changes in the regulatory environment.</p> <p>However, there is no evidence that the company has a procedure in place to receive or handle any complaints about the investigation process.</p>
<b>Evidence</b>
<p><b>[18] Compliance – Commitment – Risk Based Approach (Webpage)</b>                  Accessed 13/05/2020  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  The design of the program Integrity@RUAG and the compliance organisation is based on a detailed assessment of the relevant compliance risks. All compliance-initiatives and specific measures are based on risk-assessments that are being conducted continuously. In particular, the Compliance Officers of the divisions do perform regular, risk-based reviews of the division-specific anti-corruption requirements with special emphasize on contracts with third parties. This approach ensures tailored mitigation-plans and hence an efficient allocation of the available compliance resources.</p> <p>The processes and elements of compliance risk assessments have been formally implemented in Q1 2017 and are reviewed on a regular basis of at least every two years.</p> <p>All internal compliance documents (Codes, Directives, Regulations and Supporting Documents) and the respective processes and procedures are reviewed and revised on a regular basis of at least every three years or in response to relevant changes in the regulatory environment.</p> <p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Compliance Organisation                  RUAG is currently strengthening its compliance organisation with dedicated Compliance Officers for the divisions. On Corporate level, the Compliance &amp; Risk Management function is in particular responsible for the implementation of RUAG's policies throughout the Group through the establishment and adaptation of directives and trainings and for the operation of the whistleblower system.</p> <p><b>[4] Internal Compliance Investigations (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Internal_Compliance_Investigations.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Internal_Compliance_Investigations.pdf</a>                  [p. 3] 2.1 General Rules                  The Vice President Compliance &amp; Risk Management conducts internal investigations together with the responsible Compliance Officer and completely independent from management decisions, but in close alignment with line management and the General Counsel.</p> <p>[p. 5] 2.5 External Support                  In order to ensure professional and objective investigations,</p> <ul style="list-style-type: none"> <li>• specialized external lawyers will be involved in the investigation of any concrete suspicions of severe violations, in particular of any criminal acts or antitrust-violations and</li> <li>• specialized external audit and/or IT-forensic service providers will be involved in any complex investigations.</li> </ul>

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company commits to reporting material findings of bribery and corruption from investigations to the board. In addition, there is evidence that the Vice President Compliance &amp; Risk Management and General Counsel are ultimately responsible for ensuring that the disclosure of criminal offences to relevant authorities is evaluated and acted upon if found necessary.</p>
<b>Evidence</b>
<p><b>[4] Internal Compliance Investigations (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Internal_Compliance_Investigations.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Internal_Compliance_Investigations.pdf</a>                  [p. 3] The compliance cases and the results of internal investigations are reported to the Board of Directors, the Audit Committee and the Group Executive Board. All compliance cases are reported at least quarterly in case statistics comprising: number of reports, reporting channel, reports per division, categories of allegations, categories of sanctions taken and in a table-overview describing the details of all cases. Particularly relevant cases and results of internal investigations are reported on an ad-hoc basis.</p> <p>[p. 5] The Vice President Compliance &amp; Risk Management and the General Counsel will decide together whether it is required to disclose violations to the relevant authorities (e.g. prosecutors, export- control authorities, anti-trust authorities, data-protection authorities).</p> <p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Compliance Organization</p> <p>[...]</p> <p>The Vice President Compliance &amp; Risk Management reports to the General Counsel who is a member of the Group Executive Board.</p> <p>Sanction and reporting of violations</p> <p>[...]</p> <p>Depending on the severity of the violation in question, such sanctions may range from reprimands and warnings to immediate dismissal and to civil claims for compensatory damages and criminal prosecution.</p>

**Question**

**2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?**

**Score**

**2**

**Comments**

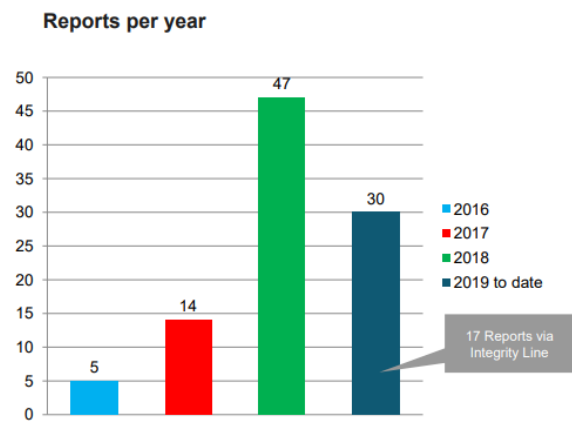
The company publishes high-level information on its ethics and compliance-related incidents and investigations, involving company employees at all levels. The company provides details on the number of reports received, including those received through whistleblowing channels, the number of investigations launched, and the number of disciplinary actions as a result of investigation findings. There is evidence to suggest that this data is updated and published on an annual basis.

**Evidence**

**[5] Whistleblowing per 31.12.2019 (Document)**

Accessed 20/03/2020  
[https://www.ruag.com/sites/default/files/media\\_document/2020-01/Integrity%40RUAG\\_Whistleblowing%20per%2031%20December%202019\\_0.pdf](https://www.ruag.com/sites/default/files/media_document/2020-01/Integrity%40RUAG_Whistleblowing%20per%2031%20December%202019_0.pdf)

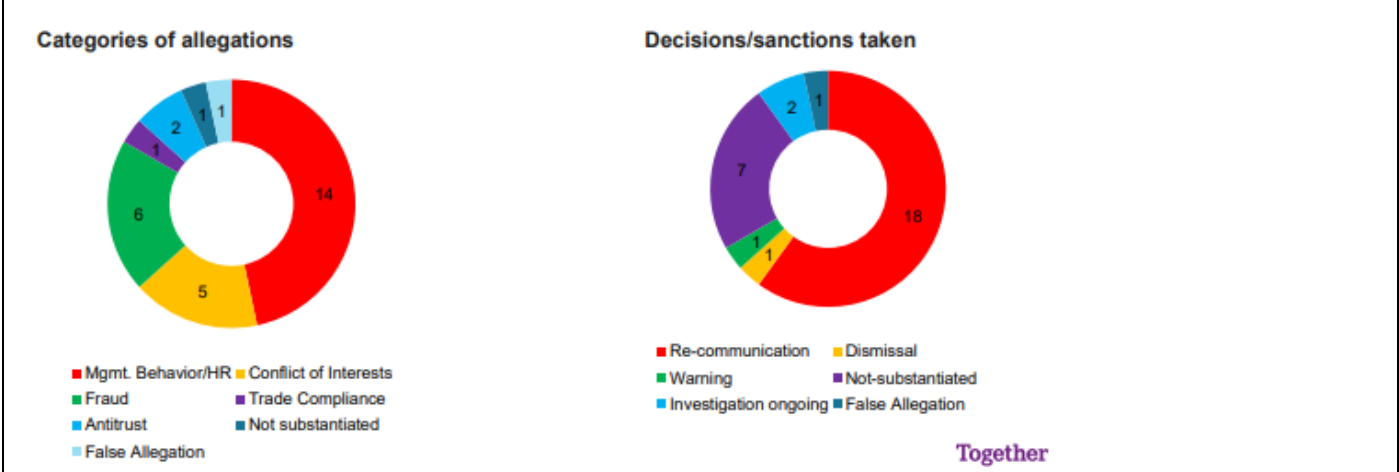
[p. 1]  
**Whistleblowing per 31.12.2019**  
 Statistics - overall



1 | RUAG Corporate Services | 31. Dezember 2019 Together ahead. RUAG

[p. 2]

**Whistleblowing per 31.12.2019**  
 Statistics - overall



**[3] Annual Report 2018 (Document)**

Accessed 15/08/2019

[https://annualreport.ruag.com/2018/sites/ar18/files/media\\_document/2019-03/RUAG\\_GB18\\_EN\\_full.pdf](https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf)

[p.33] In 2018 the system received a total of 47 reports. Specific action was initiated in 12 of these cases. In nine cases, internal investigations are still ongoing (as at end-2018). Among other things, at the beginning of the year under review the system was able – thanks to a tip received from an external informant – to detect the case of a RUAG employee who was involved in unauthorised private transactions. The case was handed over to the Office of the Attorney General immediately. This was an impressive demonstration of the system's effectiveness for both employees and external informants, and of its value to RUAG in terms of compliance.

### 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>2</b>
<b>Comments</b>
<p>There is evidence that the company provides training for its employees that outlines the principles of the anti-bribery and corruption policy, including the whistleblowing options available. The company indicates that it provides this training to all employees across all divisions and countries of operation, and in all appropriate languages. There is evidence that employees are required to undertake refresher courses or modules on the anti-bribery and corruption programme at least every three years.</p>
<b>Evidence</b>
<p><b>[19] Compliance – Commitment – Training Measures (Webpage)</b>                  Accessed 13/05/2020  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Training measures                  RUAG attaches great importance to everyone who works for it being familiar with and practicing its Code of Conduct, its commitment to fair industry-standard conduct and its efforts to combat corruption. These rules have been set out in easy-to-understand language for all employees, and trainings are being given accordingly.</p> <p>Trainings are either adapted for specific target groups considering employees' specific positions and tasks and the risks associated. Others are given in person by addressing staff and management at all RUAG sites worldwide, including board members, for example when new employees are hired or recently in the frame of the roll-out of our new Code of Conduct and specifically leave a lot of room for discussions and questions. Other trainings for all employees are given using e-learning tools where appropriate, for example an anti-corruption and a trade compliance e-learning to be rolled out in 2019.</p> <p>Trainings are always provided in all appropriate languages and the target groups are defined following a risk-based approach with special emphasize on particularly risk-exposed functions, such as management functions, marketing &amp; sales, procurement, government relations, HR and communications.</p> <p>Following a risk-based approach, the employees are required to undertake personal refresher trainings and/or e-learnings on the compliance program at least every three years. This applies in particular but is not limited to, employees in high-risk positions and the risk-category of anti-corruption and trade compliance.</p> <p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Training measures</p> <p>RUAG attaches great importance to everyone who works for it being familiar with and practicing its Code of Conduct, its commitment to fair industry-standard conduct and its efforts to combat corruption. These rules have been set out in easy-to-understand language for all employees, and trainings are being given accordingly. Trainings are either adapted for specific target groups considering employees' specific positions and tasks and the risks associated. Others are given in person by addressing staff and management at all RUAG sites worldwide, including board members, for example when new employees are hired or recently in the frame of the roll-out of our new Code of Conduct and specifically leave a lot of room for discussions and questions. Other trainings for all employees are given using e-learning tools where appropriate, for example an anti-corruption and a trade compliance e-learning to be rolled out in 2019.</p> <p>Trainings are always provided in all appropriate languages and the target groups are defined following a risk-based approach with special emphasize on particularly risk-exposed functions, such as management functions, marketing &amp; sales, procurement, government relations, HR and communications.</p>

The effectiveness of these trainings is demonstrated not only by the feedback received, but also by the fact that the number of requests received by the compliance team has increased notably over the years. Relevant questions will also be included in the next employee survey.

**[3] Annual Report 2018 (Document)**

Accessed 15/08/2019

[https://annualreport.ruag.com/2018/sites/ar18/files/media\\_document/2019-03/RUAG\\_GB18\\_EN\\_full.pdf](https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf)

[p.32] Workshops, training courses and e-learning programmes Group-wide

One of the core activities of Compliance & Risk Management is that of arranging workshops and training courses. On the one hand, these are used to introduce new guidelines and processes and incorporate them into everyday working life. On the other hand, however, they are also a targeted way to strengthen awareness of compliance and risk issues within the Group and raise awareness on current issues.

[...]

In addition to the aforementioned e-learning programme in the field of trade compliance, in 2018 RUAG also developed a Group-wide anti- corruption e-learning course. It will be rolled out in 2019 in German, French, Italian and English for all employees with access to a computer workstation. The course will make use of specific examples from everyday working life and a programme-based completion monitoring system to ensure that all employees know how the new anti-corruption Group directive adopted in 2018 is to be implemented in their business practices.

**[6] Training Example (Document)**

Accessed 15/08/2019

[https://www.ruag.com/sites/default/files/media\\_document/2019-01/Training%20Example.pdf](https://www.ruag.com/sites/default/files/media_document/2019-01/Training%20Example.pdf)

[p. 31]

**Speak up!**

If you are unsure about a situation or believe there has been a violation of our Code of Conduct, you ...

- 1. Talk to your Team Leader
- 2. Consult your HR Manager, Compliance Officer or the General Counsel
- 3. Contact the Whistleblower System



If you do not feel comfortable doing this...

If you do not feel comfortable doing this ...

Corporate Services

**RUAG TOPICS**

- About RUAG
- Working at RUAG
- IT Support
- Information Security
- KonTel
- Whistleblower system
- Stage II / Group projects



<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><b>a) Employees in high risk positions,</b></li> <li><b>b) Middle management,</b></li> <li><b>c) Board members.</b></li> </ul>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>There is some evidence that the company provides tailored anti-bribery and corruption training to its employees based on the different levels of risk facing those in different roles. The company makes specific reference to specialised training for employees in high risk positions, middle management and board members.</p> <p>However, the company receives a score of ‘1’ because there is no evidence that employees in high risk positions are required to undertake tailored refresher training on at least an annual basis.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Training measures</p> <p>RUAG attaches great importance to everyone who works for it being familiar with and practicing its Code of Conduct, its commitment to fair industry-standard conduct and its efforts to combat corruption. These rules have been set out in easy-to-understand language for all employees, and trainings are being given accordingly. Trainings are either adapted for specific target groups considering employees' specific positions and tasks and the risks associated. Others are given in person by addressing staff and management at all RUAG sites worldwide, including board members, for example when new employees are hired or recently in the frame of the roll-out of our new Code of Conduct and specifically leave a lot of room for discussions and questions. Other trainings for all employees are given using e-learning tools where appropriate, for example an anti-corruption and a trade compliance e-learning to be rolled out in 2019.</p> <p>Trainings are always provided in all appropriate languages and the target groups are defined following a risk-based approach with special emphasize on particularly risk-exposed functions, such as management functions, marketing &amp; sales, procurement, government relations, HR and communications.</p> <p><b>[19] Compliance – Commitment – Training Measures (Webpage)</b>                  Accessed 13/05/2020  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  [...] Trainings are either adapted for specific target groups considering employees' specific positions and tasks and the risks associated. Others are given in person by addressing staff and management at all RUAG sites worldwide, including board members, for example when new employees are hired or recently in the frame of the roll-out of our new Code of Conduct and specifically leave a lot of room for discussions and questions. Other trainings for all employees are given using e-learning tools where appropriate, for example an anti-corruption and a trade compliance e-learning to be rolled out in 2019.</p> <p>Trainings are always provided in all appropriate languages and the target groups are defined following a risk-based approach with special emphasize on particularly risk-exposed functions, such as management functions, marketing &amp; sales, procurement, government relations, HR and communications.</p> <p>Following a risk-based approach, the employees are required to undertake personal refresher trainings and/or e-learnings on the compliance program at least every three years. This applies in particular but is not limited to, employees in high-risk positions and the risk-category of anti-corruption and trade compliance.</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>2</b>
<b>Comments</b>
<p>There is some evidence that the company measures and reviews the effectiveness of its anti-bribery and corruption communications and personnel training programme on a regular basis. The company indicates that it undertakes dedicated employee surveys and measures the number of compliance-related inquiries in a year, as well as measuring completion rates of its anti-bribery and corruption e-learning course. There is evidence that the results of these reviews and surveys are used to update specific parts of the training programme, with the entire programme subject to a comprehensive review at least every three years.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  The effectiveness of these trainings is demonstrated not only by the feedback received, but also by the fact that the number of requests received by the compliance team has increased notably over the years. Relevant questions will also be included in the next employee survey.</p> <p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p.32] In addition to the aforementioned e-learning programme in the field of trade compliance, in 2018 RUAG also developed a Group-wide anti- corruption e-learning course. It will be rolled out in 2019 in German, French, Italian and English for all employees with access to a computer workstation. The course will make use of specific examples from everyday working life and a programme-based completion monitoring system to ensure that all employees know how the new anti-corruption Group directive adopted in 2018 is to be implemented in their business practices.</p> <p><b>[19] Compliance – Commitment – Training Measures (Webpage)</b>                  Accessed 13/05/2020  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  The effectiveness and the content of the training and communication program is measured, reviewed and updated on a continuous basis. This is ensured through feedback received during the discussions in the workshops, face-to-face conversations in daily business, employee surveys, measuring completion rates and response-behaviour to specific sections and test-questions in e-learnings, results of internal and external audits and systematic evaluations of the whistleblowing and case statistics. The training and communication material is comprehensively revised at least every three years.</p>

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company's incentive schemes for employees are designed in such a way that they promote ethical behaviour and do not undermine its commitment to anti-bribery and corruption. Where financial rewards are part of its incentive scheme, the company indicates that any performance-based incentives are proportionate to the employee's salary. In addition, the company indicates that its employee incentives are based on performance reviews and regular feedback sessions. Although the company does not explicitly mention employees in high risk roles, there is clear evidence that the company ensures that incentives are proportionate for employees in sales roles.</p>
<b>Evidence</b>
<p><b>[7] What you can expect – RUAG Culture &amp; Values – Working at RUAG – Career (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/career/working-ruag/ruag-culture-values/what-you-can-expect">https://www.ruag.com/en/career/working-ruag/ruag-culture-values/what-you-can-expect</a>                  Fairness in payment</p> <p>RUAG pays salaries in line with the market, and based on performance.</p> <p>RUAG ensures that all salaries comply with the appropriate national legal requirements or industry standards.</p> <p>RUAG ensures that salaries honour the performance of staff members and are explained in regular feedback sessions.</p> <p>Via Integrity@RUAG, RUAG ensures that the incentive schemes do not undermine the commitment of RUAG against bribery &amp; corruption.</p> <p>Incentives do therefore go beyond exclusively profit-driven targets and do always also include a range of performance-based elements.</p> <p>Financial performance-based incentives are awarded based on a proportion of the employee's salary and not on a proportion of a particular contract for the sales of RUAG products.</p> <p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Against Bribery &amp; Corruption</p> <p>Zero tolerance for Corruption                  RUAG applies a zero tolerance policy to corruption and rejects any form of bribery or any other corrupt behaviour. Benefits must always be of a lawful, neutral, suitable, appropriate and transparent nature.</p> <p>[...]</p> <p>We ensure that our incentive schemes do not undermine this commitment against bribery &amp; corruption.</p>

<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>
Based on publicly available information, there is no clear evidence that the company commits to support and protect employees who refuse to act unethically. The company states that employees must adhere to its code of conduct and indicates that neglecting this to secure business is against its values, but there is no clear evidence that it commits to support and protect its employees to do the right thing.
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  For RUAG, business relations with customers and business partners are based on integrity and partnership, trust and mutual respect. Neglecting or disregarding these basic rules in the interest of securing business success is against our corporate culture.</p> <p>Sanctions and reporting of violations</p> <p>[...]</p> <p>Employees who report known or suspected violations in good faith are protected against any retaliation. Any type of retaliation against employees who have reported violations in accordance with these principles constitutes a clear and serious violation of the Code of Conduct and will be appropriately sanctioned.</p> <p><b>[9] Code of Conduct (Document)</b>                  Accessed 20/03/2020  <a href="https://www.ruag.com/sites/default/files/media_document/2018-06/180610_ComplBroschu%CC%88re_E.pdf">https://www.ruag.com/sites/default/files/media_document/2018-06/180610_ComplBroschu%CC%88re_E.pdf</a>                  [p.5] Collaboration, high performance and visionary thinking – these are the values that represent RUAG.</p> <p>For RUAG, business relations with customers and business partners are based on integrity and partnership, trust and mutual respect. Neglecting or disregarding these basic rules in the interest of securing business success is against our corporate culture.</p> <p>[p.11] 10 Golden Rules</p> <p>[...]</p> <p>09 We follow the rules – including and in particular in difficult situations and market conditions.                  10 We do not neglect or disregard these ground rules in the interests of securing business success.</p> <p>[p.32] In accordance with our values, all employees are encouraged to report immediately any information about violations of this code of conduct or of any applicable legislation.</p>

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company promotes a clear policy of non-retaliation against both whistleblowers and employees who report bribery and corruption incidents. The company’s policy applies to all employees across the organisation, as well as external employees and third parties who use its whistleblower system. There is evidence that the company assures itself of its employees’ confidence in this commitment through usage data.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Sanctions and reporting of violations</p> <p>[...]</p> <p>Employees who report known or suspected violations in good faith are protected against any retaliation. Any type of retaliation against employees who have reported violations in accordance with these principles constitutes a clear and serious violation of the Code of Conduct and will be appropriately sanctioned.</p> <p><b>[8] Integrity Line Platform FAQs (Webpage)</b>                  Accessed 15/08/2019  <a href="https://ruag.integrityplatform.org/index.php?action=displayFaq#faqEntry-12">https://ruag.integrityplatform.org/index.php?action=displayFaq#faqEntry-12</a>                  Do I have to fear negative consequences because of my reporting?                  Once you have justified reasons to believe that there really is a grievance and therefore you report this, you are protected. RUAG does not tolerate sanctions against you, which is why you don't have to worry about any negative consequences. The situation is different if you denounce someone maliciously and knowingly make a false report. In this case, sanctions can be imposed.</p> <p>What if the content of a report later turns out to be inaccurate?                  The important thing is that at the time the report is submitted, you believe or reasonably assume that the content is accurate and that laws or the Code of Conduct of RUAG have been violated. You will not be expected to gather evidence or resolve the situation yourself. We will undertake the investigation. It may be possible that the investigation concludes that no infringement has taken place. In this case, you do not need to be concerned about negative consequences.</p> <p><b>[9] Code of Conduct (Document)</b>                  Accessed 20/03/2020  <a href="https://www.ruag.com/sites/default/files/media_document/2018-06/180610_CompIBroschu%CC%88re_E.pdf">https://www.ruag.com/sites/default/files/media_document/2018-06/180610_CompIBroschu%CC%88re_E.pdf</a>                  [p.32] Employees who report known or suspected violations in good faith are protected against any retaliation. Any type of retaliation against employees who have reported violations in accordance with these principles constitutes a clear and serious violation of this code of conduct and will be appropriately sanctioned.</p> <p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p. 8] Among other things, the rise in reports to the whistleblower desk created in 2016 shows that both employees and externals have confidence in RUAG’s compliance processes.</p> <p>[p.32] An important element in securing global compliance at RUAG is its whistleblower system, which went into operation in 2014. The system can be used both by all employees worldwide and by external informants. Reports made within the system are seen only by the Compliance Team and the identity of the informant is kept confidential if they so request.</p>

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company provides multiple channels for its employees to report instances of suspected corrupt activity and seek advice on its anti-bribery and corruption programme. There is evidence that these channels are sufficiently varied to allow employees to raise concerns across the management chain and to external bodies through an independently operated hotline. The company indicates that these channels allow for confidential and, wherever possible, anonymous reporting.</p> <p>In addition, there is evidence that the company's reporting channels are available and accessible to all employees in all jurisdictions where it operates, including to external parties such as employees of suppliers and joint venture partners, and in all relevant languages.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Contact and whistleblower system</p> <p>Another important element in the combating of corruption and other irregularities is the web-based RUAG whistleblower system, introduced in November 2014. Employees and third parties anywhere in the world can use this system if they suspect or observe irregularities and violations or if they have questions or need advice. The online tool is hosted by an outside company and serves as an early warning system to prevent or detect compliance violations. The procedure for this is clearly regulated: if an employee notices irregularities, the first point of contact should remain his or her line manager, in a second instance a Compliance Officer (e.g. by using the compliance(at)ruag.com e-mail address), Human Resources or the General Counsel. But if such a conversation is not possible or fails to achieve the expected result, the whistleblower system provides the additional option to report the incident via the RUAG website or <a href="https://ruag.integrityplatform.org">https://ruag.integrityplatform.org</a>, anonymously if desired. Reports are seen and processed only by designated RUAG specialists from the Compliance team.</p> <p><b>[16] Integrity Line Platform – Make a report (Webpage)</b>                  Accessed 18/11/2019  <a href="https://ruag.integrityplatform.org/index.php?action=reportIncident&amp;type=report">https://ruag.integrityplatform.org/index.php?action=reportIncident&amp;type=report</a></p> <p><b>Category of misconduct</b></p> <p>Select the type of misconduct you would like to report. You will find further information and a definition by clicking on the respective info symbol to the right. Make separate reports for each type of misconduct.</p> <ul style="list-style-type: none"> <li><input type="radio"/> Bribery and Corruption <span style="float: right;">?</span></li> <li><input type="radio"/> Theft, Fraud, Misappropriation <span style="float: right;">?</span></li> <li><input type="radio"/> Export of military technology applications <span style="float: right;">?</span></li> <li><input type="radio"/> Illegal price-fixing and market agreements <span style="float: right;">?</span></li> <li><input type="radio"/> Money laundering <span style="float: right;">?</span></li> <li><input type="radio"/> Grievances at work <span style="float: right;">?</span></li> <li><input type="radio"/> Unequal Opportunity <span style="float: right;">?</span></li> <li><input type="radio"/> Harassment <span style="float: right;">?</span></li> <li><input type="radio"/> Discrimination <span style="float: right;">?</span></li> <li><input type="radio"/> Health &amp; Safety <span style="float: right;">?</span></li> <li><input type="radio"/> Environmental Protection <span style="float: right;">?</span></li> <li><input type="radio"/> Other <span style="float: right;">?</span></li> </ul>

English

English

Deutsch

Français

Italiano

Magyar

Svenska

### [8] Integrity Line Platform FAQs (Webpage)

Accessed 15/08/2019

<https://ruag.integrityplatform.org/index.php?action=displayFaq#faqEntry-1>

How do I file a report or ask a question?

Click on "File a report" or "Ask a question" and follow the instructions. The process is simple.

Which incidents can I report?

Report us if you gain knowledge of incidents concerning Bribery/Corruption, Theft/Fraud/Misappropriation, Export of military products, Illegal price-fixing and market agreements, Money laundering, Grievances at work, Unequal opportunity, Harassment, Discrimination, Health & Safety, Environmental protection or other offences.

[...]

Can I remain anonymous?

It depends on your location and the location of the alleged misconduct. In some countries, anonymous reports are not permitted by law.

If desired, RUAG will (as far as legally objectively possible) protect the anonymity.

How is my anonymity protected?

When using the secure Integrity Platform, no IP address data, time stamps or metadata are logged or recorded by EQS Group. All data is encrypted and stored on the EQS Group servers based in Switzerland. Thus, no information linking your computer to EQS Group is available. Once you have clicked on "File a report" or "Ask a question", you will remain anonymous unless you choose to disclose your name.

Why is there a need for the Integrity platform?

Trust and credibility are essential for us. Both enjoys high priority at RUAG. An important aspect of trust and credibility is the compliance with laws by all employees and partners. Prevention measures serve to protect the reputation and prestige and prevent financial losses. Nevertheless, violations of law can occur in some cases.

If you note such violations or are not sure whether such violations are occurring, the whistleblowing system gives you another opportunity to report possible violations completely confidentially, and even anonymously if desired.

Of course RUAG employees always have the possibility to initially disclose information directly to their line managers, to HR, the Compliance Officers or the General Counsel.

Can the reporting person not anyhow be identified?

In some cases, the range of persons who may have knowledge of an incident can be very small. In such case, it is possible that based on the report conclusions could be drawn on the identity of the reporting person. However, RUAG does not tolerate negative sanctions for justified reports. A report is justified, when at the time the report is submitted, you believe or reasonably assume that the content is accurate.

### [3] Annual Report 2018 (Document)

Accessed 15/08/2019

[https://annualreport.ruag.com/2018/sites/ar18/files/media\\_document/2019-03/RUAG\\_GB18\\_EN\\_full.pdf](https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf)

[p. 33] Whistleblower system demonstrates effectiveness

An important element in securing global compliance at RUAG is its whistleblower system, which went into operation in 2014. The system can be used both by all employees worldwide and by external informants. Reports made within



the system are seen only by the Compliance Team and the identity of the informant is kept confidential if they so request.

[p. 98] Whistleblower system RUAG has an independent reporting office, which offers employees and third parties a way to report any abuses occurring at RUAG – anonymously if desired. The reporting tool, run by an external Swiss company, is intended to function as an early warning system and to help prevent, detect and remedy any irregularities. Incoming reports are seen and processed only by designated Compliance & Risk Management specialists.

**[9] Code of Conduct (Document)**

Accessed 20/03/2020

[https://www.ruag.com/sites/default/files/media\\_document/2018-06/180610\\_ComplBroschu%CC%88re\\_E.pdf](https://www.ruag.com/sites/default/files/media_document/2018-06/180610_ComplBroschu%CC%88re_E.pdf)

[p.32] Employees can report any known or suspected violations of the code of conduct to the following contact persons:

1. Managers
2. HR managers
3. Compliance officers
4. General Counsel

**Integrity Line**

In addition, RUAG employees may also use the external Integrity line. Contact information can be found on the intranet and the RUAD website.

The external Integrity Line, the compliance officers and General Counsel can ensure that the integrity of any employees reporting known or suspected violations of this code of conduct are treated strictly confidential.

**[4] Internal Compliance Investigations (Document)**

Accessed 15/08/2019

[https://www.ruag.com/sites/default/files/media\\_document/2019-01/Internal\\_Compliance\\_Investigations.pdf](https://www.ruag.com/sites/default/files/media_document/2019-01/Internal_Compliance_Investigations.pdf)

[p. 4] Employees can report any known or suspected violations of the code of conduct to the following contact persons:

1. Managers
2. HR managers
3. Compliance officers
4. General Counsel

In addition, RUAG employees may also use the external Integrity Line. Contact information can be found on the Intranet and the RUAG website.

The external Integrity Line, the compliance officers and General Counsel can ensure that the identity of the employees reporting known or suspected violations of this code of conduct is treated strictly confidential.

## 4. Conflict of Interest

<b>Question</b>
<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>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company formally addresses conflicts of interest as a corruption risk, and that it has a clear policy that defines conflicts of interest, including those actual, potential and perceived. It is clear that the company's policy covers possible conflicts arising from employee relationships, government relationships, financial interests and other employment. The company indicates that this policy applies to all employees and board members, including those of subsidiaries and other controlled entities.</p>
<b>Evidence</b>
<p><b>[17] Conflicts of Interest (Document)</b>                  Accessed 19/11/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-11/Conflicts_of_Interest.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/Conflicts_of_Interest.pdf</a>                  [p. 3] 1.1 Goal and scope</p> <p>Conflicts of interest are not only a threat to RUAG as a company, they also pose a significant corruption risk. Yet, all employees have their personal relationships and interests and in consideration of this, this Regulation sets the basic rules to handle any actual, potential or perceived conflicts of interest in order to avoid any negative consequences for both the individual employee concerned and RUAG as a company.</p> <p>This Group Regulation applies to all legal entities of the RUAG Group, i.e. Board of Directors, the Group Executive Board and all employees, as well as associated companies in which RUAG holds a controlling influence. In other affiliated companies, RUAG strives to enact this or a comparable Group Regulation.</p> <p>1.2 Definitions</p> <p>Conflict of Interest: A conflict of interest is a situation in which a person is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another. Typically, this relates to two types of situations: A conflict of interest may exist when the personal interests or when a secondary employment or voluntary activity of an employee of RUAG are in conflict with the interests of RUAG as company or those of a customer.</p> <p>[...]</p> <p>2.1 General Rules</p> <p>An individual may not abuse their own position at RUAG for their own personal advantage or for the advantage of relatives or friends. RUAG employees must avoid situations in which their personal interests are in conflict with those of RUAG as a company or where such a risk exists. Employees who find themselves actually or potentially confronted with a conflict of interest must report this immediately to their direct manager. This also applies in the case of the mere appearance of the existence of a conflict of interest.</p> <p>If there are personal interests in a business situation that may appear as conflict of interest but in fact do not, however, conflict with the interests of RUAG as a company, this must be documented in writing together with the direct manager and responsible compliance officer.</p> <p>Voluntary activities that may impair the work for RUAG or any paid secondary employment outside of RUAG need to be disclosed to the responsible manager to ensure that where applicable the right measures can be taken to avoid a conflict of interest.</p> <p>2.2 Categories of conflict of interest</p>

The following categories of conflict of interest are particularly critical:

Employee relationships: interactions with immediate family members, relatives, or other individuals with whom employees have a close personal relationship in

[p. 4] the course of everyday company responsibilities; e.g. the sales person of a supplier is a close friend of the RUAG purchasing manager; the official of the government body granting a construction license is a cousin of the RUAG employee responsible for the construction project.

Government relationships: RUAG employees also acting as officers of any government or government department; e.g. a RUAG employee being a member of a municipal council where RUAG is located.

Other employment: RUAG employees acting as employees, partners, consultants, representatives, directors or board members of another company, competitor, supplier, partner, or subcontractor; e.g. a RUAG employee being a member of the board of directors of a direct competitor.

[...]

### 2.5 Personal relations within RUAG

RUAG encourages the referral of open positions to internal and external candidates by employees. To ensure that no conflict of interest exists through personal relationships at the work place (e.g. relatives, family members or other personal relationships), such personal relationships must be reported to the line manager, HR and the responsible compliance officer to ensure that the right measures can be taken to avoid a conflict of interest.

It is in particular not allowed that relatives, family members or other personal relationships exist between line managers and their employees or in any situations where one person controls the work results of another (e.g. in a controlling, quality or audit function). In such situations, the conflict must be resolved by adequate organisational measures (e.g. moving one of the affected persons ...

[p. 5] ... to another team) or by recusal (e.g. handing over responsibility for the relevant quality check to another person).

### [9] Code of Conduct (Document)

Accessed 20/03/2020

[https://www.ruag.com/sites/default/files/media\\_document/2018-06/180610\\_CompIBroschu%CC%88re\\_E.pdf](https://www.ruag.com/sites/default/files/media_document/2018-06/180610_CompIBroschu%CC%88re_E.pdf)

[p. 20] RUAG employees must avoid situations in which their personal interests are in conflict with those of RUAG as a company or where such a risk exists.

[p. 21] What we are committed to

Employees who find themselves actually or potentially confronted with a conflict of interest must report this immediately to their direct manager. This also applies in the case of the mere appearance of the existence of a conflict of interest.

If there are personal interests in a business situation that do not, however, conflict with the interests of RUAG as a company, this must be documented in writing together with the direct manager and responsible compliance officer.

All employees are obliged to make careful and economical use of RUAG's business assets and must in particular ensure that these are not misused for private purposes.

Voluntary activities or paid secondary employment outside of RUAG that may impair the work for RUAG needs to be disclosed to the responsible manager to ensure that the right measures can be taken to avoid a conflict of interest.

What we are not allowed to do

Unless expressly permitted in an individual case, employees may not use their working time or RUAG property for personal use.

An individual may not abuse their own position at RUAG for their own personal advantage or for the advantage of relatives or friends.

**[1] Compliance - Commitment (Webpage)**

Accessed 15/08/2019

<https://www.ruag.com/en/commitment/compliance>

Conflicts of interest are not only a threat to RUAG as a company, they also pose a significant corruption risk. Yet, all employees have their personal relationships and interests and in consideration of this, RUAG has issued a Regulation that sets the basic rules to handle any actual, potential or perceived conflicts of interest in order to avoid any negative consequences for both the individual employee concerned and RUAG as a company.

<b>Question</b>
<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>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company has procedures in place to identify, declare and manage conflicts of interest, including those actual, potential and perceived. This includes a statement that all employee and board member declarations of actual and potential conflicts of interest are recorded in a dedicated central register that is accessible to those responsible for oversight of the process.</p> <p>In addition, there is evidence that a designated body is responsible for monitoring all conflicts of interest, while relevant managers are accountable for the handling of individual cases. The company's description of this procedure includes examples of criteria for recusals and it states that disciplinary consequences may apply if the policy is breached.</p>
<b>Evidence</b>
<p><b>[17] Conflicts of Interest (Document)</b>                  Accessed 19/11/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-11/Conflicts_of_Interest.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/Conflicts_of_Interest.pdf</a>                  [p.4] 2.3 Procedure to identify, declare and manage conflicts of interest</p> <p>Voluntary activities that may impair the work for RUAG or any paid secondary employment outside of RUAG need to be disclosed to the responsible manager. In addition, any conflicts of interest, whether actual, potential or perceived, that fall under any of the categories listed under 2.2 above need to be reported to the line manager and the responsible compliance officer. The compliance officer together with the line manager and where appropriate HR will decide on the necessary measures to be taken to mitigate the risk of such conflict of interest. Such measures may include the temporary assignment of other duties for as long as the conflict of interest exists, the implementation of additional checks and balances, or any other appropriate measures. Any conflicts of interest must be documented in writing, such documentation to be stored centrally with Compliance. Compliance is responsible for the monitoring of such conflicts of interest.</p> <p>[...]</p> <p>2.5 Personal relations within RUAG</p> <p>RUAG encourages the referral of open positions to internal and external candidates by employees. To ensure that no conflict of interest exists through personal relationships at the work place (e.g. relatives, family members or other personal relationships), such personal relationships must be reported to the line manager, HR and the responsible compliance officer to ensure that the right measures can be taken to avoid a conflict of interest.</p> <p>It is in particular not allowed that relatives, family members or other personal relationships exist between line managers and their employees or in any situations where one person controls the work results of another (e.g. in a controlling, quality or audit function). In such situations, the conflict must be resolved by adequate organisational measures (e.g. moving one of the affected persons ...</p> <p>[p. 5] ... to another team) or by recusal (e.g. handing over responsibility for the relevant quality check to another person).</p> <p>[...]</p> <p>5 Non-compliance</p> <p>Non-compliance with the present Group Regulation may have disciplinary consequences in accordance with local labour laws.</p>

**[9] Code of Conduct (Document)**

Accessed 20/03/2020

[https://www.ruag.com/sites/default/files/media\\_document/2018-06/180610\\_ComplBroschu%CC%88re\\_E.pdf](https://www.ruag.com/sites/default/files/media_document/2018-06/180610_ComplBroschu%CC%88re_E.pdf)

[p. 23] Employees who find themselves actually or potentially confronted with a conflict of interest must report this immediately to their direct manager. This also applies in the case of the mere appearance of the existence of a conflict of interest.

If there are personal interests in a business situation that do not, however, conflict with the interests of RUAG as a company, this must be documented in writing together with the direct manager and responsible compliance officer.

[...]

Voluntary activities or paid secondary employment outside of RUAG that may impair the work for RUAG needs to be disclosed to the responsible manager to ensure that the right measures can be taken to avoid a conflict of interest.

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company has a policy regulating the employment of current or former public officials. The company requires compliance officer approval before the initiation of any employment discussions with former or current public officials who pose an actual, potential or perceived conflict of interest. In addition, the company states that if employment is approved, that a further review will take place to determine whether a conflict of interest exists, and if so, what restrictions are appropriate to place on their activities.</p> <p>Although the company does not provide any information on cooling off periods, there is evidence to indicate that such a procedure would conflict with the Swiss political system and therefore the company is exempt from this requirement.</p>
<b>Evidence</b>
<p><b>[17] Conflicts of Interest (Document)</b>                  Accessed 19/11/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-11/Conflicts_of_Interest.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/Conflicts_of_Interest.pdf</a>                  [p. 4] 2.4 Procedure for appointment of directors and employees from public sector</p> <p>The offering of employment to current or recently departed public officials poses a particular corruption risk (e.g. by promising employment with RUAG in return for the reward of a contract to RUAG).</p> <p>The initiation of any employment discussions with former or current public officials posing an actual, potential or perceived conflict of interest required approval by the responsible compliance officer. This applies in particular to employees of public procurement bodies, members of the armed forces responsible for the evaluation of new equipment.</p> <p>If the employment has been approved by the responsible compliance officer and the individual is formally hired, a review must be performed to establish whether a conflict of interest still exists and if so, what measures need to be taken in order to mitigate this conflict of interest.</p>



<b>Question</b>
4.4. Does the company report details of the contracted services of serving politicians to the company?
<b>Score</b>
0
<b>Comments</b>
There is no evidence that the company publishes 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>
2
<b>Comments</b>
Based on publicly available information, there is evidence that the company has a policy on corporate political contributions. The company publishes a clear statement that it does not make any contributions to political parties. It is noted that in the Swiss political system, it is only possible to make contributions to political parties and not to individuals.
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Against Bribery &amp; Corruption</p> <p>[...]</p> <p>RUAG makes no donations to political parties.</p> <p><b>[2] Anti-Corruption (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf</a>                  [p. 6] RUAG does not make donations to political parties or sponsor any political party's events.</p> <p>No donations or sponsorships may be used as a substitute for bribery and corruption by influencing the decision making process of the recipient.</p> <p><b>[9] Code of Conduct (Document)</b>                  Accessed 20/03/2020  <a href="https://www.ruag.com/sites/default/files/media_document/2018-06/180610_CompBroschu%CC%88re_E.pdf">https://www.ruag.com/sites/default/files/media_document/2018-06/180610_CompBroschu%CC%88re_E.pdf</a>                  [p. 17] RUAG makes no donations to political parties.</p>

<b>Question</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>Score</b>
N/A
<b>Comments</b>
The company publishes a clear statement that it does not make any contributions to political parties and it is therefore exempt from scoring on this question.
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  RUAG makes no donations to political parties.</p> <p><b>[2] Anti-Corruption (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf</a>                  [p. 6] RUAG does not make donations to political parties or sponsor any political party's events.</p> <p><b>[9] Code of Conduct (Document)</b>                  Accessed 20/03/2020  <a href="https://www.ruag.com/sites/default/files/media_document/2018-06/180610_CompIBroschu%CC%88re_E.pdf">https://www.ruag.com/sites/default/files/media_document/2018-06/180610_CompIBroschu%CC%88re_E.pdf</a>                  [p. 17] RUAG makes no donations to political parties.</p>

<b>Question</b>
<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>
<b>Score</b>
<b>1</b>
<b>Comments</b>
<p>There is evidence that the company has a policy and procedure on both charitable donations and sponsorships. This policy includes measures to ensure that donations are not used as vehicles for bribery and corruption, by specifying criteria for donations and procedures for senior sign-off.</p> <p>However, the company receives a score of '1' because there is no evidence that it publishes details of its charitable donations and sponsorships on an annual basis, such as details of the recipient, amount, country of recipient and which corporate entity made the payment.</p>
<b>Evidence</b>
<p><b>[2] Anti-Corruption (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf</a>                  [p. 6] 2.5 Donations and Sponsorship</p> <p>A donation is a contribution for charitable purposes. Sponsoring is supporting a certain organisation, person or event to influence the public perception of RUAG.</p> <p>RUAG does not make donations to political parties or sponsor any political party's events.</p> <p>No donations or sponsorships may be used as a substitute for bribery and corruption by influencing the decision making process of the recipient.</p> <p>Sponsorships must have a clear business oriented purpose and must aim at a specific marketing effect. The amount of the sponsorship may not be in disproportion to the projected business related benefit.</p> <p>Donations may never be provided to individuals, must be of a charitable (e.g. social, educational, ecological, cultural) nature and be in keeping with RUAG's fundamental values. They require the approval of Compliance &amp; Risk Management and the CEO of RUAG Group or the respective Division or their deputies. Such approval may also be given in the frame of a yearly budget with clearly defined guidelines.</p> <p>RUAG does not accept donations and sponsoring for its own benefit.</p>

## 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 publicly available evidence that the company has a policy on lobbying, nor does the company publish a statement that it does not engage in such activities.
<b>Evidence</b>
No evidence found.

<b>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</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 publishes any information on its lobbying aims, topics or activities.
<b>Evidence</b>
No evidence found.



### 5.3 Gifts and Hospitality

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
2
Comments
<p>There is evidence that the company has a policy on the giving and receipt of gifts and hospitality with clear procedures designed to ensure that such promotional expenses are bona fide and not used for bribery. This policy establishes financial limits, along with an approval procedure, for the different types of promotional expense that employees may encounter. The policy clearly addresses the risks associated with gifts and hospitality given to and received from domestic and foreign public officials by requiring a different approval procedure.</p> <p>In addition, the company indicates that all gifts and hospitality offerings above a certain threshold are recorded in a dedicated central register that is accessible to those responsible for oversight of the process.</p>
Evidence
<p><b>[20] Against Bribery and Corruption – Updated Page (Webpage)</b>            Accessed 13/05/2020  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>            It is prohibited to offer, provide or accept a benefit with the intention or effect of influencing the decision-making process of a business partner or public official.</p> <p>In the same way, no benefits may be accepted that could influence RUAG's own decision-making process.</p> <p>No gifts of an exaggerated value or other inappropriate benefits may be offered, given or accepted.</p> <p>In particular, it is also prohibited to offer or provide benefits to public officials for routine governmental actions in order to initiate or expedite performance of duties of non-discretionary nature (facilitation payments). Exceptions may apply in case of danger to personal health and safety.</p> <p>Benefits with a value exceeding the thresholds defined in the RUAG Group Directive Anti-Corruption require written approval of the responsible Compliance Officer. The Compliance Organization records these requests and the respective approval or denial in a central depository. This depository is also available to internal and external auditors.</p> <p><b>[2] Anti-Corruption (Document)</b>            Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf</a>            [p. 5] 2.3 Gifts, entertainment and expenses</p> <p>2.3.1 Gifts</p> <p>Any thing (e.g. chocolate, phone, pen) or right (e.g. free use of a vehicle for personal use, receiving a rebate for personal benefit) with economical or personal value for the recipient is considered a gift in this Directive. Restraint is always required in connection with gifts. Always considering the five central criteria (cf. 2.2 above), the offering, giving or receiving of gifts up to a total value of CHF 120 / USO 120 / EUR 100 (or the buying power equivalent as indicated in Appendix A) per person and event is uncritical, in particular if the gift is a giveaway with company logo.</p> <p>The following are generally not allowed:</p> <ul style="list-style-type: none"> <li>- Offering, giving or receiving cash or cash equivalent (e.g. gift certificates), regardless of their value;</li> <li>- Gifts of an inappropriate value (e.g. luxury watch);</li> <li>- Any form of personal kick-backs, reimbursement or provision (except as explicitly approved, e.g. miles in frequent flyer programs of airlines);</li> <li>- Intransparent or under-the-counter gifts.</li> </ul>

### 2.3.2 Entertainment

Any benefit in the form of drinks and/or food is considered entertainment in this Group Directive.

Entertainment without the attendance of RUAG-Employees (or the third party offering the entertainment to RUAG-Employees) is considered a gift and is subject to the rules set forth in 2.3.1 above.

Always considering the five central criteria (cf. 2.2 above), the offering, giving or receiving of entertainment up to a total value of CHF 120 (or the buying power equivalent as indicated in Appendix A) per person and event is uncritical.

Also, entertainment in the frame of events for which the recipient has paid and that include the cost of the entertainment is uncritical (e.g. customer training that includes lunch).

An event is an activity or several activities that are connected by time and topic (e.g. a one day contract negotiation with lunch, a factory acceptance test or training that spans several days).

The following are generally not allowed:

- Entertainment without any clear business connection;
- Entertainment of inappropriate value (e.g. luxury restaurant).

### [p. 6] 2.3.3 Expenses

It is generally not allowed for RUAG to pay for personal travel expenses of Private Persons or Public Officials or for third parties to pay for such expenses of RUAG-Employees. Always considering the five central criteria (cf. 2.2 above), the payment of expenses for accommodation may be allowed on an exceptional basis, where it is in connection with an event organized by RUAG and the employer of the person invited is paying for the travel expenses, thus making evident, that the employer considers it a valuable business event. Daily allowances in cash are prohibited without exception.

Always considering the five central criteria (cf. 2.2 above), contractually clearly specified costs that are included in the contract price and in direct connection with the execution of the contract are uncritical. Such cost should not be higher than what RUAG would pay for its own employees in a comparable situation and in applying the RUAG travel regulations. RUAG always pays for the travel and lodging of its own employees.

### 2.3.4 Approval Process for Gifts, Entertainment and Expenses

Any benefits will require the approval from the line manager, regardless of their value.

A benefit worth more than the national threshold value as per Annex A in addition requires the written approval from the Compliance Officer of the Division.

Regardless of the value, benefits for Public Officials always require Written approval from the Compliance Officer of the Division, unless they are common giveaways with RUAG logo or invitations to the company canteen up to a value of CHF 30.00 per person. However, in accordance with local laws or the internal compliance rules of the respective government entities, there may often be more strict rules. In each individual case it must therefore be ensured that no benefits are offered, that are contrary to such rules.

### 2.4 Events

Always considering the five central criteria as per Clause 2.2 above, events - in particular factory tours, product presentations, knowledge exchange, open days, etc. - must always have a business context and must take place with the presence of at least one RUAG-Employee.

Inviting people without a (potential) business relationship with RUAG (e.g. friends and family) to an event is generally not allowed.

The choice of event locations must be effected exclusively considering practical and logistical, not touristic criteria. Events always require Written approval of the manager and the Compliance Officer of the Division.

[p. 9] Appendix A Country Thresholds

RUAG-Thresholds for Entertainment Expenses

Country	CHF
<b>Switzerland</b>	<b>120</b>
Argentina	70
Albania	70
Algeria	90
Australia	100
Austria	120
Bahrain	120
Bangladesh	50
Belgium	120
Bosnia and Herzegovina	70
Brazil	70
Bulgaria	70
Canada	100
Chile	70
China	70
Columbia	70
Croatia	70
Cuba	70
Cyprus	90
Czech Republic	80
Denmark	120
Ecuador	70
Egypt	90
El Salvador	70
Estonia	90
Finland	120
France	100
Germany	100
Ghana	70
Greece	90
Guatemala	70
Hong Kong	80
Hungary	70
Iceland	120
India	70
Indonesia	50
Ireland	120
Israel	120
Italy	100
Japan	120
Jordan	120
Kenia	60
Korea, Republic	80
Kosovo	70
Kuwait	120
Latvia	90
Liechtenstein	120
Lithuania	90

Stauts: 19 March 2018

[p. 10]

RUAG-Thresholds for Entertainment Expenses

Luxemburg	120
Macao	80
Macedonia	70
Madagascar	50
Malaysia	60
Maldives	60
Malta	100
Mexico	70
Monaco	120
Montenegro	70
Morocco	90
Myanmar	50
Nepal	50
Netherlands	120
New Zealand	100
Norway	120
Oman	120
Panama	70
Paraguay	70
Peru	70
Philippines	50
Poland	70
Portugal	100
Qatar	120
Romania	70
Russia	70
San Marino	100
Saudi Arabien	120
Serbia	70
Singapore	80
Slovakia	80
Slovenia	80
South Africa	70
Spain	100
Sweden	120
Thailand	60
Tunesia	90
Turkey	70
Ukraine	50
United Arab Emirates	120
United Kingdom	120
United States of America	100
Uruguay	70
Venezuela	70
Vietnam	50
Zambia	50

In case any countries are not listed, contact your Compliance Officer.

## 6. Supply Chain Management

<b>Question</b>
<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>
<b>Score</b>
<b>0</b>
<b>Comments</b>
There is no publicly available evidence to indicate that the company requires the involvement of its procurement department in the establishment and oversight of its supplier base.
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Code of conduct for business partners</p> <p>In light of its international operations, RUAG is committed to conducting business in accordance with ethical principles and applicable laws and in a socially responsible way. RUAG also expects conduct that is proper in every respect from its business partners – i.e. its customers, suppliers, service providers and their supply chains. To substantiate this, RUAG establishes certain minimum standards and informs its business partners of these standards.</p> <p>The Code of Conduct for RUAG Business Partners is an integral part of our contracts with third parties and is binding on business Partners.</p>

<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>1</b>
<b>Comments</b>
<p>There is some evidence that the company conducts anti-bribery and corruption due diligence on its third parties, which includes suppliers. The company indicates that this is based on an assessment of risk, and states this due diligence process may include checks on the company’s shareholders, other affiliated legal entities and natural persons.</p> <p>However, there is no publicly available evidence that this process applies to all suppliers, since the company simply refers specifically to third parties supporting sales activities. In addition, there is no evidence that it requires and conducts checks on ultimate beneficial ownership for all suppliers. There is also no publicly available evidence that the company might be willing to review and/or terminate supplier relationships in circumstances where a red flag highlighted during the due diligence process cannot be mitigated.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Due diligence when selecting and instructing third parties</p> <p>In a standard process, RUAG is internally assessing the compliance risks related with all third parties that are supporting sales activities. Depending on the specific risk exposure, RUAG may ask external specialized service providers to conduct background checks on the third party, its shareholders and other affiliated legal entities and natural persons. The same procedure applies when existing contracts with agents come up for renewal, latest after three years.</p>

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company requires its suppliers to follow adequate anti-bribery and corruption policies and procedures. The company indicates that all suppliers must follow its 'Code of Conduct for Business Partners of RUAG' which clearly prohibits bribery and facilitation payments and outlines procedures for dealing with conflicts of interest, gifts and hospitality and whistleblowing. There is evidence that the company includes termination rights in its contracts with suppliers, and the company states that it reserves the right to monitor existing or new business partners for compliance with its code of conduct.</p>
<b>Evidence</b>
<p><b>[10] Code of Conduct for Business Partners of RUAG (Document)</b>                  Accessed 16/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Code%20of%20conduct%20for%20business%20partners%20of%20RUAG%2001_2019.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Code%20of%20conduct%20for%20business%20partners%20of%20RUAG%2001_2019.pdf</a></p> <p>[p. 1] RUAG also expects its business partners, i.e. its customers, suppliers, service providers and their supply chains, to act with integrity in every way. In order to substantiate this, RUAG sets out certain minimum standards and makes these known to its business partners.</p> <p>This Code of Conduct forms a constituent part of all contracts with third parties and is binding on all business partners. RUAG publishes the Code of Conduct for its business partners on the internet, and draws its business partners' attention to it.</p> <p>[p.2] 8 Ban on Corruption and Fraud                  RUAG applies a zero tolerance policy to corruption and rejects any form of bribery or any other corrupt behaviour. RUAG expects its business partners neither to tolerate nor actively participate in corrupt activities, regardless of whether this is with regard to public officials or private individuals or organisations.</p> <p>It is prohibited to offer, provide or accept a benefit with the intention or effect of influencing the decision-making process of a business partner or public official. In the same way, no benefits may be accepted that could influence RUAG's or the business partner's own decision-making process.</p> <p>Should corrupt activities be proven within the sphere of responsibility of its business partners, RUAG reserves the right to terminate business relations with that partner immediately and, where appropriate, to claim compensation.</p> <p>9 Acceptance or Giving of Gifts, Entertainment, and Other Benefits                  No gifts of an exaggerated value or other inappropriate gifts may be offered, given or accepted.</p> <p>Gifts and entertainment or other benefits should only be offered, given or received in good faith and only if they are appropriate and in-keeping with customary business hospitality and are in compliance with the local laws.</p> <p>RUAG makes no donations to political parties and expects its business partners not to make such donations in connection with their business with RUAG.</p> <p>10 Facilitation Payments                  RUAG does not offer or provide benefits to public officials for routine governmental action in order to initiate or expedite performance of duties of non-discretionary nature (facilitation payments) and expects its business partners to refrain from this as well.</p> <p>[p. 3] 13 Conflicts of Interest                  RUAG expects its business partners to be open and transparent about any business or personal relations that may bring them into a conflict with the interests of RUAG, to ensure that the right measures can be taken to avoid a conflict of interest.</p> <p>14 Monitoring</p>

RUAG expects its business partners to have appropriate compliance management systems in place to ensure adherence to the principles set forth in this code of conduct.

RUAG reserves the right to monitor existing and new business partners for compliance with this Code of Conduct. The monitoring may be carried out by a specialized, independent organization. RUAG and the business partner shall mutually agree on a suitable organization within a reasonable time frame. The results of such monitoring will be communicated to both parties.

#### 15 Violations

If there is a violation of this Code of Conduct, RUAG reserves the right to discontinue the relationship with the business partner.

[...]

#### 18 Questions, Comments

In the case of uncertainty in connection with the understanding and application of this Code of Conduct for business partners of RUAG, or should any infringements be discovered, the following reporting channels are available:

- [compliance@ruag.com](mailto:compliance@ruag.com)
- <https://ruag.integrityplatform.org>



<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>1</b>
<b>Comments</b>
<p>There is evidence that the company takes steps to ensure that sub-contractors in its supply chain have adequate anti-bribery and corruption programmes in place. The company indicates that it expects suppliers to communicate the substance of its 'Code of Conduct for Business Partners of RUAG' in subcontracts throughout the supply chain.</p> <p>However, the company receives a score of '1' because there is no further publicly available evidence of steps that the company ensures this in practice.</p>
<b>Evidence</b>
<p><b>[10] Code of Conduct for Business Partners of RUAG (Document)</b>                  Accessed 16/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Code%20of%20conduct%20for%20business%20partners%20of%20RUAG%2001_2019.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Code%20of%20conduct%20for%20business%20partners%20of%20RUAG%2001_2019.pdf</a>                  [p.3] 16 Subcontracting</p> <p>It is required that all business partners communicate the principles laid out in this Code of Conduct throughout their supply chain, including to their subcontractors, to take these principles into account when selecting subcontractors, and further to ensure compliance with these principles by their subcontractors.</p>

<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-related investigations or disciplinary actions relating to its suppliers.
<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>
2
<b>Comments</b>
<p>There is evidence that the company has a clear policy to control the use of agents, which addresses the corruption risks associated with their use and provides details of specific controls to mitigate these risks. As part of this policy, the company commits to establishing and verifying that the use of agents is, in each case, necessary to perform a legitimate business function. This policy applies across the group, including associated companies in which the company has a controlling interest. The company states that it will strive to establish a comparable policy in any affiliated companies.</p>
<b>Evidence</b>
<p><b>[11] Verification and Approval of Contracts With Third Parties Involved in Sales (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf</a>                  [p. 4] 1 Introduction</p> <p>1.1 Goal and scope</p> <p>This Directive governs the verification and approval of contracts with independent third parties supporting sales and customer support, in particular agents, intermediaries, sales representatives resellers and consultants.</p> <p>Typical services of such third parties are the facilitation of sales contracts and other services supporting sales activities on site as well as the execution of existing customer contracts.</p> <p>Three main types are to be distinguished: Agents (intermediaries, sales representatives), consultants and resellers. Agents are usually remunerated based on a success fee/commission. Consultants usually receive hourly or daily fees. Resellers buy and resell RUAG products for own account and risk but selling them under a RUAG brand (reselling them unchanged and not integrated into another product or in the frame of a complete solution). In case of doubt whether a contract is subject to this Group Directive, Compliance is to be involved.</p> <p>[...]</p> <p>This Group Directive applies to all legal entities of the RUAG Group, i.e. Board of Directors, the Group Executive Board and all employees, as well as associated companies in which RUAG holds a controlling influence. In other affiliated companies, RUAG strives to enact this or a comparable Group Directive.</p> <p>1.2 Purpose</p> <p>The purpose of this Directive is to ensure that when hiring Third Parties, RUAG acts at all times in accordance with the applicable laws and is not exposed to any reputational risks.</p> <p>RUAG expects all employees and business partners to conduct themselves in full compliance with the applicable laws and regulations. RUAG shall use its resources in a cost-effective manner and shall refuse to use them for unlawful or dubious purposes. In particular, RUAG refuses to engage in any kind of corruption, bribery or other unauthorised or unethical exercise of influence to pursue its business goals.</p> <p>As part of RUAG business policy, this Directive contains binding rules for the selection, review and contracting of Third Parties. RUAG shall only offer contracts to agents who meet these selection requirements.</p>

[p. 5] Symfact TPM: Symfact Third Party Management Tool for the management of the verification and approval process for Third Parties under this Directive. Access rights are granted by Corporate Compliance.

Third Party: Company or individual that is not part of the RUAG Group or employed by a RUAG Group company, that is used to support sales and customer support of RUAG, in particular agents, intermediaries, sales representatives, resellers and consultants

[...]

#### 2.1.1 Contact and Selection

Third Parties are contacted by Sales or Customer Support and selected based on business criteria. Third Parties may only be engaged where there is a legitimate business reason. The responsible person in Sales files the application for approval in Symfact TPM by filling in the internal questionnaire.

#### **[1] Compliance - Commitment (Webpage)**

Accessed 15/08/2019

<https://www.ruag.com/en/commitment/compliance>

Compliance aspects of contracts with third parties

Binding templates for contracts with third parties that support sales activities are available to all employees of RUAG, together with explanations and a specific Group Directive. These are subject to continuous reviews and improvements following the risk-based approach described in below section. Currently, these include the following main aspects:

- Conclusion of contracts with third parties that support sales activities always requires compliance approval.
- Detailed and comprehensible anti-corruption clause in the respective contracts, including the right to audit.
- RUAG's right to immediately dissolve the contract and claim compensation if the third party violates the ban on corruption.
- RUAG's right to regular reporting from the third party (in particular from agents) on past and upcoming activities. If the third party fails to fulfil this obligation, a contractual penalty will be forfeited and the agent should expect the contract to be dissolved.
- Depending on the specific risk exposure, RUAG may ask a statement from an independent, local legal expert confirming that the third party is a corporation duly organized pursuant to the applicable laws and that the contractually agreed activity and the compensation to be provided is admissible under the law governing the activity.

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence prior to engaging and re-engaging with its agents. The company states that high risk agents and intermediaries are subject to enhanced due diligence. The company commits to not engaging or terminating its engagement with agents or intermediaries where the risks identified in the due diligence process cannot be mitigated. In addition, the company indicates that it renews this due diligence at least every three years or whenever there is a change in the business relationship.</p>
<b>Evidence</b>
<p><b>[11] Verification and Approval of Contracts With Third Parties Involved in Sales (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf</a>                  [p. 5] Symfact TPM: Symfact Third Party Management Tool for the management of the verification and approval process for Third Parties under this Directive. Access rights are granted by Corporate Compliance.</p> <p>Third Party: Company or individual that is not part of the RUAG Group or employed by a RUAG Group company, that is used to support sales and customer support of RUAG, in particular agents, intermediaries, sales representatives, re-sellers and consultants</p> <p>[...]</p> <p><b>2.1 Selection and Approval of Third Parties</b>                  The process for selection, verification, approval and contracting of Third Parties are to be conducted in line with this Directive. Each Division needs to bear the cost of this process, including any cost for external background checks and legal opinions.</p> <p>The process as described in this section and Appendices A and B must be completed before signing any contracts or making any binding offers. It is important to note that in many legal systems, contracts may be concluded orally or through conclusive acts. For this reason, any actual cooperation with a Third Party may only be started after the signing of a written Contract.</p> <p><b>2.1.1 Contact and Selection</b>                  Third Parties are contacted by Sales or Customer Support and selected based on business criteria. Third Parties may only be engaged where there is a legitimate business reason. The responsible person in Sales files the application for approval in Symfact TPM by filling in the internal questionnaire.</p> <p><b>2.1.2 Verification by Compliance</b>                  Once the internal questionnaire is submitted, Compliance launches the automated background check in Symfact TPM. Compliance verifies the results of the background check and risk analysis and decides on the next steps. Where necessary, in particular in countries with a low Corruption Perception Index, Compliance may submit an external questionnaire to the Third Party via Symfact TPM. In addition, they may require an in-depth background check through an approved external organisation (e.g. TRACE, KPMG, Deloitte, etc.) and a legal opinion by local law firms.</p> <p>Once all the information has been received, Compliance examines any red flags and defines suitable measures for risk mitigation where appropriate. Where no risk mitigation is possible or when there are clear reasons for rejection, in particular where the background check has revealed a high risk of corruption, Compliance will prohibit the relationship with the Third Party. In cases of doubt, Compliance submits the risk assessment with a recommendation to the Division concerned for decision by the Division management.</p> <p>[p. 6] After conclusion of the verification process and approval in Symfact TPM, the contract negotiation may start.</p> <p>[...]</p>

The signing, extension or amendment of any contract is only allowed after positive conclusion of the verification and approval process in Symfact TPM. It is not allowed to conclude a contract with contents that are in contradiction with the approval.

Any changes in the relationship with the Third Party require a new approval in accordance with this Directive.

The contract duration may not exceed 3 years. Extensions require renewed verification and approval in accordance with this Directive. The only exception is the one-time-only extension by 6 months in agreement with Compliance.

**[1] Compliance - Commitment (Webpage)**

Accessed 15/08/2019

<https://www.ruag.com/en/commitment/compliance>

Due diligence when selecting and instructing third parties

In a standard process, RUAG is internally assessing the compliance risks related with all third parties that are supporting sales activities. Depending on the specific risk exposure, RUAG may ask external specialized service providers to conduct background checks on the third party, its shareholders and other affiliated legal entities and natural persons. The same procedure applies when existing contracts with agents come up for renewal, latest after three years.

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company establishes the beneficial ownership of its agents and intermediaries as part of its due diligence process. The company indicates that its Compliance department conducts background checks on shareholders of any third parties involved in sales at the start of the contractual relationship and at least every three years or when there is a significant change in the business relationship.</p> <p>Where a third party is identified as high risk, the company states that it may require the individual or entity to complete an external questionnaire and indicates that it may require an in-depth background check on affiliated legal entities from an independent organisation. In addition, the company indicates that it will not proceed with the contractual relationship if such information about the third party cannot be verified or if significant red flags are identified.</p>
<b>Evidence</b>
<p><b>[11] Verification and Approval of Contracts With Third Parties Involved in Sales (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf</a>                  [p. 5] 2.1 Contact and Selection                  [...] The responsible person in Sales files the application for approval in Symfact TPM by filling in the internal questionnaire.</p> <p>2.1.2 Verification by Compliance                  Once the internal questionnaire is submitted, Compliance launches the automated background check in Symfact TPM. Compliance verifies the results of the background check and risk analysis and decides on the next steps. Where necessary, in particular in countries with a low Corruption Perception Index, Compliance may submit an external questionnaire to the Third Party via Symfact TPM. In addition, they may require an in-depth background check through an approved external organisation (e.g. TRACE, KPMG, Deloitte, etc.) and a legal opinion by local law firms.</p> <p>Once all the information has been received, Compliance examines any red flags and defines suitable measures for risk mitigation where appropriate. Where no risk mitigation is possible or when there are clear reasons for rejection, in particular where the background check has revealed a high risk of corruption, Compliance will prohibit the relationship with the Third Party. In cases of doubt, Compliance submits the risk assessment with a recommendation to the Division concerned for decision by the Division management.</p> <p>[p. 6] After conclusion of the verification process and approval in Symfact TPM, the contract negotiation may start.</p> <p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Due diligence when selecting and instructing third parties                  In a standard process, RUAG is internally assessing the compliance risks related with all third parties that are supporting sales activities. Depending on the specific risk exposure, RUAG may ask external specialized service providers to conduct background checks on the third party, its shareholders and other affiliated legal entities and natural persons. The same procedure applies when existing contracts with agents come up for renewal, latest after three years.</p>

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company’s anti-bribery and corruption policies apply to all agents and intermediaries. The company publishes a ‘Code of Conduct for Business Partners of RUAG’, which outlines the anti-bribery and corruption standards applicable to all third parties, and the company’s information on contracts with third parties indicates that all third parties must adhere to its anti-corruption standards. In addition, there is evidence that it includes monitoring and termination rights in its contracts with these parties.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Compliance aspects of contracts with third parties</p> <p>Binding templates for contracts with third parties that support sales activities are available to all employees of RUAG, together with explanations and a specific Group Directive. These are subject to continuous reviews and improvements following the risk-based approach described in below section. Currently, these include the following main aspects:</p> <ul style="list-style-type: none"> <li>• Conclusion of contracts with third parties that support sales activities always requires compliance approval.</li> <li>• Detailed and comprehensible anti-corruption clause in the respective contracts, including the right to audit.</li> <li>• RUAG’s right to immediately dissolve the contract and claim compensation if the third party violates the ban on corruption.</li> <li>• RUAG’s right to regular reporting from the third party (in particular from agents) on past and upcoming activities. If the third party fails to fulfil this obligation, a contractual penalty will be forfeited and the agent should expect the contract to be dissolved.</li> </ul> <p>[...]</p> <p>Contracts with third parties that are supporting sales activities may only be concluded on the basis of precisely specified standard contract templates. The template for agency contracts contains, inter alia, provisions concerning the amount of commission, the paying agency for commissions, the duty of the agent to provide regular reporting and, of course, an effective ban on corruption clause.</p> <p><b>[11] Verification and Approval of Contracts With Third Parties Involved in Sales (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf</a>                  [p. 4] Typical services of such third parties are the facilitation of sales contracts and other services supporting sales activities on site as well as the execution of existing customer contracts.</p> <p>Three main types are to be distinguished: Agents (intermediaries, sales representatives), consultants and resellers. Agents are usually remunerated based on a success fee/commission. Consultants usually receive hourly or daily fees. Resellers buy and resell RUAG products for own account and risk but selling them under a RUAG brand (reselling them unchanged and not integrated into another product or in the frame of a complete solution). In case of doubt whether a contract is subject to this Group Directive, Compliance is to be involved.</p> <p>Any Third Party as described above needs to adhere to RUAG’s compliance principles, in particular in respect to anti-corruption. Any violations may not only result in liability and criminal sanctions for RUAG, there may also be considerable reputational damages regardless of RUAG’s fault.</p> <p>[...]</p>



## 1.2 Purpose

The purpose of this Directive is to ensure that when hiring Third Parties, RUAG acts at all times in accordance with the applicable laws and is not exposed to any reputational risks.

RUAG expects all employees and business partners to conduct themselves in full compliance with the applicable laws and regulations. RUAG shall use its resources in a cost-effective manner and shall refuse to use them for unlawful or dubious purposes. In particular, RUAG refuses to engage in any kind of corruption, bribery or other unauthorised or unethical exercise of influence to pursue its business goals.

As part of RUAG business policy, this Directive contains binding rules for the selection, review and contracting of Third Parties. RUAG shall only offer contracts to agents who meet these selection requirements.

### [p. 7] 2.4 Activity Reports

During the course of the contract, the Third Party (with the express exception of Resellers) needs to provide regular written activity reports, as foreseen in the contract. Sales or Customer Support needs to ensure that such reports are received usually at least once per quarter. Such activity reports need to include the minimum content as described in the sample form in Appendix B.

Consultants may ensure their activity reports through detailed invoicing, as long as invoicing is conducted at least on a quarterly basis.

### [p. 8] 2.6 Documentation and Monitoring

Any and all documents related to the Verification and approval of the Third Party are archived in Symfact TPM.

The responsible person in sales or customer support keeps documentation on the contract, any amendments or extensions and the activity reports (see 2.4) and payment release forms (see 2.5) electronically in Symfact CM.

If there are any reasons to believe the Third Party is acting unethically or against the law, compliance is to be contacted immediately.

[...]

### Non-compliance

Non-compliance with the present Group Directive may have disciplinary consequences in accordance with local labour laws.

Violations of this Group Directive are punishable by the disciplinary measures available, which in serious cases also include termination. In addition, measures against the employee in question under criminal and civil law can also be considered. It should be noted that payment of agency commissions which conflict with the rules of this Group Directive may constitute not only a criminal act of corruption but also, due to the breach of asset management duties to the respective division or company, a criminal act of fraudulent breach of trust.

### **[10] Code of Conduct for Business Partners of RUAG (Document)**

Accessed 16/08/2019

[https://www.ruag.com/sites/default/files/media\\_document/2019-01/Code%20of%20conduct%20for%20business%20partners%20of%20RUAG%201\\_2019.pdf](https://www.ruag.com/sites/default/files/media_document/2019-01/Code%20of%20conduct%20for%20business%20partners%20of%20RUAG%201_2019.pdf)

[p. 1] RUAG also expects its business partners, i.e. its customers, suppliers, service providers and their supply chains, to act with integrity in every way. In order to substantiate this, RUAG sets out certain minimum standards and makes these known to its business partners.

This Code of Conduct forms a constituent part of all contracts with third parties and is binding on all business partners. RUAG publishes the Code of Conduct for its business partners on the internet, and draws its business partners' attention to it.

### [p. 2] 7 Ban on corruption and fraud

RUAG applies a zero tolerance policy to corruption and rejects any form of bribery or any other corrupt behaviour. RUAG expects its business partners neither to tolerate nor actively participate in corrupt activities, regardless of whether this is with regard to public officials or private individuals or organisations.

It is prohibited to offer, provide or accept a benefit with the intention or effect of influencing the decision-making

process of a business partner or public official. In the same way, no benefits may be accepted that could influence RUAG's or the business partner's own decision-making process.

Should corrupt activities be proven within the sphere of responsibility of its business partners, RUAG reserves the right to terminate business relations with that partner immediately and, where appropriate, to claim compensation.

#### 8 Acceptance or giving of gifts, entertainment, and other benefits

No gifts of an exaggerated value or other inappropriate gifts may be offered, given or accepted.

Gifts and entertainment or other benefits should only be offered, given or received in good faith and only if they are appropriate and in-keeping with customary business hospitality and are in compliance with the local laws.

RUAG makes no donations to political parties and expects its business partners not to make such donations in connection with their business with RUAG.

#### 9 Facilitation Payments

In particular, RUAGs business partners shall not offer or provide benefits to public officials for routine governmental action in order to initiate or expedite performance of duties of non-discretionary nature (facilitation payments). Exceptions may apply in case of danger to personal health and safety.

#### 11 Laws, regulations

Just as RUAG undertakes to comply with all applicable national legislation and international agreements, its business partners must do the same. RUAG rejects all illegal conduct within its own companies and those of its business partners.

#### [p. 3] 12 Conflicts of Interest

RUAG expects its business partners to be open and transparent about any business or personal relations that may bring them into a conflict with the interests of RUAG, to ensure that the right measures can be taken to avoid a conflict of interest.

#### 13 Monitoring

RUAG expects its business partners to have appropriate compliance management systems in place to ensure adherence to the principles set forth in this code of conduct.

RUAG reserves the right to monitor existing and new business partners for compliance with this Code of Conduct. The monitoring may be carried out by a specialized, independent organization. RUAG and the business partner shall mutually agree on a suitable organization within a reasonable time frame. The results of such monitoring will be communicated to both parties.

#### 14 Questions, comments

In the case of uncertainty in connection with the understanding and application of this Code of Conduct for business partners of RUAG, or should any infringements be discovered, the following reporting channels are available:

- [compliance@ruag.com](mailto:compliance@ruag.com)
- <https://ruag.integrityplatform.org>

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company highlights and addresses remuneration to agents as a factor in bribery and corruption risk. The company indicates that it places a threshold on sales-based commissions to agents so that payments do not exceed a proportion of the net fee to the agent. In addition, there is evidence that agents are required to provide quarterly activity reports and payment is only released on submission of these reports. The company also commits to only paying agents into local bank accounts.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Compliance aspects of contracts with third parties</p> <p>Binding templates for contracts with third parties that support sales activities are available to all employees of RUAG, together with explanations and a specific Group Directive. These are subject to continuous reviews and improvements following the risk-based approach described in below section. Currently, these include the following main aspects:</p> <p>[...]</p> <ul style="list-style-type: none"> <li>• RUAG has set upper limits for the commissions of agents, which usually are determined by a percentage of the contractual volume brokered. In addition, for high-volume customer contracts RUAG specifies a declining scale of commission, and always requires a cap on the agent's commission in absolute numbers.</li> </ul> <p><b>[11] Verification and Approval of Contracts With Third Parties Involved in Sales (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf</a>                  [p. 6] 2.3 Remuneration</p> <p>2.3.1 Common Principles</p> <p>Inappropriate remuneration schemes are an important factor in bribery and corruption schemes. The remuneration must therefore be appropriate and proportionate in relation to the value of the service for RUAG and the effort of the Third Party. At most, it may correspond to the usual market price level.</p> <p>Any agreed payments must be appropriate and legal in all concerned countries. Payments may not be effected where there are indications that the third party has acted against the law or the contract. Where such indications exist, all payments must be refused and Compliance must be contacted immediately.</p> <p>[p. 7] Payments in cash or by check are not allowed. Only bank accounts in the name of the contractual party are acceptable (and to be indicated in the contract). In particular for legal entities, the bank account must be in the name of the legal entity and not in the name of the individual owning the entity. The bank account needs to be in the country where the Third Party is registered or performs its services. Exceptions require a specific written justification and approval by Compliance.</p> <p>2.3.2 Specific Rules for Agents, Sales Representatives, Intermediaries</p> <p>Generally the remuneration for Agents, Sales Representatives, Intermediaries and the like needs to be agreed as a percentage of the contractual turnover with the customer (commission).</p> <p>[Redacted] of the net customer turnover is the guideline for maximum provisions. In exceptional cases this value may be exceeded (in particular with low turnover, [Redacted]). Such exceptions need to be separately justified and documented in Symfact.</p>

In any case and in addition to fixing a turnover based commission, an absolute cap needs to be fixed to avoid a disproportion between the effort of the Third Party and the significance of the service for RUAG. Such cap need to actually apply in cases with exceptional turnover.

### 2.3.3 Specific Rules for Resellers

Resellers are independent individuals or companies that buy and sell RUAG products on their own account and risk. A commission is not foreseen as the margin of the reseller covers his cost and profit. When establishing the sales price to a reseller, the likely to be achieved margin needs to be in a realistic relation to the cost and risk of the reseller. It is no permissible for RUAG to fix resale prices, as this may be a violation of anti-trust law.

### 2.4 Activity Reports

During the course of the contract, the Third Party (with the express exception of Resellers) needs to provide regular written activity reports, as foreseen in the contract. Sales or Customer Support needs to ensure that such reports are received usually at least once per quarter. Such activity reports need to include the minimum content as described in the sample form in Appendix B.

Consultants may ensure their activity reports through detailed invoicing, as long as invoicing is conducted at least on a quarterly basis.

### 2.5 Payment Process

The accounting department may only open an account payable for the Third Party after having received evidence of the conclusion of the approval process in Symfact TPM (see 2.1 above) and the signed contract (see 2.2 above).

Payments may only be released and effected when the Third Party has fulfilled all its contractual obligations, there is no conflict between the Third Party activities and contractual or legal obligations, the agreed written activity reports have been submitted and there are no counterclaims of RUAG. In case the remuneration has been agreed as a percentage of the customer turnover (commission), RUAG's receipt of the customer payment is an additional precondition for payment release to the Third Party. The responsible head of sales or customer support needs to confirm this in a payment release form (Appendix D) to the accounting department. No payments may be effected without this payment release form. Payment release forms are required for any payments to Third Parties.

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

## 7.2 Joint Ventures

<b>Question</b>
<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>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on all of its joint venture partnerships. The company states that this includes establishing the ultimate beneficial ownership of the partner company, with enhanced due diligence for joint ventures identified as posing higher corruption risks, such as state-owned enterprises. There is evidence that the company conducts anti-bribery and corruption due diligence both prior to entering into a joint venture and on the entity and its activities once established, at least every two years or when there is a significant change in the business relationship.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Due diligence when selecting and instructing third parties</p> <p>In a standard process, RUAG is internally assessing the compliance risks related with all third parties that are supporting sales activities. Depending on the specific risk exposure, RUAG may ask external specialized service providers to conduct background checks on the third party, its shareholders and other affiliated legal entities and natural persons. The same procedure applies when existing contracts with agents come up for renewal, latest after three years.</p> <p><b>[21] Compliance – Joint Ventures (Webpage)</b>                  Accessed 13/05/2020  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Joint Ventures</p> <p>The above described compliance principles and RUAG Compliance Management System apply also to all joint ventures RUAG engages in. RUAG conducts compliance due diligence procedures on all of its joint venture partnerships, covering all relevant compliance risk-categories with special focus on the risk-categories of anti-corruption and trade compliance. These compliance due diligence procedures follow a risk-based approach, so that the level of assessments is more advanced, the higher the compliance risk exposure of the partners (e.g. state-owned, privately owned, stock-listed), the business (e.g. export-control) and the countries of operation (e.g. export-control and corruption risks). A significant change in the business relationship in a joint venture may require a new compliance due diligence procedure.</p> <p>In such procedures RUAG will always establish the ultimate beneficial ownership of the partner company. The processes and elements of compliance risk assessments described in the above section “Risk-based approach” also apply to joint ventures, so that these are also subject to the reviews of the compliance risk assessments on a regular basis of at least every two years.</p>

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company commits to establishing and implementing anti-bribery and corruption policies and procedures in all of its joint ventures, by developing a programme jointly with the relevant partner company. In addition, the company indicates that it will only enter into joint ventures if anti-bribery and corruption clauses are included in the contract, which prohibit foreign and domestic bribery and facilitation payments, as well as specifying audit and termination rights to detect, control and prevent breaches.</p>
<b>Evidence</b>
<p><b>[10] Code of Conduct for Business Partners of RUAG</b>                  Accessed 20/03/2020  <a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Code%20of%20conduct%20for%20business%20partners%20of%20RUAG%2001_2019.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Code%20of%20conduct%20for%20business%20partners%20of%20RUAG%2001_2019.pdf</a>                  [p.1] RUAG also expects its business partners, i.e. its customers, suppliers, service providers and their supply chains, to act with integrity in every way. In order to substantiate this, RUAG sets out certain minimum standards and makes these known to its business partners.</p> <p><b>[21] Compliance – Joint Ventures (Webpage)</b>                  Accessed 13/05/2020  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Joint Ventures</p> <p>[...]</p> <p>RUAG commits to establishing and implementing jointly with its partner the above described compliance principles and Compliance Management System for all relevant compliance risk-categories with special focus on the risk-categories of anti-corruption and trade compliance and preventive measures like employee trainings. RUAG will only enter into joint ventures if anti-bribery and corruption clauses reflecting the standards of RUAG are included in the contract, in particular prohibiting foreign and domestic bribery and facilitation payments, as well as specifying clear audit and termination rights to detect, control and prevent breaches.</p> <p>RUAG commits in all of its joint ventures to take an active role in ensuring adherence to its compliance standards in all relevant compliance risk-categories with special focus on the risk-categories of anti-corruption and trade compliance. Depending on the concrete circumstances, this can be achieved through veto rights for high-risk transactions, reporting lines to the bodies of the joint venture, monitoring and audit rights and secondment schemes for compliance officers.</p> <p><b>[11] Verification and Approval of Contracts With Third Parties Involved in Sales (Document)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf</a>                  [p.4] 1.1 Goal and scope</p> <p>This Directive governs the verification and approval of contracts with independent third parties supporting sales and customer support, in particular agents, intermediaries, sales representatives resellers and consultants.</p> <p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Code of conduct for business partners</p> <p>In light of its international operations, RUAG is committed to conducting business in accordance with ethical principles and applicable laws and in a socially responsible way. RUAG also expects conduct that is proper in every</p>



respect from its business partners – i.e. its customers, suppliers, service providers and their supply chains. To substantiate this, RUAG establishes certain minimum standards and informs its business partners of these standards.

The Code of Conduct for RUAG Business Partners is an integral part of our contracts with third parties and is binding on business Partners.

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company commits to take an active role in preventing bribery and corruption in all of its joint ventures. The company provides examples of possible controls that it may implement to do so, dependent on the context, such as secondment schemes for compliance officers, veto rights on certain transactions and training for relevant employees and management.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Against Bribery &amp; Corruption</p> <p>We employ appropriate measures to put our commitment to preventing corruption into practice. These include a personal obligation on the part of all employees, the management and the Board of Directors, as well as contractual partners to refrain from any and all types of bribery. We review our contractual partners (including any offset partners) and their conduct on a case-by-case basis. We also train our employees, the management and the Board of Directors and provide them with advice and support. In the event of grounds for suspicion, we are prepared to abandon transactions.</p> <p><b>[21] Compliance – Joint Ventures (Webpage)</b>                  Accessed 13/05/2020  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  RUAG commits in all of its joint ventures to take an active role in ensuring adherence to its compliance standards in all relevant compliance risk-categories with special focus on the risk-categories of anti-corruption and trade compliance. Depending on the concrete circumstances, this can be achieved through veto rights for high-risk transactions, reporting lines to the bodies of the joint venture, monitoring and audit rights and secondment schemes for compliance officers.</p>

## 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 publicly available evidence that the company recognises the corruption risks associated with offset contracting, nor that it has a dedicated body, department or team responsible for monitoring of its 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 some evidence that the company conducts reviews of its offset partners. However, the company does not provide further publicly available information to indicate whether this includes anti-bribery and corruption due diligence on all aspects of the obligation. There is also no publicly available evidence that the company assesses whether there is a legitimate business rationale for its offset obligations.
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  Against Bribery &amp; Corruption</p> <p>[...]</p> <p>We review our contractual partners (including any offset partners) and their conduct on a case-by-case basis.</p>

<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 its 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>
<p>There is no evidence that the company publishes information about the beneficiaries of its indirect offset projects. The company publishes some information about its involvement in one offset project, however there is no evidence that it provides comprehensive information on all offset obligations nor that it distinguishes between direct or indirect projects.</p>
<b>Evidence</b>
<p><b>[12] Media Release UAE - News (Webpage)</b>                  Accessed 16/08/2019  <a href="https://www.ruag.com/en/news/statement-ruag-regarding-business-activities-uaeruag-present-united-arab-emirates-over-20-years">https://www.ruag.com/en/news/statement-ruag-regarding-business-activities-uaeruag-present-united-arab-emirates-over-20-years</a>                  Statement by RUAG regarding business activities in the UAE:RUAG present in United Arab Emirates for over 20 years</p> <p>Media reports have appeared about the RUAG subsidiary RUAG Simulation Company LLC in Abu Dhabi which fail to take some key aspects into account. RUAG, an international technology group, states its position as follows:</p> <ul style="list-style-type: none"> <li>• RUAG has been supplying the United Arab Emirates with simulators for training military and security personnel for over 20 years – in compliance with Swiss legislation.</li> <li>• RUAG Simulation &amp; Training Ltd in Abu Dhabi was founded at the end of 2014 – prior to the outbreak of the Yemen crisis – primarily in order to work off contractual offset obligations that had been outstanding for a long time.</li> </ul>

## 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>1</b>
<b>Comments</b>
<p>There is some evidence that the company has a dedicated assessment process in place to assess the risks of operating in different markets. However, there is no evidence that the company provides further information on its risk management procedures, nor is it clear that the results of these assessments have an impact on business decisions or trigger the implementation of additional controls.</p>
<b>Evidence</b>
<p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p. 33] As a key element in Corporate Governance, the Group-wide risk management system protects RUAG's assets, facilities and employees. Risks are identified and addressed using a broad-based methodology drawing on the international COSO II, ISO 31000 and DIN EN 62198 standards. Under this methodology, risks are identified, analysed and assessed once a year in all business units in a structured process using the seven main categories of external risks, strategy, markets, processes, resources, compliance and culture, and finance. By gradually consolidating at the division and Group levels, each level of the corporation gains a management tool geared to its requirements.</p> <p>RUAG sees compliance as an integral part of risk management. As an enterprise owned by the Swiss Confederation, RUAG is committed to upholding particularly high ethical principles going beyond compliance with all guidelines, international agreements and domestic laws.</p>

<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>2</b>
<b>Comments</b>
<p>There is evidence that the company publishes a list of its fully and non-fully consolidated holdings, along with its percentage ownership for each entity. For each entity, the company publishes the location of its head office and country of incorporation. In addition, the company provides information in narrative form on the countries of operation for its major holdings. Since this information is published in the company's Annual Report, there is evidence that this list is current and updated on at least annual basis.</p>
<b>Evidence</b>
<p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p.15] Brief profile                  RUAG Aerostructures is a global first-tier supplier of aerostructures for civil and military customers. Key activities include the development, production and final assembly of complete fuselage sections, wing and control surface components as well as sophisticated component assemblies and parts for civil and military aircraft.</p> <p>[...]</p> <p>Based in: Switzerland, Germany, Hungary</p> <p>[p.17] Brief profile                  RUAG Aviation is a leading supplier, support provider and integrator of systems and components for civil and military aviation. Servicing aircraft and helicopters throughout their entire life cycle, the company's core competencies include maintenance, repair and overhaul services, upgrades, and the development, manufacturing and integration of subsystems.</p> <p>Customers/partners Swiss Air Force, German Bundeswehr, Royal Australian Air Force, Bombardier, Dassault, Embraer, Airbus, Pilatus Aircraft, Boeing, General Electric, Northrop Grumman, Saab, Lockheed Martin, British Aerospace, Honeywell, United Technology, Rheinmetall Air Defence, Elbit</p> <p>Numbers and facts</p> <p>[...]</p> <p>Based in: Switzerland, Germany, USA, Australia, Malaysia</p> <p>[Company provides information on countries of operation in narrative form for various significant subsidiaries]</p> <p>[p.19] Brief profile                  RUAG Ammotec, with its Hunting&amp;Sports, Industrial and Armed Forces&amp;Law Enforcement business units, is the European market leader in small-calibre ammunition, pyrotechnic elements and components. Its precision ammunition for special forces is in high demand worldwide.</p> <p>[...]</p> <p>Based in: Germany, Switzerland, Hungary, Sweden, France, USA, Austria, UK, Italy, Belgium, Finland</p>



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**37 Consolidated companies, associates and non-controlling interests (as at 31 December 2018)**

Company	Head office	Country	Equity capital (100 %)	Shareholding	Consolidation method
RUAG Holding Ltd <sup>1</sup>	Bern	Switzerland	CHF 340 000 000		Full
<b>Consolidated companies</b>					
RUAG Switzerland Ltd	Emmen	Switzerland	CHF 112 200 000	100.0 %	Full
RUAG Ammotec AG	Thun	Switzerland	CHF 12 000 000	100.0 %	Full
RUAG Real Estate Ltd	Bern	Switzerland	CHF 8 000 000	100.0 %	Full
RUAG Ammotec Switzerland Ltd	Winterthur	Switzerland	CHF 300 000	100.0 %	Full
RUAG Environment Ltd	Schattdorf	Switzerland	CHF 100 000	100.0 %	Full
RUAG Corporate Services Ltd	Bern	Switzerland	CHF 100 000	100.0 %	Full
RUVEX Ltd	Bern	Switzerland	CHF 100 000	100.0 %	Full
brings! AG	Schattdorf	Switzerland	CHF 100 000	55.0 %	Full
Visier Medien Holding AG	Zug	Switzerland	CHF 400 000	100.0 %	Full <sup>4</sup>
RUAG Slip Rings Ltd.	Nyon	Switzerland	CHF 100 000	100.0 %	Full <sup>5</sup>
RUAG Deutschland GmbH	Wessling	Germany	EUR 1 000 000	100.0 %	Full
RUAG Aerospace Services GmbH	Wessling	Germany	EUR 1 000 000	100.0 %	Full
RUAG Aerospace Structures GmbH	Wessling	Germany	EUR 25 000	100.0 %	Full
RUAG Defence Deutschland GmbH	Wedel	Germany	EUR 260 000	100.0 %	Full
RUAG Space Germany GmbH	Coswig	Germany	EUR 26 000	100.0 %	Full
GEKE Schutztechnik GmbH	Lichtenau	Germany	EUR 25 000	51.0 %	Full
RUAG Ammotec Deutschland GmbH	Fürth	Germany	EUR 100 000	100.0 %	Full
RUAG Ammotec GmbH	Fürth	Germany	EUR 25 000	100.0 %	Full
Clearswift GmbH	Cologne	Germany	EUR 25 000	100.0 %	Full
VS Medien GmbH	Bad Ems	Germany	EUR 25 000	100.0 %	Full <sup>4</sup>
RUAG Sweden AB	Gothenburg	Sweden	SEK 100 000	100.0 %	Full
RUAG Space AB	Gothenburg	Sweden	SEK 15 000 000	100.0 %	Full
Norma Precision AB	Amotfors	Sweden	SEK 2 500 000	100.0 %	Full
Gyttorp AB	Karlskoga	Sweden	SEK 701 400	100.0 %	Full
Gyttorp Cartridge Company AB	Nora	Sweden	SEK 1 000 000	100.0 %	Full
RUAG Ammotec Sweden AB	Karlskoga	Sweden	SEK 300 000	100.0 %	Full
RUAG Australia PTY Ltd.	Bayswater	Australia	AUD 10 000	100.0 %	Full
Clearswift (Asia/Pacific) Pty Ltd	North Sydney	Australia	AUD 1 720 000	100.0 %	Full
RUAG Ammotec Benelux BVBA	Boechout	Belgium	EUR 25 000	100.0 %	Full
RUAG Ammotec UK Ltd.	Liskeard	UK	GBP 15 000	100.0 %	Full
Clearswift Holding Ltd	Reading	UK	GBP 1	100.0 %	Full
Clearswift Ltd	Reading	UK	GBP 15 114 616	100.0 %	Full
Clearswift Technologies Holdings Ltd	Reading	UK	GBP 52 148	100.0 %	Full
RUAG Space Finland Oy AB	Tampere	Finland	EUR 2 500	100.0 %	Full
RUAG Ammotec Finland OY	Malax	Finland	EUR 33 638	100.0 %	Full
RUAG Holding France SAS	Terssac	France	EUR 100 000	100.0 %	Full
RUAG Defence France SAS	Terssac	France	EUR 400 000	100.0 %	Full
RUAG Ammotec France SAS	Paris	France	EUR 1 000 000	100.0 %	Full
RUAG Ammotec Italia s.r.l.	Brescia	Italy	EUR 100 000	100.0 %	Full
Clearswift KK	Tokyo	Japan	JPY 20 000 000	100.0 %	Full
RUAG Aviation Malaysia SDN BHD	Kuala Lumpur	Malaysia	MYR 1 500 100	65.0 %	Full
RUAG Ammotec Austria GmbH	Vienna	Austria	EUR 297 959	100.0 %	Full
RUAG Space GmbH	Vienna	Austria	EUR 1 500 000	100.0 %	Full
Clearswift Espana SL	Madrid	Spain	EUR 3 100	100.0 %	Full
RUAG Hungarian Ammotec Inc.	Sirok	Hungary	HUF 280 000 000	100.0 %	Full
RUAG Aerostructures Hungary Zrt.	Eger	Hungary	HUF 600 000 000	100.0 %	Full

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**84 Notes to the consolidated financial statements of RUAG**

Company	Head office	Country	Equity capital (100 %)	Shareholding	Consolidation method
RUAG Ammotec USA Inc.	Tampa, FL	USA	USD 6 500 000	100.0 %	Full
Mecanex USA Inc.	Berlin, CT	USA	USD 1 500	100.0 %	Full
RUAG Holding USA Inc.	Huntsville, AL	USA	USD 0.1	100.0 %	Full
RUAG Space USA Inc.	El Segundo, CA	USA	USD 25 000	100.0 %	Full
Clearswift Corporation	Mount Laurel, NJ	USA	USD 12 000 000	100.0 %	Full
RUAG Simulation Company LLC	Abu Dhabi	UAE	AED 150 000	49.0 %	Full
Stadeln Genehmigungshaltergesellschaft mbH	Fürth	Germany	EUR 25 000	78.6 %	<sup>3</sup>
RUAG Industria e Comercio de Municoes Ltda	São Francisco	Brazil	BRL 200 000	100.0 %	<sup>3</sup>
RUAG do Brasil Serviços Aeronáuticos Ltda	Rio de Janeiro	Brazil	BRL 10 000	90.0 %	<sup>3</sup>
<b>Associates<sup>2</sup></b>					
Nitrochemie AG	Wimmis	Switzerland	CHF 1 000 000	49.0 %	Equity
Nitrochemie Wimmis AG	Wimmis	Switzerland	CHF 25 000 000	45.0 %	Equity
Nidwalden AirPark Ltd	Stans	Switzerland	CHF 1 000 000	40.0 %	Equity
Nitrochemie Aschau GmbH	Aschau	Germany	EUR 7 700 000	45.0 %	Equity
<b>Other investments</b>					
CFS Engineering SA	Ecublens	Switzerland	CHF 150 000	40.0 %	<sup>3</sup>
AIONAV Systems Ltd	Muri bei Bern	Switzerland	CHF 100 000	12.0 %	<sup>3</sup>
Switzerland Innovation Park Biel/Bienne Ltd	Biel/Bienne	Switzerland	CHF 1 540 000	6.50 %	<sup>3</sup>
Flughafen Bern AG	Bern	Switzerland	CHF 14 310 000	1.4 %	<sup>3</sup>
Brünig Indoor Aktiengesellschaft	Lungern	Switzerland	CHF 3 400 000	0.3 %	<sup>3</sup>
Arianespace Participation	Evry	France	EUR 3 937 983	3.5 %	<sup>3</sup>
VDL-RUAG Shelters B.V.	Eindhoven	Netherlands	EUR 50 000	40.0 %	<sup>3</sup>

<sup>1</sup> RUAG Holding Ltd, Stauffacherstrasse 65, P.O. Box, CH-3000 Bern 22.

<sup>2</sup> Investments of between 20 % and 50 % are measured using the equity method.

<sup>3</sup> Non-material investments are valued at cost minus a valuation allowance.

<sup>4</sup> In early 2018, RUAG Ammotec AG acquired the remaining 50.5 % of the outstanding shares of Visier Medien Holding AG, domiciled in Zug (Switzerland). In relation to this acquisition, the 100 % stake of Visier Medien Holding AG in VS Medien GmbH, domiciled in Bad Ems (Germany), was also transferred. Both companies were fully consolidated from 1 January 2018. In the previous year, these were valued at cost minus a valuation allowance.

<sup>5</sup> RUAG Slip Rings Ltd., a company domiciled in Nyon (Switzerland), was formed as of 17 May 2018.

<b>Question</b>
<b>9.3 Does the company disclose its beneficial ownership and control structure?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
The company publishes a clear statement that it is wholly owned by the Swiss Confederation, indicating that it is the sole shareholder.
<b>Evidence</b>
<p><b>[13] Facts and Figures – RUAG in brief – About RUAG (Webpage)</b>                  Accessed 16/08/2019  <a href="https://www.ruag.com/en/about-ruag/ruag-brief/facts-figures">https://www.ruag.com/en/about-ruag/ruag-brief/facts-figures</a>                  Facts &amp; Figures                  RUAG Holding Ltd is a Swiss joint-stock company headquartered in Bern. It is wholly owned by the Swiss Confederation.</p> <p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p. 102] Shareholder</p> <p>The Swiss Confederation holds 100 % of shares and thus all voting rights of RUAG Holding Ltd. The Swiss Federal Department of Defence, Civil Protection and Sport (DDPS) exercises the Confederation’s shareholder interests.</p>

**Question**

**9.4 Does the company publish a percentage breakdown of its defence sales by customer?**

**Score**

**0**

**Comments**

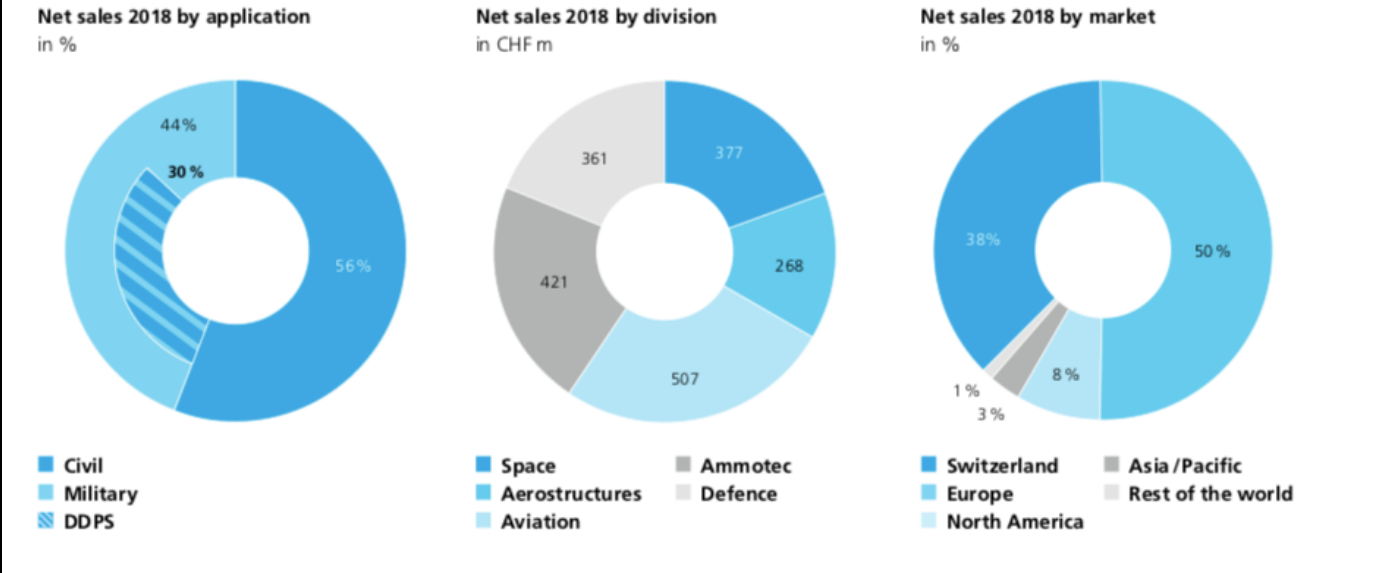
There is evidence that the company publishes some information about its defence sales, to indicate that the Swiss Federal Department of Defence is its largest customer. The company indicates that Switzerland accounts for 38% of its net sales, with customers in Europe accounting for 50% of its sales.

However, the company receives a score of '0' because there is no clear evidence that it publishes a breakdown of defence sales per customer for at least 50% of its sales.

**Evidence**

**[3] Annual Report 2018 (Document)**

Accessed 15/08/2019  
[https://annualreport.ruag.com/2018/sites/ar18/files/media\\_document/2019-03/RUAG\\_GB18\\_EN\\_full.pdf](https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf)  
 [p. 5]



[p. 21] Brief profile

RUAG Defence is an independent provider of integration, upgrade and maintenance services for land-based defence and security systems. Its product portfolio comprises one-of-a-kind subsystems and components for national and international customers. A key part of this is products and services for tracked and wheeled vehicles, realistic military training, and reliable information and communication solutions. Its comprehensive portfolio also includes integration, operation and maintenance of complex systems.

Customers/partners:

Swiss Armed Forces, armed forces worldwide, rescue and security agencies and organisations, industrial partners

[p. 52] 2.26 Related party transactions

RUAG provides maintenance services and produces defence equipment for the Swiss Federal Department of Defence, Civil Protection and Sport (DDPS), and procures services from the same. The DDPS is RUAG's largest customer.

## 10. State-Owned Enterprises (SOEs)

<b>Question</b>
<b>10.1 Does the SOE publish a breakdown of its shareholder voting rights?</b>
<b>Score</b>
N/A
<b>Comments</b>
<p>There is evidence that the company is wholly owned by the Swiss Confederation, and the company states that this entity holds 100% of its voting rights. Since one single entity holds all of the company’s voting rights, there is no requirement for the company to publish a percentage breakdown and therefore it is exempt from scoring on this question.</p>
<b>Evidence</b>
<p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p. 102] Shareholder</p> <p>The Swiss Confederation holds 100 % of shares and thus all voting rights of RUAG Holding Ltd. The Swiss Federal Department of Defence, Civil Protection and Sport (DDPS) exercises the Confederation’s shareholder interests.</p> <p><b>[13] Facts and Figures – RUAG in brief – About RUAG (Webpage)</b>                  Accessed 16/08/2019  <a href="https://www.ruag.com/en/about-ruag/ruag-brief/facts-figures">https://www.ruag.com/en/about-ruag/ruag-brief/facts-figures</a>                  Facts &amp; Figures                  RUAG Holding Ltd is a Swiss joint-stock company headquartered in Bern. It is wholly owned by the Swiss Confederation.</p>

<b>Question</b>
<b>10.2 Are the SOE's commercial and public policy objectives publicly available?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company publishes information on its commercial and public policy objectives on its website. There is evidence that these objectives are updated on at least an annual basis or whenever there is a change in objectives.</p>
<b>Evidence</b>
<p><b>[1] Compliance - Commitment (Webpage)</b>                  Accessed 15/08/2019  <a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>                  RUAG delivers military applications exclusively to unambiguously identifiable, reputable business partners, thereby contributing to security, independence and stability.</p> <p>Irrespective of their place of manufacture, all exports of military and dual-use applications must be in compliance with international law, Switzerland's international obligations and the principles of Swiss foreign policy.</p> <p><b>[15] Strategy – RUAG in brief – About RUAG (Webpage)</b>                  Accessed 16/08/2019  <a href="https://www.ruag.com/en/about-ruag/ruag-brief/strategy">https://www.ruag.com/en/about-ruag/ruag-brief/strategy</a>                  Success is the fruit of clear strategy. RUAG's tried and tested corporate strategy is based on three key pillars: "Combining civil and military applications", "Focusing on core business" and "International growth".</p> <p>Combining civil and military applications                  For RUAG, expertise in civil and military applications and the retention of these key competencies are vital. The impetus for developing new technologies used to come from the armed forces. Nowadays, however, military business is strongly influenced by civil applications. In many cases, technological development progresses further in the civil than in the military field.</p> <p>Focusing on core business                  One of the central pillars of RUAG's strategy is its systematic focus on its core competencies, offering essential components for deployment on the ground, in the air and in space. This precept applies both to the Group as a whole and to the individual divisions – Space, Aerostructures, RUAG MRO International, Ammotec and RUAG MRO Switzerland.</p> <p>International growth                  In view of the fragility of national finances in many European countries, the market environment remains challenging. In Switzerland, too, there are no major projects in the pipeline that will generate earnings in the medium term and to which RUAG could contribute. This makes it even more important for RUAG to actively expedite its efforts to open up international growth markets.</p> <p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p. 102] Owner's strategy of the Swiss Federal Council</p> <p>In its owner's strategy, the Federal Council lays down strategic objectives for its shareholding in RUAG Holding Ltd, specifically strategic focal points, human resource policy and financial objectives, cooperation and investments and reporting to the Swiss Federal Council.</p> <p>The 2016–19 owner's strategy of the Swiss Federal Council entered into force on 1 January 2016. It establishes the transparent, binding framework which enables RUAG Holding Ltd and its subsidiaries to fulfil their duties on a commercial basis while taking account of broader interests.</p>



**[14] The Brand Promise - Commitment (Webpage)**

Accessed 16/08/2019

<https://www.ruag.com/en/commitment/brand-promise>

The overarching context

RUAG develops trailblazing innovations and internationally sought-after, cutting-edge technology in the fields of aerospace and defence. Based on strong ethical beliefs and historically rooted in the Swiss army, RUAG combines outstanding technological expertise with a high degree of foresight and responsibility. Thus it helps create and safeguard the main pillars of prosperous societies: security and progress.

**[22] Media Release - Half Year Results (Webpage)**

Accessed 13/05/2020

<https://www.ruag.com/en/news/unbundling-course-special-costs-impact-half-year-result>

- 30.08.2019
- Space, Air, Land
- Media release

Unbundling on course – special costs impact half-year result

For international technology group RUAG, the first half of 2019 was very much dominated by the process of unbundling and restructuring. As expected, this has a considerable impact on the half-year result. At CHF 19 million, the overall EBIT was lower than the previous year's figure of CHF 41 million. The order book improved by 7.4% to CHF 1,819 million. Owing to exchange rate effects, net sales fell slightly by 1% year on year to CHF 944 million (previous year: CHF 954 million).

The marginally lower net sales of CHF 944 million (previous year: CHF 954 million) were above all due to negative exchange rate effects in the amount of CHF 17 million. At CHF 1,819 million, the order backlog was 7.4% higher than as at 30 June 2018 (CHF 1,693 million). New orders, however, declined by 10.4% to CHF 923 million. On account of special costs related to unbundling and the planned expenditure for individual projects being exceeded, earnings before interest and taxes (EBIT) were down 54.6% to CHF 19 million compared with the same period in the previous year (CHF 41 million). The operating profit margin amounted to 2.0% (4.3%). Costs for unbundling and restructuring were lower than budgeted in the first six months of 2019 at CHF 8 million, but are expected to rise sharply in the second half of the year. All 25 sub-projects of the unbundling are progressing well and according to plan.

Once adjusted for unbundling costs, EBIT was down CHF 15 million on the previous year. This is attributable to substantial planned cost adjustments for two projects at RUAG MRO Switzerland and declining profitability in individual business units. Over the past few months, the situation at RUAG Aerostructures in Munich-Oberpfaffenhofen (DE) and Eger (HU) has stabilised. The international cyber business has seen growth, as has the Australian site of the "MRO International" division. The Ammotec division also reported a noticeable increase in sales in the Armed Forces & Law Enforcement sector.

Urs Breitmeier, CEO of the RUAG Group, comments on the half-year results: "The unbundling of the group is progressing as planned. On the cost side, our expenses are currently lower than anticipated. When it comes to our operational activities, we must nonetheless continue to boost profitability on an ongoing and sustained basis and ensure our business remains successful even during the process of unbundling."

The free cash flow generated in the first half of 2019 amounted to CHF -184 million (CHF -137 million). The lower operating result coupled with significant growth in net current assets against the first half of 2018 had a negative impact on free cash flow. The decrease in the net financial position from CHF 134 million (as at 31 December 2018) to CHF -50 million (as at 30 June 2019) is above all attributable to the seasonal increase in net current assets as at 30 June 2019 when compared with 31 December 2018.

On 2 July 2019, RUAG sold its two sites specialising in business jets at the Geneva-Cointrin and Lugano-Agno airports to Dassault Aviation. The sale of RUAG Business Aviation AG is the first step in the restructuring of RUAG's portfolio.

For the year as a whole, RUAG is expecting a slight year-on-year improvement in sales and a marked decline in the operating result (EBIT) on account of the unbundling costs.

Major events in the first half-year of 2019 (details can be seen at [www.ruag.com/news](http://www.ruag.com/news)).

- 9 January 2019: By mid-2022, RUAG will modernise eight of the Swiss Air Force's Cougar transport helicopters.
- 9 April 2019: RUAG MRO Switzerland's specially developed TTEL telephony solution will in future be used as part of the key ICT (information and communication technology) project entitled Voice System of the Armed Forces (VSdA).
- 10 April 2019: RUAG Space to supply the Japan Aerospace Exploration Agency (JAXA) with supporting structures and payload fairings for the new H3 launch vehicle.
- 6 May 2019: RUAG MRO International delivered a brand-new Dornier 228 to New Central Airservice (Japan).
- 17 June 2019: The Federal Council appointed Monica Duca Widmer as chairwoman of the board of the new BGRB holding company.
- 28 June 2019: In an audit of the effective profit margin initiated by RUAG, the Swiss Federal Audit Office (SFAO) found no manipulation in the accounting entries and certifies that RUAG is conducting itself in accordance with its contractual obligations.



<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>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company publishes some information about the nomination and appointment process and composition of its board. The company indicates that none of its board members have a material business relationship with the group, and it discloses any other relevant mandates or interests that each member might have. In addition, the company provides publicly available information on how the board is elected and who manages the appointment process, in line with all national regulations.</p>
<b>Evidence</b>
<p><b>[3] Annual Report 2018 (Document)</b>  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>  [p.94] Board of Directors</p> <p>The duties of the Board of Directors of RUAG Holding Ltd are governed by the Swiss Code of Obligations, the owner's strategy of the Swiss Federal Council, the Articles of Association and the Regulations Governing Organization and Operations. The Board of Directors of RUAG Holding Ltd currently consists of six members, none of whom performed executive functions in the year under review or in the three preceding years. In addition, the members of the Board of Directors have no material business relationship with the Group. Hans-Peter Schwald resigned from the Board of Directors with effect from 26 April 2018. As of that date, Dr. Remo Lütolf was appointed as Chairman of the Board of Directors and Markus Hutter as Vice-Chairman. Dr. Marie-Pierre de Bailliencourt was appointed as a new member of the Board. Otherwise, no changes to the Board of Directors were made in the year under review.</p> <p>Election and term of office</p> <p>The Board of Directors of RUAG Holding Ltd and its chairman are elected by the Annual General Meeting (AGM). In accordance with the Articles of Association, the Board of Directors consists of at least three individuals. The majority of the Board's members must be Swiss nationals who are resident in Switzerland. They are elected annually and individually, and may be re-elected. RUAG does not specify an age limit for members of the Board of Directors, nor does it limit their term of office.</p> <p>[p. 96] The following section provides information on the composition of the Board of Directors as at 31 December 2018, the individual members' functions within RUAG, their nationality and the year in which they were first elected to the Board. Information is also provided on the year of birth, on other activities and interests, on significant mandates at major companies, organisations and foundations, on permanent functions in major interest groups, and on public offices and political mandates held as at 31 December 2018.</p> <p>Dr. Remo Lütolf (b.1956, Swiss), Chairman of the Board of Directors since 26 April 2018, member since 2014</p> <p>Committees: member of the Audit Committee, Nomination&amp;Compensation Committee and Strategy Committee  Significant mandates: Chairman of the Board of Directors of ewl Energie Wasser Luzern Holding AG, Chairman of the Board of Directors of Erdgas Zentralschweiz AG, Chairman of the Board of Directors of Park innovAARE AG, Chairman of the Board of Directors of Venture Incubator AG, member of the Board of Directors of MTE Meter Test Equipment AG, member of the Board of Economiesuisse, member of the Executive Committee of Swissmem, member of the University Council, University of Applied Sciences and Arts Northwestern Switzerland</p> <p>Markus Hutter (b.1957, Swiss), Vice-Chairman since 26 April 2018, member since 2014</p> <p>Committees: Chairman of the Nomination&amp;Compensation Committee  Significant mandates: Chairman of the Board of Directors of Hutter Dynamics AG, Chairman of the Board of Directors of ESA-Einkaufs-organisation des Schweizerischen Auto- und Motorfahrzeuggewerbes (Purchasing</p>

Cooperative of the Swiss Automotive Industry Association), member of the Board of Directors of AXA-ARAG Rechtsschutz AG, member of the Board of Directors of Identech AG, Chairman of the Patrons Committee of Technorama Winterthur

Paul Häring (b.1957, Swiss), member since 2004

Committees: Chairman of the Audit Committee

Significant mandates: member of the Board of Directors of Loeb Holding AG, member of the Board of Directors of EMCH Aufzüge AG, member of the Board of Directors of OBAN Beteiligungen AG, member of the Board of Directors of Lüthi&Portmann Fleischwaren AG, Chairman of the Board of Directors of Lüthi Immobilien AG, Chairman of the Board of Directors of hbi invest ag, member of the Board of Directors of BioFactory Competence Center AG, member of the Board of Directors of CertX AG, member of the Board of Directors of Hochalpinen Institut Ftan AG, member of the Board of Directors of CHRIST&HEIRI Holding AG, member of the Board of Directors of Walter Marolf AG, member of the Board of Directors of JJA Holding Ltd, member of the Board of Directors of Kern Holding AG, member of the Advisory Board of Vantage Education Ltd., Partner at Partnerstiftung awr AG für Wirtschaft und Recht, Liquidator for awr Partnerstiftung, Liquidator for Meinen Personalfürsorgestiftung Prof. Sibylle Minder Hochreutener (b.1973, Swiss), member since 2014 Committees: member of the Nomination & Compensation Committee Significant mandates: Member of the President's Board and Head of the Department of Business Administration at the University of Applied Sciences St.Gallen FHS, lecturer in business administration at the University of St.Gallen (HSG), member of the Board of the Association of Management Schools Switzerland (FWD), member of the Fachkommission Berufsmaturität (expert committee for vocational school-leaving examinations), Canton of St.Gallen

Jürg Oleas (b.1957, Swiss), member since 2011

Committees: Chairman of the Strategy Committee, member of the Audit Committee

Significant mandates: CEO of GEA Group AG; member of the Board of Directors of LafargeHolcim AG

Dr. Marie-Pierre de Bailliencourt (b.1970, French), member since 2018

Committees: member of the Strategy Committee

Significant mandates: member of the Board of Directors of Groupe La Poste, France

<b>Question</b>
<b>10.4 Is the SOE's audit committee composed of a majority of independent directors?</b>
<b>Score</b>
<b>2</b>
<b>Comments</b>
<p>There is evidence that the company's Audit Committee is composed entirely of independent directors. The company indicates this by stating that none of its board members have a material business relationship with the group.</p>
<b>Evidence</b>
<p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p.94] Board of Directors</p> <p>[...] The Board of Directors of RUAG Holding Ltd currently consists of six members, none of whom performed executive functions in the year under review or in the three preceding years. In addition, the members of the Board of Directors have no material business relationship with the Group.</p> <p>[p. 96] Dr. Remo Lütolf (b.1956, Swiss), Chairman of the Board of Directors since 26 April 2018, member since 2014</p> <p>Committees: member of the Audit Committee</p> <p>[...]</p> <p>Paul Häring (b.1957, Swiss), member since 2004                  Committees: Chairman of the Audit Committee</p> <p>[...]</p> <p>Jürg Oleas (b.1957, Swiss), member since 2011                  Committees: Chairman of the Strategy Committee, member of the Audit Committee</p> <p>[p. 100]</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p><b>Board of Directors</b></p> <p>Dr. Remo Lütolf (Chairman), Markus Hutter (Vice-Chairman), Paul Häring                      Prof. Sibylle Minder Hochreutener, Jürg Oleas, Dr. Marie-Pierre de Bailliencourt</p> </div> <div style="text-align: center;"> <p><b>Advisory Board</b></p> <p>Prof. Thomas Friedli                      Prof. Alexandre J. Vautravers</p> </div> </div> <hr/> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>Audit Committee</b></p> <p>Paul Häring (Chairman)                      Dr. Remo Lütolf                      Jürg Oleas</p> </div> <div style="text-align: center;"> <p><b>Nomination &amp; Compensation Committee</b></p> <p>Markus Hutter (Chairman)                      Dr. Remo Lütolf                      Prof. Sibylle Minder Hochreutener</p> </div> <div style="text-align: center;"> <p><b>Strategy Committee</b></p> <p>Jürg Oleas (Chairman)                      Dr. Remo Lütolf                      Dr. Marie-Pierre de Bailliencourt</p> </div> </div>

<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>1</b>														
<b>Comments</b>														
<p>There is evidence that the company has a system in place to manage asset transactions. The company indicates that it has controls in place to ensure that asset transactions correspond with fair market value. The company also publishes the financial results from asset acquisitions in its annual corporate reporting documents.</p> <p>However, there is no clear publicly available evidence that responsibility for managing asset transactions is held at board level. It is also not clear whether asset transactions are subject to scrutiny by an audit body.</p>														
<b>Evidence</b>														
<p><b>[3] Annual Report 2018 (Document)</b>                  Accessed 15/08/2019  <a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>                  [p.48] 2.9 Property, plant and equipment                  Property, plant and equipment are recognized at cost less accumulated depreciation and impairment. Repair and maintenance costs are stated as an expense. Major renovations and other value enhancing costs are capitalized and depreciated over their estimated useful life. The carrying amount of the replaced parts is derecognized. Items are depreciated on a straight-line basis, with the exception of land, which is not depreciated and is recognized at cost.</p> <p>The estimated useful lives for the main classes of property, plant and equipment are:</p> <table border="1"> <thead> <tr> <th>Class</th> <th>Useful life in years</th> </tr> </thead> <tbody> <tr> <td>Plant and equipment</td> <td>5 to 12</td> </tr> <tr> <td>Fixtures and fittings</td> <td>10</td> </tr> <tr> <td>Information technology</td> <td>3 to 5</td> </tr> <tr> <td>Motor vehicles</td> <td>5 to 10</td> </tr> <tr> <td>Aircraft</td> <td>10 to 15</td> </tr> <tr> <td>Buildings (operating properties)</td> <td>20 to 60</td> </tr> </tbody> </table> <p>The useful lives are reviewed at least once a year at the end of the reporting period and adjusted where necessary.</p> <p><b>2.10 Government grants</b>                  Government grants related to assets are recognized in the balance sheet at fair value as deferred income. Government grants are then recognized in profit or loss as other income on a straight-line basis over the useful life of the assets.</p> <p><b>2.11 Leases</b>                  Leased assets where the benefits and risk arising from ownership are essentially transferred to RUAG are recognized at the lower of the fair value/market value of the leased asset and the cash value of the future lease payments. Correspondingly, the estimated net present value of future, non-cancellable lease payments is carried under liabilities from finance leases. Assets under finance leases are amortized on a straight-line basis over the shorter of their estimated useful life or the duration of the lease. All other lease transactions are classified as operating leases.</p> <p>[p. 49] <b>2.12 Investment property</b>                  Investment properties are measured at cost minus accumulated depreciation and impairment calculated on a straight-line basis. Repair and maintenance costs are stated as an expense. Major renovations and other value enhancing costs are capitalized and depreciated over their estimated useful life. Investment properties are depreciated on a straight-line basis over a useful life of 40 to 60 years with the exception of land, which is not depreciated and is recognized at cost.</p>	Class	Useful life in years	Plant and equipment	5 to 12	Fixtures and fittings	10	Information technology	3 to 5	Motor vehicles	5 to 10	Aircraft	10 to 15	Buildings (operating properties)	20 to 60
Class	Useful life in years													
Plant and equipment	5 to 12													
Fixtures and fittings	10													
Information technology	3 to 5													
Motor vehicles	5 to 10													
Aircraft	10 to 15													
Buildings (operating properties)	20 to 60													

Sites that are majority-leased to third parties are classified as investment properties. The fair value of the properties is calculated solely for disclosure reasons and was measured using the discounted cash flow (DCF) method. No expert market appraisal was carried out in the reporting period.

[...]

Business combinations are accounted for using the acquisition method. The cost is recognized at the fair value of the consideration at the transaction date. Identifiable assets acquired and liabilities and contingent liabilities assumed are recognized in the balance sheet at their acquisition-date fair value, irrespective of the extent of any non-controlling interest. Transaction costs are recognized as expenses in profit or loss. The acquisition costs exceeding the net assets recognized at fair value (goodwill) are offset against equity at the time of acquisition. If the purchase price contains elements that depend on future events, these are estimated and recognized as accurately as possible at the time of acquisition. If, when the purchase price is definitively calculated at a later date, there are any differences, the effect is recognized in the income statement under "Other operating expenses, net". The impact of the goodwill being theoretically capitalized (acquisition cost, residual value, useful life, amortization) and any potential impairment are shown in the notes. Any negative difference is recognized directly in profit or loss after being reviewed. In the event of a company being sold, the goodwill previously recorded under equity will be booked out and then recognized in the income statement as a component of the gain or loss on disposals.

[...]

## 2.15 Impairment

Impairment of assets, in particular property, plant and equipment and intangible assets

The recoverable amount of property, plant and equipment, intangible assets and the goodwill recognized and disclosed in the notes is reviewed whenever changes in circumstances or events indicate that the carrying amount may be overestimated. Where there is an indication of a possible overestimate, the Group measures the fair value on the basis of expected future cash flows from use and eventual sale, minus any cost of disposal. Where the carrying amount exceeds the higher of fair value less costs to sell and value in use, an impairment loss equivalent to the difference is recorded (this does not apply to goodwill). As goodwill is offset against equity at the time of acquisition, any impairment of the goodwill is not charged to the income statement, but is only disclosed in the notes. The impairment assessment is based on the smallest group of assets for which independent cash generating units are identifiable. The estimation of future discounted cash flows is based on the forecasts and assumptions of the management. Accordingly, the actual cash flows generated may differ from these estimates.

[p. 53] 4 Acquisitions, mergers and formations of companies  
Acquisitions, mergers and formations of subsidiaries

### Visier Medien Holding AG

As of 1 January 2018, RUAG Ammotec AG acquired 40.4%, and as of 2 May 2018, the remaining 10.1% of the outstanding shares of Visier Medien Holding AG, domiciled in Zug (Switzerland). For its part, the company holds 100% of the shares of VS Medien GmbH, domiciled in Bad Ems (Germany). The publishing house produces the industry magazines Visier, Caliber and Schweizer Waffenmagazin. This full acquisition opens up domestic and international channels in the print and online business for direct communication with the relevant target groups (hunters and marksmen for munition and merchandise). The two companies were fully consolidated as of 1 January 2018. The non-controlling interest in Visier Medien Holding AG was recognized at cost until 31 December 2017. RUAG Ammotec Italia s.r.l. (previously Turfer di Turelli Luca&C. SRL) As of 1 January 2017, RUAG Ammotec Deutschland GmbH acquired 100% of the shares of Turfer di Turelli Luca&C. SRL, domiciled in Brescia (Italy). The company operates in Italy as a wholesaler of hunting and sports weapons, ammunition and accessories. This acquisition helped RUAG strengthen and further consolidate its own European wholesale business. RUAG Ammotec Italia s.r.l. was fully consolidated as of 1 January 2017.

### Clearswift

As of 20 January 2017, RUAG Holding Ltd acquired 100% of the shares of Clearswift, headquartered in Reading (UK). The cyber-security company provides proprietary solutions in the areas of data loss prevention and deep content inspection. Clearswift has a high-performance research and development department, a global service organization and internationally established sales channels. This acquisition will help accelerate the expansion of RUAG's Cyber Security business unit. Clearswift was fully consolidated as of 1 February 2017.

Gyttorp

As of 31 March 2017, Norma Precision AB acquired the remaining 60% of the outstanding shares of Gyttorp AB, headquartered in Karlskoga (Sweden). Gyttorp AB combines the wholesale activities of Gyttorp Jakt AB (Sweden) and Gyttorp Finland Oy (Finland), while Gyttorp Cartridge Company AB (Sweden) manufactures marketleading shotgun cartridges under the Gyttorp brand for the Swedish, Norwegian and Finnish market. The complete acquisition of Gyttorp represents another step towards strengthening RUAG’s wholesale activities and supplementing the product portfolio with market-leading brands. Gyttorp’s activities were fully consolidated as of the acquisition date (1 April 2017). The non-controlling interest in Gyttorp AB was recognized at cost until 31 March 2017. During the reporting period, the company Gyttorp Jakt AB was renamed RUAG Ammotec Sweden AB and Gyttorp Finland Oy was renamed RUAG Ammotec Finland OY.

[p. 54]

**Effects of acquisitions of companies**

in CHF m	2018	2017	2017
	Acquisitions	Clearswift	Other acquisitions
Purchase price, paid in cash	0	55	1
Escrow account	—	3	—
Contingent consideration	—	4	0
<b>Total consideration</b>	<b>0</b>	<b>62</b>	<b>1</b>

[...]

**Acquired assets and liabilities recognized at the time of acquisition**

in CHF m	2018	2017	2017
	Acquisitions	Clearswift	Other acquisitions
Current assets	1	17	12
Property, plant and equipment	0	1	0
Intangible assets	0	43	1
Deferred tax assets	—	2	0
Current and non-current liabilities	(1)	(62)	(13)
Deferred tax liabilities	(0)	(9)	(0)
<b>Total acquired assets and liabilities</b>	<b>0</b>	<b>(8)</b>	<b>1</b>

**Calculation of fair value** The valuation methods used to calculate the fair value of the material assets and liabilities acquired were as follows:

**Inventories and work in progress** The fair values were determined based on the estimated selling price under normal business conditions, less the estimated finishing and sales costs as well as an appropriate profit margin based on the work required to finish and sell the inventories and work in progress.

[p.96] The main duties of the Board of Directors under the terms of the Swiss Code of Obligations and Articles of Association of RUAG Holding Ltd are:

- The strategic orientation and management of the Group in accordance with the owner’s strategy of the Swiss Federal Council
- The structuring of the accounting system, financial controlling and financial planning
- The appointment and dismissal of the CEO, other members of the Group Executive Board and other senior executives
- Supreme oversight of business activities
- Production of the Annual Report, preparation of the AGM and implementation of resolutions passed by the latter

[p.97] Audit Committee

The Audit Committee is composed of three members of the Board of Directors. The members of the Audit Committee are experienced in financial and accounting matters. The Audit Committee meets regularly and is convened by the Chair as often as business requires. Usually the meetings are also attended by the CEO, CFO, Vice President of Internal Audit, General Counsel and representatives of the statutory auditor.

The main task of the Audit Committee is to ensure a comprehensive and efficient audit strategy for RUAG Holding Ltd and the Group. The duties of the Audit Committee include:

- Assessing processes in the risk and control environment (internal control system)
- Monitoring financial reporting
- Assessing the internal and external auditors
- Defining and approving the focal points of the audits
- Accepting the audit report and any recommendations of the statutory auditor prior to submission of the annual financial statements (individual and consolidated) to the full Board of Directors for approval
- Submitting a proposal to the full Board of Directors as to which external auditor should be recommended to the AGM for appointment; assessing the performance, fees and independence of the external auditor and examining the compatibility of audit activities with any consultancy mandates.
- Regularly examining the Compliance Management System

The Audit Committee regulates, supervises and commissions the Internal Audit. It provides the full Board of Directors with a regular report on its activities and immediately informs the Board of any important matters.



## List of Evidence & Sources

No.	Type (Webpage or Document)	Name	Download Date	Link
01	Webpage	Compliance	15/08/2019	<a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>
02	Document	Anti-Corruption	15/08/2019	<a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Anti-Corruption.pdf</a>
03	Document	Annual Report 2018	15/08/2019	<a href="https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf">https://annualreport.ruag.com/2018/sites/ar18/files/media_document/2019-03/RUAG_GB18_EN_full.pdf</a>
04	Document	Internal Compliance Investigations	15/08/2019	<a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Internal_Compliance_Investigations.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Internal_Compliance_Investigations.pdf</a>
05	Document	Whistleblowing per 31.12.2019	20/03/2020	<a href="https://www.ruag.com/sites/default/files/media_document/2020-01/Integrity%40RUAG_Whistleblowing%20per%2031%20December%202019_0.pdf">https://www.ruag.com/sites/default/files/media_document/2020-01/Integrity%40RUAG_Whistleblowing%20per%2031%20December%202019_0.pdf</a>
06	Document	Training Example	15/08/2019	<a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Training%20Example.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Training%20Example.pdf</a>
07	Webpage	What you can expect	15/08/2019	<a href="https://www.ruag.com/en/career/working-ruag/ruag-culture-values/what-you-can-expect">https://www.ruag.com/en/career/working-ruag/ruag-culture-values/what-you-can-expect</a>
08	Webpage	Integrity Line Platform FAQ	15/08/2019	<a href="https://ruag.integrityplatform.org/index.php?action=displayFaq#faqEntry-12">https://ruag.integrityplatform.org/index.php?action=displayFaq#faqEntry-12</a>
09	Document	Code of Conduct	20/03/2020	<a href="https://www.ruag.com/sites/default/files/media_document/2018-06/180610_CompBroschu%CC%88re_E.pdf">https://www.ruag.com/sites/default/files/media_document/2018-06/180610_CompBroschu%CC%88re_E.pdf</a>
10	Document	Code of Conduct for Business Partners of RUAG	16/08/2019	<a href="https://www.ruag.com/sites/default/files/media_document/2019-01/Code%20of%20conduct%20for%20business%20partners%20of%20RUAG%2001_2019.pdf">https://www.ruag.com/sites/default/files/media_document/2019-01/Code%20of%20conduct%20for%20business%20partners%20of%20RUAG%2001_2019.pdf</a>
11	Document	Verification and Approval of Contracts With Third Parties Involved in Sales	16/08/2019	<a href="https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/ThirdPartyContr_0.pdf</a>
12	Webpage	Media Release UAE	16/08/2019	<a href="https://www.ruag.com/en/news/statement-ruag-regarding-business-activities-uaeruag-present-united-arab-emirates-over-20-years">https://www.ruag.com/en/news/statement-ruag-regarding-business-activities-uaeruag-present-united-arab-emirates-over-20-years</a>
13	Webpage	Facts and Figures	16/08/2019	<a href="https://www.ruag.com/en/about-ruag/ruag-brief/facts-figures">https://www.ruag.com/en/about-ruag/ruag-brief/facts-figures</a>
14	Webpage	The Brand Promise	16/08/2019	<a href="https://www.ruag.com/en/commitment/brand-promise">https://www.ruag.com/en/commitment/brand-promise</a>
15	Webpage	Strategy	16/08/2019	<a href="https://www.ruag.com/en/about-ruag/ruag-brief/strategy">https://www.ruag.com/en/about-ruag/ruag-brief/strategy</a>



16	Web page	Integrity Line Platform – Make a report	18/11/2019	<a href="https://ruag.integrityplatform.org/index.php?action=reportIncident&amp;type=report">https://ruag.integrityplatform.org/index.php?action=reportIncident&amp;type=report</a>
17	Document	Conflicts of Interest	19/11/2019	<a href="https://www.ruag.com/sites/default/files/media_document/2019-11/Conflicts_of_Interest.pdf">https://www.ruag.com/sites/default/files/media_document/2019-11/Conflicts_of_Interest.pdf</a>
18	Web page	Compliance – Commitment – Risk Based Approach	13/05/2020	<a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>
19	Web page	Compliance – Commitment – Training Measures	13/05/2020	<a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>
20	Web page	Against Bribery and Corruption – Updated Page	13/05/2020	<a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>
21	Web page	Compliance – Joint Ventures	13/05/2020	<a href="https://www.ruag.com/en/commitment/compliance">https://www.ruag.com/en/commitment/compliance</a>
22	Web page	Media Release - Half Year Results	13/05/2020	<a href="https://www.ruag.com/en/news/unbundling-course-special-costs-impact-half-year-result">https://www.ruag.com/en/news/unbundling-course-special-costs-impact-half-year-result</a>