



“COMMUNICATION ON PROGRESS”

Principle 10 : Anti-corruption

***Businesses should work against corruption
in all its forms, including extortion
and bribery.***

As a company in the Defence sector, Thales is obviously conscious that all its activities must be operated within an ethical frame strictly integrated into the values of the Group. So this Communication on Progress deals with measures taken by Thales in the field of the prevention of the corruption.

- **A SPECIFIC GROWING AWARENESS AND TRAINING PROGRAM**

Thales initiated a “**large growing awareness and training program**” for all its employees. A **Reference Guide: Ethics in international trade** on the fight against corruption was issued to **all sales and marketing staff** in 2000. This was updated in 2002. A specific guide on “**gifts and hospitality**”, “**Behaviour Guide: ethics in international trade**”, was distributed in 2004.

A **Business Ethics training course** was organised in 2000 and 2001 for more than **2,000 people** sales and marketing managers. This programme has now been replaced by **modules specifically** devoted to the fight against corruption, which are **systematically included in all the main training courses** at Thales University dealing with sales and marketing. These training actions are provided to all employees directly or indirectly concerned by ethical questions. The **ThalesWeb intranet site** has a section on the Group’s ethics policy. It provides answers to employees’ main questions in this area and helps the ethics network to collect feedback and share experiences. **E-learning modules** are currently being planned to ensure that all employees are aware of the importance of ethical issues, including those who do not attend Thales University.

- **STRICT PROCEDURES**

All the resources made available for sales and marketing support to operating units are managed into **one and only specific unit**, which has exclusive rights in this area, and is the only organisation with specialised expertise recognised by the Group. In its framework, no operating unit may independently enter into a contractual relationship with any agent or external service provider for the purposes of an international commercial transaction. This policy not only makes the Group’s sales and marketing efforts more efficient, but also guarantees strict control over the compliance of its international commercial transactions.

The agents selected must have an expertise in their field that is recognised regionally or internationally. **Stringent selection procedures** are applied: a detailed application questionnaire must be completed, copies of company registrations and all other official documents, particularly annual reports, must be provided, and senior management must undertake to apply all legislation relating to international trade. **All this information is validated by an outside body.** All **payments** are also **subject to stringent procedures**. For example, no transfer may be made to a financial establishment located in a tax haven.

All these procedures are laid down in a **Good Practice Handbook**, and works are continuously engaged to **improve their scope and internal control**. This organization is **certified ISO 9001:2000**.

- **REGULARS AUDITS**

The Group's operating units are **regularly audited by the Internal Audit organisation**, which reports directly to the Thales Chairman and Chief Executive Officer, and statutory auditors. **Particular attention** is paid to compliance with **anti-corruption legislation**.

- **KEYWORDS**

Thales – fighting against corruption – ethics – training

- **CONTACT**

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