

Basel Institute

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Defence & AeroSpace Collective Action

What is the International Forum on Business Ethical Conduct – IFBEC?

A world platform

- Official industry structure coordinating and promoting ethical initiatives within the Defence and AeroSpace sector.
- Set up jointly by the ASD and the AIA in 2007. Now recognised as the sector's primary interface by all stakeholders worldwide.
- Establishment of the 'Global Principles': concrete expression of the business ethics commitments.
- Publication of a Public Accountability Report (level of maturity measured against 40 criteria).

Annual high level forum

- Nearly 100 participants from US and EU companies but also from Japan, Australia, Israel, China, etc.
- High level representatives from NATO, OECD, UN and NGOs (T.I.).
- Exchanges of best practices and answers to requests from stakeholders.
- Regular meeting since 2010: Berlin / Washington / Madrid / Brussels / Boston. And London in 2016.

What is at stake?

- ▶ **Defence and AeroSpace industry's reputation on integrity issues:**
 - **Defence and AeroSpace is a sensitive and highly competitive sector where to comply with business-integrity regulations and standards is an absolute necessity.**
 - **Reputation is part of Corporation goodwill.**
- ▶ **Help our supply chain to develop effective anti-corruption programs.**
- ▶ **Reach a "level playing field" for all competitors.**
- ▶ **Recognition of integrity as a competitive advantage / a differentiation factor.**

What are the objectives?

- ▶ **Promote Defence & AeroSpace sectoral initiatives to key stakeholders (agencies, national governments... but also banks and finance world as well as civil society).**
- ▶ **Suggest integrity as a mandatory clause in international tenders.**
- ▶ **Develop a proactive dialogue with key NGOs (T.I.) and International organisations (ex. OECD, B20 / G20).**
- ▶ **Encourage international and pragmatic initiatives.**
- ▶ **Etc.**

IFBEC Member Companies

Aerojet Rocketdyne

Orbital ATK

*Airbus Group **

*BAE Systems Plc **

*BAE Systems Inc **

*The Boeing Company **

Bombardier

CEIIA

Dassault Aviation

DCNS

Elbit Systems Ltd

*Embraer**

General Dynamics Corporation

General Dynamics European Land Systems

IAI

KAI

Kongsberg

*L-3 Communications Corporation **

Leidos

Leonardo

*Lockheed Martin Corporation **

MBDA

Meggitt PLC

*Northrop Grumman Corporation **

Rafael Advance Systems Ltd

*Raytheon Company **

*Rolls-Royce plc **

*Saab **

*Safran **

SAIC

Serco Group plc

*Thales **

UTC Propulsion & Aerospace Systems

WSK "PLZ-RZESZÓW" S.A

*** Steering Committee Member Company**

IFBEC & Collective Action

- **An association of aerospace & defense companies committed to Global Principles, and to anti-corruption programmes – founded 2010**
- **Engaged with Basel Institute Collective Action Hub and issued report on corruption risk in offset agreements November 2015**
- **Discussion of IFBEC Offsets report with GOCA, NDIA**
 - **Consensus desire by industry for greater transparency**
 - **2016 Avascent industry survey shows only 31% of respondents are satisfied with host government openness & transparency regarding offsets and industrial participation requirements, while 69% are dissatisfied/uncertain**
- **Collective Action Initiatives: Model Code of Conduct for Suppliers**
NATO Building Integrity Partnership

IFBEC THREE-YEAR PLAN: THROUGH GLOBAL COLLECTIVE ACTION ADDRESS THE FOLLOWING FOUR OBJECTIVES

1.
ENGAGEMENT
WITH
STAKEHOLDERS

OUTREACH

EDUCATION COLLABORATION

ACADEMIC THOUGHT-
LEADERSHIP



NEED TO MAP OUT
STAKEHOLDERS (OECD, NATO, TI
UK) AT NEXT MEETING

2.
LEVEL
PLAYING
FIELD

MEMBERSHIP OUTREACH

GOVERNMENT LOBBYING

INCREASE DIVERSITY OF
MEMBERS (SIZE AND
GEOGRAPHY)



CREATE INVITE/CONTACTS LIST
AND ASSIGN INVITATIONS TO
MEMBERS OF THE STEERING
COMMITTEE

3.
DEALING
WITH NEW
CHALLENGES

HUMAN RIGHTS AS IT APPLIES TO
DEFENSE

CYBER ETHICS

OFFSETS

DRONES

ISO 37001

4. IMAGE OF INDUSTRY IS FOURTH OBJECTIVE THAT IS ENHANCED BY THE OTHER THREE OBJECTIVES