



English Summary of decision 2015:5 by the IMM Ethics Committee

Stockholm 2015-05-04

The matter

A state owned company is planning for the politician's week in Almedalen, and provides a description of the activities planned. The state owned company request that the Ethics Committee assesses if the planned activities are in line with the Code of Business Conduct. A description of the planned activities is provided in paragraphs a) -c) below.

a) Is it in line with the IMM Code of Business Conduct to invite to a seminar in Almedalen?

The seminar forms a natural part of the state-owned company's activities, invitees are politicians, partners, journalists, members of the company board, corporate management, public officials (e.g. from municipalities and government offices). The seminar is also open for the public.

Participation at the seminar is free of charge and invited parties will pay for travel and accommodation themselves. At the seminar there will be simple lunch and coffee with snacks in the afternoon (cost 65-100 SEK per person). There will also be a fridge filled with water bottles that it is free for everyone.

There are giveaways at the seminar consisting of promotional items from the state-owned company, such as mini flashlights and pastille boxes with the state owned company's logo.

The question in the matter is the following;

Is it in line with the IMM Code of Business Conduct to invite to the seminar in Almedalen and in conjunction with the seminar offer lunch and giveaways?

b) Is it in line with the IMM Code of Business Conduct to arrange an evening mingle Almedalen?

The purpose of the evening mingle is to make new contacts and to market the state-owned company.

Invitees are politicians, partners, journalists, members of the company board, corporate management and public officials (eg from municipalities and Government Offices).

Participation at the mingle is free of charge and invitees will pay themselves for travel and accommodation. There will be a buffet and alcohol will be served (costs approximately 300 SEK per person). There is a fridge filled with water bottle that it is free for everyone.



Giveaways consisting of small packages of delicacies such as locally made cheeses and marmalades, as well as promotional items from the state-owned company, such as mini flashlights and pastille boxes with the state-owned company's logo, are distributed to all participants.

The questions in the matter is the following;

Is it in line with the IMM Code of Business Conduct to invite participants to a mingle with buffet, drinks and to provide giveaways to all participants?

c) Is it in line with the IMM Code of Business Conduct to invite to a three-course dinner during the Almedalen week?

A state owned company is planning a dinner during the Almedalen week. The dinner consists of three courses and beer / wine / coffee. Invitees are speakers and panelist from the state-owned company seminars during the week. The speakers can be politicians, business leaders, journalists, community debaters and public officials (such as from local authorities and government offices).

There will be a total of 20-25 invitees at the dinner. Cost per envelope is approximately 500 SEK per person.

The questions in the matter is the following;

Is it line with the IMM Code of Business Conduct to invite to a three course dinner during the week in Almedalen?

The Ethics Committee bases its assessment on the description provided by the state owned company.

Considerations

The Ethics Committee responds to the three questions separately under the headings a) -c) below.

The Ethics Committee notes at first that a state-owned company is to be seen as a company that is covered by the Code of Business Conduct according to point A 2.

a) Is it in line with the IMM Code of Business Conduct to invite to seminars in Almedalen?

What the Ethics committee has to consider is whether it is in line with the Code of Business Conduct that a state owned company, invites to a seminar and in conjunction to the seminar offers simple lunch, coffee and giveaways.

According to the description, provided to the Ethics Committee, the invitation to the seminar, is open and aimed to both specially invited persons, and to everyone who is in Visby. The arrangement is not reserved for people who the inviter wants to create a special relationship with. However, primarily aimed at individuals who are interested in the subjects to be discussed.



It cannot be considered as in conflict with the Code of Business Conduct to arrange a seminar as described. A simple lunch or coffee and snacks that is served during the seminar can be seen as a natural part of the arrangement and has, as described in this case, hardly no value for the participants.

It is not to be seen as a gift or reward and therefore no benefit under the definition of the Code of Business Conduct.

The same approach applies regarding to the giveaways, provided that the value is insignificant.

Summary

It cannot be considered as in conflict with the Code of Business Conduct to arrange a seminar, as described. A lunch, coffee and snacks that will be served during the seminar is not to be seen as a gift or reward and therefore no benefit under the definition of the Code of Business Conduct. The same applies for giveaways of insignificant value.

b) Is it in line with the IMM Code of Business Conduct to invite to an evening mingle in Almedalen?

The Ethics Committee state that the matter concerns a benefit covered by the Code of Business Conduct as in point A 1.

What the Ethics committee has to consider is whether a mingle, arranged by a state-owned company with participants, such as politicians, partners, journalists, the company board, corporate management, public officials (eg from municipalities and Government Offices), is in line with the Code of Business Conduct.

The mingle do not form a natural part of the state owned companies business according to the information provided. And apart from the contact-creating value that a mingle may have, there are no specific professional benefits at the mingle, e.g. demonstration of the state-owned company's business.

The invited parties could be those covered by point B 5-7 of the Code of Business Conduct, e.g. persons exercising authority and deciding on public procurement, other categories where special restrictiveness must be observed, as well as recipients of private businesses.

The company's own representatives (the company board and corporate management), which are presumed to participate in the mingle as part of their duty, are not covered by the Code of Business Conduct.

Point B 5

According to point B 5, it is forbidden to give, promise or offer a benefit to those who exercise authority or decides on public procurement. The offered benefits are not allowed to recipients within category B 5.

Point B 6

According to point B 6, there are other categories to which the provision, promise or offer of benefits are not entirely forbidden, but where particular restrictiveness should be observed. The question whether a benefit is prohibited must be determined in the light of all the relevant circumstances of the individual case. The circumstances that should be considered particularly in this assessment are as follows;

The value of the benefit

The risk of influencing ones behavior is increasing by the financial or sentimental value of the benefit as well as the frequency of benefits to an employee or contractor.

In this specific case the value of a mingle in Almedalen is estimated at a cost of 300 SEK per participant. Giveaways with delicacies most likely add up to a value of several hundred SEK. The total value to the recipients cannot be considered insignificant.

The position of the recipient

It is of importance what type of employment or assignment that the recipient has. If the invited employee is a decision maker in relation to the supplier, restrictiveness should be applied.

The nature of the benefit

The risk that a benefit is to be seen as improper increases the weaker the link is to the work tasks of the recipient. Thus, it is important whether the benefit has a clear connection to and forms a natural and useful part of the work carried out by the recipient.

An arrangement in the form of mingling may have a specific contact-creating value. It however requires a connection to both the inviting organization and the invitee's organization. In this case, where the invitation is offered to a broad group it appears as if any links are fairly loose.

The group of recipients and the forms for offering the benefit

A benefit containing access to an event should, in principle, be aimed at an undefined group of people, rather than at specifically chosen individuals. Further, it is important that the benefit is provided overtly.

The requirement that the benefit should be provided overtly means that a benefit generally should be directed at the recipient's employer or principal, be approved by it, or comply with its established policies on benefits. That do not seem to have happened in this case.



Point B 7

Point B 7 states that companies may provide, promise or offer a benefit to employees or contractors of privately owned companies if it is done overtly, the benefit is moderate and not otherwise such that it can be considered as affecting ones behavior.

The requirement that the benefit shall be moderate means that the benefit must not appear to be influencing the recipient's behavior. Thus, the financial or sentimental value of the benefit shall be put in relation to the importance of the employee's integrity and ability to influence, in which factors such as position, work tasks, age and experience can form part of the overall assessment.

For assessing whether a proceeding is acceptable according to B 7 it is relevant how it is specified in the recipient's employer's rules and the rules of the industry.

Mingle in itself can be in line with the Code of Business Conduct in respect of invitees covered by point B 7, if their employers had an influence on the selection of attendants at the mingle.

The giveaways has a personal value for the recipients (including the value of the food) and are therefore not a benefit that is seen as moderate.

Summary

The mingle in Almedalen and the giveaways, as described in the specific case, are not in line with points B 5 and B 6 of the Code of Business Conduct.

The mingle in relation to invitees covered by point B 7 is in line with the Code of Business Conduct, provided that the employer had an influence on the choice of participants. The giveaways based on the description provided, are not compatible with point B 7.

c) Is it in line with the IMM Code of Business Conduct to invite to a three-course dinner during the Almedalen week?

What the Ethics committee has to consider is whether it is in line with the Code of Business Conduct that state owned company invites 25 persons to a dinner during the week in Almedalen. The invitees' represents different types of organizations and have all been speakers or panelists at seminars arranged by the state owned company.

The Ethics Committee assesses that the dinner aims at giving participants compensation for their efforts during the week and to evaluate the seminars where invited guests participated. The dinner is therefore not to be seen as a benefit according to the definition of the Code of Business Conducts.



THE DECISION BY THE ETHICS COMMITTEE

A seminar during the Almedalen week, which is open and where simple lunch and coffee is served do not fall within the definition of what can be seen as a benefit according to the Code of Business Conduct. The offers described in question a) is in line with the Code of Business Conduct.

A social event such as mingle during the Almedalen week, where participants receive giveaways of a not insignificant value, is seen as a benefit that is not in line with point B 5 of the Code of Business Conduct and, as the offer described in question b), nor with point B 6. According to point B 7, mingle in itself can be in line with the code, provided that the requirement of overtness is fulfilled. The value of the offered giveaways - along with the value of the food – is not in line with the Code of Business Conduct in relation to recipients under point B7.

A dinner for speakers and panelists that the state-owned company engage during the Almedalen week is in line with the Code of Business Conduct, when dinner is seen as a compensation to the speakers for their efforts and aims to evaluate the seminars that the company has arranged.



Appendix 1

Two of the members of the Ethics Committee were divergent and both stated as follows:

In my opinion, journalists should be treated under category B 7 of the Code of Business Conduct. Apart from that I join the opinion of the majority.