



English Summary of decision 2013:2 by the IMM Ethics Committee

Stockholm 2013-11-27

The matter

A private company within the manufacturing industry is planning to invite new and existing clients to a visit at the business factory in Germany. The companies as well as the existing and potential clients are all part of the private industry. The company is planning to cover all costs in relation to the visit which will include travel, accommodation and lodging.

Considerations

The question in the matter is if it is in line with the Code of Business Conduct for a private business to invite existing, and new customers to their factory in Germany and in connection with the event cover all possible costs for the visit.

According to the Code of Business Conduct point B 7 businesses are permitted to give, promise or offer a benefit to employees of another company if: a) it is transparent, b) the benefit is moderate and c) the benefit is not otherwise being such that it can be considered as affecting the employee's or contractor's fulfilment of its duties or assignments.

The circumstances to be considered in particular are the following:

Overtly

The obligation of overtly means that a benefit should be offered transparently, directly to the other company, or assumed to be approved by the company, or be compatible with the company's established policy on benefits.

In this case, the invitation would be sent to a director or manager, who in turn would decide if and who to send. The obligation of transparency is thus fulfilled.

Modesty

The obligation of modesty means that the benefit should not be considered as affecting the employee's or contractor's fulfilment of its duties or assignments. Other factors to have in consideration are the economic and the personal value as well as the position, work assignments, age and experience of the receiver. All factors should be considered in a joint evaluation. When assessing if a benefit is to be seen as modest, consideration also needs to be taken to the company, the industry, local customs and traditions.

The purpose of the invitation is, according to information provided by the company, to give the participants a positive view of the company and its factory.



The visit includes flights to Germany and a joint transportation to the factory, a modest lunch at the factory and an all afternoon visit at the factory following a detailed agenda, a dinner (to a maximum value of 500 SKR/person) and a stay at a nearby located hotel, breakfast at the hotel and a tour of the factory following a detailed agenda, a lunch in the dining room of the factory and a joint transportation to the airport and flights home.

The total cost is accounted to a maximum of 5000 to 10 000 SKR/ person.

The information provided indicates that the visit to Germany is strictly professional. The purpose is legitimate and the invited companies decides themselves if they should participate. The visit in this case could not be made anywhere else since the factory is located in Germany. The invitation, as well as participation, is therefore legitimate. The relatively high cost should consequently be put in relation to the aim of the trip and is thus acceptable.

The benefit does, according to the Ethic Committee, fulfil the obligation of modesty. However, the committee is aware of the different policies of industries and it is necessary to direct the invitation to the company, as it has been done in this case.

Event

According to the Code of Business Conduct, points B 7a-c should be taken into consideration when assessing if an event, addressed to a certain audience, is permitted or not. The risk of an offer being regarded as improper is generally smaller if the benefit is addressed to a larger group than to a limited audience. The company has provided information that at least 15-20 people will participate if the event is to be carried out.

Other factors to be regarded are if it is useful in the recipients carrying out of work task and if it is modest. If the parties would be involved in business negotiations a more restrictive attitude should be applied.

Based on the information provided, the Ethic Committee consider the event to address a larger group in a strictly professional and modest matter. Business negotiations do not appear to be ongoing based on the information provided.

SUMMARY

The visit has a pure business relevance and transparent agenda. Accommodation, lunch and dinner is, from the provided information, to be considered as modest. The positive influence the company aims to give is, from a joint assessment, not considered to be an issue of improper affecting of behaviour.

The Ethic Committee stresses that it is up to every company to evaluate if participation is consistent with the policy of the company.

THE DECISION BY THE ETHICS COMMITTEE

To invite existing, and new customers to the business factory in Germany and in connection with that event cover the costs for the visit is, based on the information provided in the case, is in line with the IMM Code of Business Conduct.