

## English Summary of decision 2014:5 by the IMM Ethics Committee

Stockholm 2014-10-09

### The matter

A company is planning to invite potential and existing clients to a visit at the business facilities in Sweden, part of the visit will also be at the complex of the skiing World Championship in Falun 2015. The company as well as the existing and potential clients is all part of the private industry. The company is planning to cover all costs in relation to the visit which will include travel, accommodation, dining and two full days at the skiing World Championship complex in Falun. The visit will last for five days in total.

### 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 facilities and in connection with the event cover all possible costs for the visit, including entrance to the World Championship complex to watch the ongoing competitions. It is stated that the purpose of the visit to Sweden is to present a positive image of Sweden.

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

Meaning 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 directly to an existing contact at the companies that are already customers. The offer is not to be seen as transparent in relation to existing customers. In relation to new clients the invitation will be sent directly to the organization and the requirement of transparency in therefore to be seen as fulfilled in relation to these clients.

#### Modesty

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 of Sweden. A large part of the time in Sweden, based on the description provided, is intended for entertainment elements. Although the part relating to the display of activities at the business facilities follows a detailed agenda the invitation is, according to the assessments made by the Ethic Committee, extravagant. The visit does not only consist of business related activities and the business activities are closely related to the parts of pure entertainment in a way that makes them hard to separate.



The cost of the visit depends on the countries that the potential and existing clients are travelling from.

The journey itself exceeds what could be regarded as moderate.

### **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 less if the benefit is addressed to a larger group than to a limited audience. Other factors to be regarded are if it is in use for the recipient's work of duty and if it is modest. If the parties would be involved in business negotiations a more restrictive attitude should be applied.

### **SUMMARY**

The visit consists of activities that are of relevance for carrying out ones duties as well as parts of purely entertainment.

The overall assessment by the Ethic Committees is that the journey itself can be regarded as behavior-affecting and that the offer is to be seen as non-compatible with the IMM Code of business Conduct.

The committee would like to enhance that it is each company that decides if it is in line with the company policy to participate in the trip to Sweden. The committee has only to make a decision based on; if an action is in line with the Code of Business Conduct.

### **THE DECISION BY THE ETHICS COMMITTEE**

To invite existing and new customers to Sweden and in connection with the visit cover all costs for the visit, in accordance with the information provided to the Ethics Committee, is not in line with the IMM Code of Business Conduct.