



English Summary of decision 2015:1 by the IMM Ethics Committee

Stockholm 2015-01-20

The matter

A manufacturer within the white goods and electronics industry organizes sales competitions, for a selected group of employees, at one of the retail stores where the manufacturer's products are for sale.

The competition is designed in such a way that the employee, of the store, that sells the largest volume of a specific product, during a given time period, will win a prize from the manufacturer.

The purpose of arranging the competitions is to increase the sales of selected products from the manufacturers in specific stores.

Considerations

The question in the matter is if;

1. it's in line with the Code of Business Conduct to organize sales competitions that are directed to a selected group of store employees at one of the stores?
2. it's relevant for the assessment of the Ethics Committee if the prize provided to the employee, who sold the largest volume, consists of:
 - a) Two optional, products from the manufacturer's sales catalog (value approximately 4 000-12 000 SEK),
 - b) A computer from the sales catalogue (value approximately 7 000 SEK),
 - c) A journey to Florida (that includes 2 flight tickets and accommodation for 2 persons for one week, value approximately 25 000 SEK).
3. it's relevant for the assessment of the Ethics Committee if the manufacturer instead would direct the offer to all retail stores, and that all employees of a specific department of one store, would win a prize of a weekend in Copenhagen. The manufacturer would cover all costs and would also use part of the time in Copenhagen to demonstrate its products.



Summary

The Ethics Committee bases its assessment on the company's description.

The Ethics Committee finds that the sales competition is a benefit covered by the Code of Business Conduct as in point A 1 and that the company is such as covered by point A 2.

The questions in the matter is to be decided based on point B7 of the Code of Business Conduct.

According to the Code of Business Conduct point B7 business are permitted to give, promise or offer a benefit to employees of another company if; a) it is overt, 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 offer of participation in the sales competition as described in question 1 do not meet the requirements of overtness and moderation under point B 7 of the Code of Business Conduct. To be overt, an offer needs to be directed to the receiving company, be accepted by the receiver or in line with the receiver's policy. In this specific case there is no information provided that indicates that the offer was transparent or approved by the company. Since the requirement of overtness wasn't fulfilled the offer is already non-corresponding with the Code of Business Conduct.

The benefits indicated in paragraphs 2 a) - d) are of such high personal value that they are not consistent with the Code of Business Conduct either.

THE DECISION BY THE ETHICS COMMITTEE

The offer to participate in sales competitions - as described for the Ethics Committee - is not in line with the Code of Business Conduct.