



GUIDELINE ACCEPTING AND PROVIDING OF GRANTS

Dear Colleagues,

We have contact to numerous people during our daily business – to customers, suppliers, service providers, public authorities and many more. Thereby, the providing and accepting of gifts, invitations or other kinds of grants in the business sector may cause a conflict of interests. In terms of moral business practices we reject any type of grants that may influence decision making.

Difficulties in differentiating permitted from prohibited grants occur especially for invitations, hospitality and gifts. In this case, it is a key element that all employees are willing to conduct rule-consistent. Potential excuses such as „if we do not do it, the competitors will“ or „Thereby, I safeguard jobs in our company“ must be fought consistently. Next to the risk of prosecution, that may have serious effects for the acting person, the public perception is decisive for the overall corporate success.

Additionally to our Code of Ethics, this guideline shall facilitate your handling with accepting and providing grants.

Grants

- material gifts such as office supplies, luxury food, admission tickets and more as well as any other type of cost reducing benefits („You'll have free entrance to our ...“)
- *hospitality, e.g. dinner invitations or the participation in events, irrespective of the fact whether the event has a business focus or not, etc..*

Uncritical, appropriate/inappropriate, inadmissible

Uncritical are little occasional and courtesy presents, e.g. promotion items with a max. value of 10 €.

Gratuity – irrelevant to what extent – are always **inadmissible**.

If a grant is **appropriate**, is measured amongst others by the value of the grant and the position of the recipient. The following questions will help judging the appropriateness:

„Businesses should work against corruption in all its forms, including extortion and bribery.“

(Principle 10 of UN Global Compact)

1. Is the grant linked to a consideration?

A grant must never pursue the target of influencing the recipient, so that a return in form of special acting or refrain is expected. The grant must not be linked to a return.

2. Is the relationship between recipient and donor uncritical?

The more evidence for an existing or close cooperation or for lasting points of contact and projects exists, the more the grant should be critically evaluated. By all means, grants of any kind must be refrained from during negotiation and/ or bidding process. Previously to a grant, the existing relationship between donor and recipient has to be examined at all times. In addition, no tender or award of a contract shall be predictable or planned.

3. Are the circumstances of the grant transparent?

It is important that the circumstances of the grant are

transparent and forthright. If the grant of a customer or supplier is of a higher value, the senior manager must be informed and needs to agree before acceptance. Grants should always be sent to the recipients' company address.

4. Is the kind of the grant uncritical?

Regarding the nature of the grant, it is primarily a matter of how closely it is connected to the company or product. Gratuity is always inadmissible. Incidentally, the grant gets more alarming the more extensive the grant is and the less it is connected to the product and/or the actual professional occupation.

5. Is the value of the grant adequate?

The principle of social adequacy applies. It is important to ensure that the value of the grant is not inappropriately high. It is considered, that the higher the value of the grant is the higher is the probability of inadequacy. The position of the recipient has to be considered as well. It may be helpful to wonder if the recipient would spend this value privately as well.

6. Is the frequency of the grant uncritical?

In this case the following principle applies: the more seldom a grant is made the more uncritical it is. In general you may say within one calendar year, one or two grants are considered as uncritical.

Be especially careful with grants to public institutions and pay attention to their internal rules. Public institutions are not only authorities but companies of public sponsorship. Such companies are e.g. public utilities, hospitals or transport companies like the Deutsche Bahn Netz AG.

Provided that the refusal of a gift may be impolite, it is allowed to accept it in order to transfer it to the regionally determined purpose of use in sense of equality of opportunities (e.g. Christmas tombola or donation for a social purpose).

We recommend that you record your decisions regarding accepting, rejecting or providing grants. If an employee comes to the conclusion that the grant is appropriate, she/he may archive the documentation herself/himself.