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# Prevention of Conflicts of Interest and Corruption

Code of Conduct for the work of Welthungerhilfe

## Preface

In October 2001, Transparency International formulated a vision of a world in which governments, politicians, society and the lives of people would be free from all forms of corruption. The ethical values projected from this vision are transparency, reliability, integrity, solidarity, courage, justice and democracy. As one of the leading non-governmental organisations in Germany, Welthungerhilfe endorses the goals for the prevention of conflicts of interest and corrupt behaviour pursued by Transparency International and presents binding guidelines for its work in Germany and abroad in this paper.

## 1 Area of Application

The instructions in this paper, in so far as individual points are not otherwise addressed, apply to:

- employees in Germany, employees in Welthungerhilfe structures and projects abroad as well as their relatives,
- national employees in foreign projects,
- members of committees and employees of partner organisations abroad who are financially or non-materially supported by Welthungerhilfe,
- consultants and other freelance persons who are active on behalf of Welthungerhilfe under service contracts,
- members of committees and others active on behalf of Welthungerhilfe on a voluntary basis.

The guidelines are an integral part of labour, service and partner contracts. Violations of the guidelines lead to the immediate termination of contracts and the end of cooperation.

## 2 Definition

Within the context of these guidelines, corruption is defined as the abuse of entrusted power for private advantage. This includes the offering, giving, demanding or receiving of gifts, loans, rewards, provisions or any other advantages from or for a third person as incentive to do something which is dishonest, illegal or a breach in confidence within the framework of normal business.

Amongst others, the following criminal acts count as corruption: bribery and reception of bribes, granting and receiving advantages, fraud and embezzlement, agreements reducing competition and money laundering.

A conflict of interest is defined as a competitive situation between somebody's professional and personal interests, even if it does not result in unethical or improper behaviour.

## 3 Rules of Behaviour for the Prevention of Corruption

The groups of persons named under Point 1 are obliged to uphold the following guidelines:

- Corruption in any form, whether direct or indirect, is forbidden. This includes the return of a part of a contractual payment („kickback“), the use of other ways or channels for improper services by contractors, suppliers, partners, their employees or through public officials as well as the reception of bribes or *kickbacks* through or for the profit of relatives.
- Direct or indirect donations to parties, politically-active organisations or individual persons are prohibited when a business advantage is targeted by this. „Political“ donations are to be disclosed.
- It must be assured that charitable donations and sponsoring-services will not be used for corrupt purposes.
- Payment of bribes or other financial incentives with the objective of assuring or expediting an official procedure to which one has a legitimate right is forbidden.
- The offering or receiving of gifts, hospitality or expense reimbursement is forbidden in cases where this can influence the materializing of business and where this exceeds the limits of reasonable and appropriate expenditure. Permitted is the acceptance of invitations in the context of local hospitality.

## 4 Rules of Behaviour for the Prevention of Conflicts of Interest

- Members of the Presidium (Supervisory Board), or companies or other organisations, closely associated with these persons, are not allowed to perform a remunerated activity for Welthungerhilfe.

- Persons active on behalf of Welthungerhilfe on a voluntary basis, members of „circles of friends“ and committees, or companies or other organisations, closely associated with these persons, are allowed to take over remunerated contracts for works and services with Welthungerhilfe (on condition that the internal rules are kept), provided, that they don't receive any preferential treatment. They are not allowed to use internal information and have to avoid any impression to use such information. The later applies as well for commercial activities not related to Welthungerhilfe.

## 5 Requirements of the Organization

Welthungerhilfe commits itself to apply the following business standards for the fight against corruption:

- The Board makes business principles a component of its governance, makes available the necessary resources and actively supports management in implementation.
- Management takes care that employees in Germany, in structures and projects abroad obey the business principles.
- It will be clearly communicated that no employee will be disadvantaged when he/she refuses to pay bribes.
- Employees are encouraged to report violations and concerns as early as possible. For this purpose, secure, easily-accessible and trustworthy channels of information will be established. The first point of contact is the Internal Auditing Department.
- Partner organisations, especially at the beginning of the first joint project, will be appropriately evaluated regarding the maintenance of these principles.
- Disciplinary or contractual sanctions (warning, termination, ending of cooperation, etc.) are foreseen for violations of these guidelines by Welthungerhilfe or partner organisation employees.
- Welthungerhilfe organises its procurement practices in a fair and transparent manner and obeys the guidelines for the use of public funds.
- Contractors and suppliers must bindingly confirm that they reject corrupt behaviour according to the definition outlined above and have never been legally convicted of fraud or corruption. In the case that bribes have been paid within the period of contract, the right to end the contract should be reserved.
- Feedback procedures and other internal processes, which support a constant improvement in the system for the prevention of corruption, are to be established in the context of Quality Management.
- The Internal Auditing Department regularly supervises the maintaining of business principles, their suitability, appropriateness and effectiveness and reports about these to the Management and the Board.

## 6 Statement (for Contracts with Partners)

Private and public donors demand that Welthungerhilfe use the funds entrusted to it impartially, justly, and in accordance with the specified purposes. This applies also to the partner projects supported by Welthungerhilfe. Personal relationships or personal advantages may not influence the decisions of Welthungerhilfe employees and its partners.

Corruption undermines the trust of target groups and the public in general in the just fulfilment of responsibilities and impedes the best-possible use of accessible funds. In order to effectively prevent corruption and avoid any semblance of corrupt behaviour, Welthungerhilfe has developed guidelines for the fight against corruption which has to be followed by the employees of the organisation as well as the partner organisations with which it is contractually bound. The consequent and transparent application of the regulations protects against damages to the Welthungerhilfe image in public, defends against unjustified accusations and generalisations and averts violations against prevailing law.

The parties signing this contract oblige themselves to follow the guidelines and to communicate these guidelines strongly to other contractual partners (suppliers, service providers, etc.).

**Whistleblowing hotline (confidential email-address):** [audit@welthungerhilfe.de](mailto:audit@welthungerhilfe.de)

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