

Integrity Agreement for the ICON-INSTITUTE Consulting Group

1. Introduction

1.1 Initial situation

Corruption is fraud perpetrated on the customer, competitor and society. It is in the interest of all parties involved to make corruption unattractive by increasing transparency and raising awareness. The fight against corruption requires a common strategy of all parties involved in procurement and building processes.

With regard to VBI ¹ member companies this paper aims

- to project the VBI's internal values on corruption in condensed form,
- to facilitate the creation of organizational arrangements in order to monitor the compliance with these values, and
- to provide a fair awarding process among the parties involved.

1.2 Definition

Transparency International defines corruption as the abuse of entrusted power for private gain. It is often divided into

- direct corruption, e.g. kickbacks, bribery, extortion and taking bribes, and
- indirect corruption, e.g. corruption facilitating statutorily unjustified approvals, releases, etc.

Our codes of conduct to prevent active and passive bribery already form an integral part of several contracts with our contract awarders.

1.3 Anti-corruption measures

The fight against corruption generally involves repression (i.e. (threat of) punishment) and occasionally prevention (i.e. deterrence, obstacles). In recent times, reliance is placed upon prevention owing to the difficulties in implementing criminal prosecution.

Preventive measures include that

- the financiers and clients formally agree on critical issues related to direct and indirect corruption from the outset,
- a continuous four-eyes principle is used in awarding public contracts,
- a two-partner principle is implemented,
- a code of honour is established for the tenderer and an anti-corruption clause is adopted for the contract awarder and the tenderer,
- the administrative supervisory bodies are strengthened,
- the rules governing the award of contracts are strictly observed, and
- the award decisions are not only taken according to the least-price principle but rather by introducing a quality-based award with predefined criteria.

¹ ICON-INSTITUTE GmbH & Co. KG Consulting Gruppe and all of its subsidiary companies are members of the VBI [Verband Beratender Ingenieure (German Association of Consulting Engineers)], which itself is member of the BDI [Bundesverband der Deutschen Industrie e.V. (Federation of German Industry)].

Integrity Agreement

2. In order to prevent corruption the VBI demands that

the contract awarder shall

- carry out a comprehensible and transparent awarding process based on objective
- criteria which can be accessed by all interested parties,
- carry out the award decision on the basis of predefined factors and their conditions, and
- (as is already the practice today) ask the tenderer to sign an anti-corruption declaration;

the tenderer shall

- make a declaration of honour when participating in a contract award procedure,
- cooperate only with national and international partners who share this declaration, and
- receive an anti-corruption declaration from the contract awarder through the financier;

the financier shall

- appoint an additional anti-corruption ombudsman for projects to the benefit of third parties that are not (fully) paid by the financier (e.g. so-called development aid projects, KfW projects, etc.) who supervises the whole process from the invitation to tender via the award through to the acceptance.

The VBI demands that

- the costs for said ombudsman are considered to be part of the project costs,
- the relevant ombudsmen are, for example, registered with Transparency International,
- the ombudsman is selected by mutual agreement (e.g. the financier preselects three registered members and the recipient makes the final selection,
- the ombudsmen may publish their assessment vis-à-vis the financier if significant variations from the assessment of the contract awarder (recipient) arise.

The VBI member companies agree

- to reject corruption in all its forms,
- to take all necessary organizational measures to project these values to employees and subcontractors,
- to strictly observe the respective legal provisions against corruption,
- to sign the following declaration of undertaking, and
- to contribute to corruption being ostracized all over the world.

The VBI will

- make a list of competent ombudsmen/ombudswomen available to its members, and
- warn member companies that are deliberately and provably violating the anticorruption rules and exclude them in case of recurrence.

The VBI is confident that the proposed measures will make corruption unattractive and can thus reduce it significantly.

Declaration of undertaking

ICON-INSTITUTE GmbH & Co. KG Consulting Gruppe
and all of its subsidiaries (see list below) ²
Von-Groote-Str. 28
50968 Köln
Germany

We support the VBI Integrity Agreement because we reject corruption in all its forms.

We support all efforts to achieve high ethical standards in business transactions and will neither tolerate any corrupt conduct in our company nor accept the same on the part of our business partners.

We have adopted a binding business policy for all our employees according to which corruption in all its forms is rejected. We qualify our employees for an active prevention of corruption.

As a member of the VBI we are committed to identify possible problems and to take appropriate measures.

October 2017, Köln

A handwritten signature in blue ink, appearing to read "Tanja Lingohr".

Dr. Tanja Lingohr

Managing Director

² ICON-INSTITUTE GmbH & Co. KG Consulting Gruppe owns 100 % of **A)** ICON-INSTITUT Engineering GmbH, **B)** ICON-INSTITUT Education and Training GmbH, **C)** ICON-INSTITUT GmbH, **D)** ICON-INSTITUT Public Sector GmbH.