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German Red Cross Policy on Anti-Corruption

1. Introduction

The German Red Cross (GRC) is part of the International Red Cross and Red Crescent Movement, which has been helping people in need during conflicts, natural disasters, and other emergencies for over 150 years. The Red Cross provides aid to people solely according to the degree of need, with the fundamental principles of neutrality and independence at the core of its approach.

For the protection of the people under the care of the German Red Cross, its volunteers and staff, and the German Red Cross itself, it is of great importance to comply with legal and internal requirements and promote a strong culture of trust. This is referred to as *compliance* and is part of *corporate governance*. It is also a preventive measure to avoid civil liability claims, fines, negative reporting, damage to the reputation of the GRC and the resulting loss of donations or membership. **The aim is to ensure the impeccable legal and ethical behavior of GRC employees and volunteers.** This also includes preventing corruption in any form and not tolerating any occurred cases. With this guideline, the GRC wants to send a clear signal against any form of corruption.

2. Corruption

Corruption is the abuse of a position or function to obtain an advantage for oneself or another person, resulting in (possible) damage or disadvantage to the public, for an organization or a company.

Trust has been one of the GRC's key assets for more than 150 years. It is therefore in the GRC's own interest to uphold this trust and to reaffirm it time and time again. Any form of corruption, whether active or passive, can jeopardize the trust of the public, donors, and members, as well as the people entrusted to the GRC, in the GRC as an impartial aid organization and welfare association. It can also result in criminal charges, thereby limiting the GRC's ability to help those in need. **Therefore, the GRC pursues a zero-tolerance policy on the issue of corruption.** The GRC is committed to fulfilling its social responsibilities by providing a clear legal framework to all volunteers and staff in respect to this sensitive issue.

GRC staff and volunteers may not use their position or function to offer, grant, demand, be promised or accept benefits or advantages of any kind. This includes, among other things, gifts, invitations, cash, travel, benefits in kind, events, meals at restaurants and celebrations, employment, and services, and other monetary or immaterial benefits. Corruption, particularly in the form of bribery and fraud, can occur in any field of activity and is not always clearly identifiable. While a reasonable exchange of socially customary courtesies / attentions is not harmful, the creation of personal dependencies and obligations or the appearance of influence by or on the part of volunteers and staff and managers in the GRC and external persons will not be tolerated.

In case of doubt, management or another objective person should be consulted, e.g., the compliance officer in the respective organization. **All decisions must be made in such a way that they are within the framework of legal and internal requirements and are also externally justifiable.**

3. Areas of risk

The risks of corruption can be found everywhere, including within the GRC. These are determined individually and regularly reassessed by the respective GRC association; they form the basis for the introduction of preventive measures to reduce the risks. The areas considered to be particularly susceptible to the risk of corruption are, for example, where:

- cash is handled,
- there are many external contacts (hospitality/invitations),
- business contacts exist in countries with traditionally high corruption risks,
- confidential information is handled,
- permits are issued,
- grants and funding are received or distributed,
- procurements/awards are made, or contracts are awarded, or
- conflicts of interest could arise due to related parties.

4. Preventive measures

Sustainable prevention through appropriate measures is important in the fight against corruption. The following measures should be regarded as self-evident implemented in all GRC associations:

- Role model function of the top management level on the topic of anti-corruption (*'Tone from the Top'*) → setting an example of responsible leadership
- Role model function of all managers on the topic of anti-corruption (*'Tone from the Middle'*) → cultivating a sense of responsibility and raising awareness of the risks
- Raising awareness and educating staff, e.g., through training measures, especially for new employees
- Clear regulations to safeguard against / reject attempts at corruption, e.g., including anti-corruption clauses in contracts with business partners
- Continuous, open communication on the topic of anti-corruption (including analysis of possible risk areas), e.g., in team and staff meetings as well as via notices, posters, circulars, leaflets or on the intranet
- Adopting specific guidelines to define employees' scope of action (e.g., on the acceptance of gifts/invitations, on side-line activities or on travel expenses, as well as clear rules on powers of representation and signatures)
- Introducing a suitable whistle-blower system as part of the statutory protection of whistle-blowers.

In addition, all GRC associations are encouraged, within the scope of their resources, to implement further suitable measures, such as, for example:

- Defining responsibilities and access rights
- Standardizing procedures, e.g., in procurement and awarding contracts
- Careful and transparent selection of staff, especially in risk areas, including internal rotation of tasks or functions where appropriate
- Appropriate screening of business partners prior to contract conclusion
- Ensuring the dual control principle or multi-level approval (involvement or co-review by several employees or organizational units, including IT-based workflows if applicable, especially in accounting and procurement)

- Transparency with respect to decisions, documentation, and retention requirements
- Separation of functions, especially in management positions
- Appointment and announcement of a suitable contact person / office for the prevention of corruption
- Clear separation of business and private matters – avoiding any conflicts of interest (no 'nepotism')
- Regular audits, e.g., process audits, accounts payable audits, etc.
- Regular review of the implemented anti-corruption measures

5. Handling suspected and confirmed cases of corruption

To prevent corruption effectively, internal and external whistle-blowers must be able to report any suspicions or findings of a possible case of corruption in the GRC to the relevant department or person safely and without fear of repercussion. All GRC associations are required to investigate such information without delay, to clarify it completely and transparently, and to document all information accordingly. The necessary disciplinary measures and further penalties, such as the filing of criminal charges, if necessary, must then be initiated. As a matter of principle, prosecution authorities must be supported in their investigations. In addition, the internal processes and structures that led to a corruption case must be reviewed and adjusted accordingly. To protect whistle-blowers, measures must be taken to completely prevent any form of reprisals against whistle-blowers.

6. Imprint

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