Opinion

of the

Independent Ethical Committee

established

by the European Commission

12 December 2024

Subject: Request for an opinion on Former Commissioner Hahn's envisaged post term of office activity as adviser to the Federation of Austrian Industries ('Industriellenvereinigung')

On request of the President of the European Commission, the Independent Ethical Committee, composed of Mr Allan Rosas, Ms Elisabeth Morin-Chartier, and Mr Jerzy Plewa, delivers the present opinion:

Procedure

- On 13 November 2024, Former Commissioner Johannes Hahn notified his intention to engage in an activity as adviser to the Federation of Austrian Industries (*'Industriellenvereinigung*' or 'IV').¹ Mr Hahn was Commissioner for Budget and Administration (2019-2024). He previously served as Commissioner for Regional Policy (2010-2014) and Commissioner for Neighbourhood Policy and Enlargement Negotiations (2014-2019).
- 2. On 20 November 2024, the Secretary-General of the Commission asked the Committee, on behalf of the President of the Commission, to deliver an opinion on the compatibility of Former Commissioner Hahn's envisaged activity with Article 245 of the Treaty on the Functioning of the European Union.

¹ Commissioner Hahn referred to the German name "Vereinigung der österreichischen Industrie". However, the webpage <u>www.iv.at</u> mentions the name "Industriellenvereinigung" (short: IV). The name in the EU Transparency Register groups both: "Vereinigung der österreichischen Industrie -Industriellenvereinigung". The English translation "Federation of Austrian Industries" is broadly correct in all cases.

Facts

The Federation of Austrian Industries

- 3. According to the information present in the EU Transparency Register, the Federation of Austrian Industries is the voluntary and independent representative body of the Austrian industry. It has a membership of more than 5,000 companies and involves 12 persons professionally, with a full time equivalent of 5 persons.
- 4. The Federation is a not-for-profit organisation.
- 5. According to the information present in the EU Transparency Register, the Federation of Austrian Industries aims to represent the interests of its members in Europe and Austria in a targeted and sustainable manner and to strengthen Austria and Europe as centres of industry. The Federation is also strongly oriented towards the agenda of the European Union.
- 6. The main EU legislative proposals or policies targeted include: the European Green Deal, A New Industrial Strategy for Europe, A Europe fit for the Digital Age, sustainable finance / taxonomy, corporate sustainability, international trade policy, raw materials, company law, the future of the EU, the single market, as well as the European pillar of social rights.
- 7. According to the information present in the EU Transparency Register, its communication activities include:
 - The campaign 'Strong Partners for Sustainable Trade' (Yes to a fair Mercosur agreement"²
 - A position paper 'Conference on the Future of Europe'³
 - 'Europe 2030 The Position of the Federation of Austrian Industries on the Future of European Integration'⁴
- 8. Also according to the EU Transparency Register, the Federation contributed to a number of public consultations and roadmaps. It has also formed part of various Commission expert groups or similar entities.
- 9. According to the information provided by Commissioner Hahn, the Federation is funded by voluntary membership fees.
- 10. According to the information present in the EU Transparency Register, the estimate of annual costs related to activities covered by the Transparency register is of €500,000 €599,999.

² <u>https://industriellenvereinigung.at/starkepartner/</u>

³ https://www.iv.at/-Dokumente-/Bruessel/202106-IV-Position-paper-Conference-Future-Europe.pdf

⁴ https://www.iv.at/-Dokumente-/Publikationen/europamanifest-lang.pdf

Governance of the Federation of Austrian Industries

- 11. The Federation represents the interests of more than 5,000 member companies from the manufacturing sector, the banking industry, infrastructure, and industry-related services at state and federal levels in Austria and Europe.
- 12. The Federation consists of honorary officials and full-time employees. In addition to the nine independent state groups, members of the Federation are supported by the federal organisation and the Brussels office.
- 13. The Federation has its headquarters in Vienna, with regional offices throughout Austria and an office in Brussels.
- 14. The Federation is actively involved at EU level as a member of the European Industry and Employers Association BusinessEurope.

Former Commissioner Hahn's envisaged position at the Federation of Austrian Industries

- 15. Commissioner Hahn has informed the Commission of his intention to take up, after his mandate as a Member of the Commission, a position as adviser to the Federation of Austrian Industries, responsible for the further development of international event formats organised by the Federation, such as the European Congress "*Salzburg Summit*", which will take place in July 2025, and the event format for "*Impulse vom Schwarzenbergplatz*".
- 16. Commissioner Hahn has not explained in more detail what this work on event formats would imply. The phrasing used suggests work that may include advice on the content, programming, structure, audience, tone and technology integration of various events.
- 17. According to Commissioner Hahn, the activity does not include any lobbying or advocacy work, including towards the EU institutions. However, Commissioner Hahn indicated that occasional contacts with members or staff of the EU institutions could not be excluded in the context of the organisation of and/or his participation in the events.
- 18. The envisaged activity would start as soon as the necessary authorisation is received from the College, ideally from January 2025. The activity is currently foreseen for an indefinite period.
- 19. The envisaged activity would be unpaid. The Federation would make its infrastructure in Vienna available to Commissioner Hahn.

Links of the Federation of Austrian Industries with the European Commission

- 20. According to the EU Transparency Register, the Federation held 55 meetings with the European Commission (Commissioners, members of Cabinet or high-ranking officials) from 11 November 2014 until 8 November 2024.
- 21. This included 15 meetings with Commissioner Hahn.

Legal context

22. Article 245 of the Treaty on the Functioning of the European Union (TFEU) provides:

The Members of the Commission shall refrain from any action incompatible with their duties. Member States shall respect their independence and shall not seek to influence them in the performance of their tasks.

The Members of the Commission may not, during their term of office, engage in any other occupation, whether gainful or not. When entering upon their duties they shall give a solemn undertaking that, both during and after their term of office, they will respect the obligations arising therefrom and in particular their duty to behave with integrity and discretion as regards the acceptance, after they have ceased to hold office, of certain appointments or benefits. In the event of any breach of these obligations, the Court of Justice may, on application by the Council acting by a simple majority or the Commission, rule that the Member concerned be, according to the circumstances, either compulsorily retired in accordance with Article 247 or deprived of his right to a pension or other benefits in its stead.

23. Article 339 of the Treaty on the Functioning of the European Union (TFEU) provides:

The members of the institutions of the Union, the members of committees, and the officials and other servants of the Union shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy, in particular information about undertakings, their business relations or their cost components.

24. Article 15(1) and (2) of the Charter of Fundamental Rights of the European Union provides:

1. Everyone has the right to engage in work and to pursue a freely chosen or accepted occupation.

2. Every citizen of the Union has the freedom to seek employment, to work, to exercise the right of establishment and to provide services in any Member State.

25. Article 2(7) of the Code of Conduct for the Members of the European Commission (hereafter the 'Code of Conduct') provides:

7. Former Members shall respect the obligations arising from their duties that continue to have an effect after their term, in particular the duty to behave with integrity and discretion as regards the acceptance of certain appointments or benefits in line with Article 245 of the Treaty on the Functioning of the European Union, and the obligations specified in this Code of Conduct.

26. Article 5 of the Code of Conduct provides:

1. Members shall comply with the duty of loyalty towards the Commission and discretion in discharging their duties. They shall act and express themselves with the restraint that their office requires.

2. Members shall refrain from disclosing what is said at meetings of the Commission.

3. Without prejudice to the disciplinary provisions applicable to officials and other agents, Members are responsible for the proper handling and any external transmission by members of their Cabinets of classified documents, of sensitive information or of confidential documents submitted to the College for adoption or information.

4. Members shall not make any comment that would call into question a decision taken by the Commission or which may harm the Commission's reputation.

27. Article 11 of the Code of Conduct provides:

1. After ceasing to hold office, former Members shall continue to be bound by their duty of integrity and discretion pursuant to Article 245 of the Treaty on the Functioning of the European Union. They shall continue to be bound by the duties of collegiality and discretion, as laid down in Article 5, with respect to the Commission's decisions and activities during their term of office.

2. Former Members shall inform the Commission with a minimum of two months' notice of their intention to engage in a professional activity during a period of two years after they have ceased to hold office. For the purposes of the present Code, 'professional activity' means any professional activity, whether gainful or not, other than any unpaid activity which has no link with the activities of the European Union and which does not give rise to lobbying or advocacy vis-à-vis the Commission and its services such as:

- (a) charitable or humanitarian activities;
- (b) activities deriving from political, trade unionist and/or philosophical or religious convictions;
- (c) cultural activities;

(d) the mere management of assets or holdings or personal or family fortune, in a private capacity;

(e) or comparable activities.

3. The Commission shall examine the information provided in order to determine whether the nature of the planned activity is compatible with Article 245 of the Treaty on the Functioning of the European Union, and if the planned activity is related to the portfolio of the former Member, it shall decide only after having consulted the Independent Ethical Committee.

Without prejudice to the possibility for the President to seek its opinion in cases of doubt, the Independent Ethical Committee does not need to be consulted where former Members intend to:

- (a) continue to serve the European interest in an Institution or Body of the European Union;
- (b) take up functions in the national civil service of a Member State (at national, regional or local level);
- (c) engage with international organisations or other international bodies dealing with public interests and in which either the EU or one or several of its Member States are represented;
- (d) engage in academic activities;

(e) engage in one-off activities for a short duration (1 or 2 working days);

(f) accept honorary appointments.

4. Former Members shall not lobby Members or their staff on behalf of their own business, that of their employer or client, on matters for which they were responsible within their portfolio for a period of two years after ceasing to hold office.

5. In the case of a former President, the periods set out in paragraphs (2) and (4) shall be three years.

6. The duties set out in paragraphs (2) and (4) shall not apply where the former Member is engaging in public office.

7. Decisions taken under paragraph (3) determining compatibility with Article 245 of the Treaty on the Functioning of the European Union and related opinions of the Independent Ethical Committee shall be made public with due consideration to the protection of personal data.

Opinion

- 28. The Committee notes that Members of the Commission have a right to engage in work and to pursue a freely chosen or accepted occupation after the term of their office. This right needs to be balanced with the obligations set out in Article 245 TFEU and the Code of Conduct for the Members of the European Commission, which develops these obligations in more detail.
- 29. Former Commissioner Hahn intends to accept a position as adviser to the Federation of Austrian Industries. According to his own description, the function consists mainly in giving advice relating to the organisation of events and does not involve any lobbying or advocacy work towards the European institutions. Former Commissioner Hahn however indicated that occasional contacts with members or staff of the EU institutions could not be excluded.
- 30. The Committee considers that there is no direct link between Former Commissioner Hahn's portfolio responsibilities and the activities of the Federation of Austrian Industries. However, as evidenced by the number of meetings between Former Commissioner Hahn and the Federation of Austrian Industries recorded in the Transparency Register, he was a frequent contact point of the Federation.
- 31. Given the broad scope of economic interests of the Federation of Austrian Industries, this activity requires a careful assessment as regards the principles of integrity and discretion established by Article 245 of the Treaty on the Functioning of the European Union.
- 32. As such, specific information, or insights that Former Commissioner Hahn obtained during his term of office are very likely to be highly relevant for the Federation of Austrian Industries. This can concern information obtained in areas pertaining to his various portfolios in the Commission, but also in other areas in which he was involved via his collegial responsibilities within the Commission.
- 33. Hence, the Commission decision should recall and explicitly spell out a number of restrictions in order to ensure the compatibility of the activity with the obligations applying after the end of the mandate.
- 34. The Committee considers it important that both Former Commissioner Hahn and the Federation of Austrian Industries are fully aware of the obligations of former Members of the Commission, which continue to apply after their term of office.
- 35. The Committee deems it essential that the decision of the Commission stress explicitly the importance of strictly respecting the obligations resulting from Article 339 TFEU, which provides that '[t]he members of the institutions of the Union, the members of committees, and the officials and other servants of the Union shall be required, even after their duties have ceased, not to disclose information of the kind

covered by the obligation of professional secrecy, in particular information about undertakings, their business relations or their cost components.'

- 36. In addition, the decision should explicitly recall the importance of strictly complying with the duties of collegiality and discretion, as laid down in Article 11(1) and Article 5 of the Code, with respect to the Commission's decisions and activities during Former Commissioner Hahn's terms of office. This includes not only refraining from disclosing what was said at meetings of the Commission, but also a general duty to apply a high sense of discretion with regard to the use of information and insights that Former Commissioner Hahn obtained during his mandates, be it within his portfolio responsibilities or within the College.
- 37. The Committee recommends therefore that the Commission decision should include a condition that Commissioner Hahn share a copy of the Commission Decision with the Federation of Austrian Industries and confirms this to the Commission. This is in line with previous opinions of the Committee⁵, that aimed to ensure full transparency of the applicable obligations, conditions and restrictions and provide the Commission with an additional assurance that situations which could create a risk for the respect of those obligations will be avoided or addressed by both Former Commissioner Hahn and the Federation of Austrian Industries.
- 38. The decision should furthermore recall that, in case former Members have a doubt with regard to their obligations, they must inform the President of the Commission in a timely manner and before acting on the matter relating to which the doubts arise, according to Article 13(2) of the Code.
- 39. Finally, while the envisaged role does not involve lobbying or advocacy work as such, the decision should nevertheless recall explicitly that Article 11(4) of the Code also applies to this activity for a period of two years after the end of the mandate, i.e. until 30 November 2026. Article 11(4) provides that former Members shall not lobby the Commission on behalf of their own business, that of their employer or client, on matters for which they were responsible within their portfolio, including the portfolio in a previous term of office, for a period of two years after ceasing to hold office. In view of the object of the Federation, which aims to influence policy-making at EU level, the decision should extend this obligation not to lobby the Commission to all matters in which Former Commissioner Hahn was involved at College level, even if he was not directly responsible for them as part of his portfolio responsibilities.

⁵ Opinion of the Independent Ethical Committee of 29 June 2020 on the request for an opinion on Former Commissioner Günther Oettinger's envisaged post term of office activity as Member of the Supervisory Board of Amundi Deutschland GmbH, München, (<u>00b71c1c-0a47-4250-8591-656c7c8b45cd_en</u>), Opinion of the Independent Ethical Committee of 16 December 2020 on Former Commissioner Oettinger's envisaged post term of office activity as Chairman of the Advisory Board of Donner und Reuschel AG (<u>6ecf0c26-b62c-4bbb-8eeb-0bc1ddc63af0_en</u>), Opinion of the Independent Ethical Committee of 21 May 2021 on the request for an opinion on Former Commissioner Miguel Arias Cañete's envisaged post term of office activity for 'Beka Finance' (<u>cba19fca-30a5-4a9c-837c-c5762d63cb60_en</u>).

- 40. The Committee considers that, in view of the object of the Federation of Austrian Industries, Former Commissioner Hahn must pay particular attention to any contact that he could have with Members or staff of the European Commission. The Committee considers that Former Commissioner Hahn should refrain from any professional contact with Members or staff of the European Commission during the period of two years after the end of the mandate.
- 41. Under these conditions, the Committee considers that the envisaged activity would be compatible with Article 245 TFEU on the condition that the above-mentioned obligations, conditions, and restrictions are explicitly and in full set out in the decision and brought to the attention of the Federation of Austrian Industries by Former Commissioner Hahn.

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