

Gifts and Hospitality Policy



Version 5.0

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Approved by: People Sub-Committee of the Executive Leadership Team

Version	Date	Comment
3.1	08/10/15	Addition of duty passes. Section 4 Policy Statement
3.2	22/02/16	Reclassification Policy. Introduction
3.3	24/05/16	Significant conference fees. Section 4 Policy Statement
4.0	01/12/16	Exemptions process amended and alliance partnerships added. Section 7
5.0	17/12/19	<ul style="list-style-type: none">Primarily a re-structure of policy (including re-naming of section three [section four in version 4.0], six [section three in version 4.0] and addition of sections four and five) – no significant amends to content.Textual amends to section three, seven, eight, nine and tenQ&A's removed.

1. Introduction

What are gifts and corporate hospitality?

Gifts and corporate hospitality are generally defined as:

- **Gift:** Something that is given willingly to someone without payment
- **Corporate hospitality:** The entertaining of clients by companies in order to promote business, especially at sporting or other public events.

At Network Rail, gifts and hospitality are considered to be:

- anything of value, offered **to you**, for free or at a discounted rate, from an external third party (ie. a supplier), **or**
- anything of value, offered **by you**, for free or at a discounted rate, to an external third party.

This could range from a gift, entertainment, personal reward or favour, including, for example:

- Tickets to industry events (e.g. awards ceremonies)
- Discounts
- Loans
- Favourable terms (or deals) on any product or service
- Services or products
- Prizes
- Transportation or travel
- Use of another company's vehicles

- Use of holiday facilities
- Meals and drinks
- Tickets
- Gift certificates or cash rewards.

Accepting or offering any form of gift, hospitality, personal reward, favour or benefit that is intended to encourage another person to carry out an improper act, or to reward someone for having already done so, is considered to be bribery and is a criminal offence under the [Bribery Act 2010](#). Even if you haven't done anything wrong, perception can give rise to questions of impropriety or suspicion. It is therefore extremely important that you follow the guidelines set out in this policy.

2. [Scope](#)

This policy applies to everyone that works for or on behalf of Network Rail in every wholly-owned Network Rail company and in every joint venture company under Network Rail control. This includes, but is not limited to, employees (full and part time), a contracted person fulfilling a role in Network Rail, secondees, agency staff, suppliers, consultants and agents.

This policy applies in situations where employees are offered gifts and hospitality by others outside Network Rail, and when Network Rail employees are considering offering gifts or hospitality to those outside the business. This policy does **not** apply where gifts or hospitality are exchanged between Network Rail employees.

Joint venture companies not under Network Rail control and joint venture partners are expected to adopt a similar policy.

3. [Policy principles](#)

Accepting (and offering) gifts and hospitality can help to develop working relationships, but it's important to do so responsibly and to remember Network Rail's status as an arm's length body of government.

We want our people to feel empowered to take accountability and do the right thing for the business and its customers. This means that sometimes, occasional gifts or hospitality might be appropriate.

To help you decide if you should accept or offer any gift or hospitality – regardless of value – you should apply the following key principles:

- You must have a clear **business reason**, rather than it being for personal benefit (leisure activities – such as clay pigeon shooting, wine tasting, private gallery viewings etc – wouldn't be considered appropriate)
- The gift or hospitality should be both **modest in value and proportionate**
- The gift or hospitality should be **timed appropriately** (e.g. not to coincide with times when business decisions are being made, such as before or during a tender or contract renewal) and you need to consider the **frequency of any offers** (frequent offers are likely to be unacceptable)

- You should consider the **intentions** behind the offer (e.g. would accepting influence, or appear to influence, any business decisions you make?)
- You should consider **how the situation might look to the outside world**. Whilst we may know a gift or hospitality is appropriate, we need to think about how offering or accepting that gift or hospitality could be perceived.

Please note:

1. Routine offering of gifts and hospitality to external parties is not considered to be an acceptable business practice within the public sector; and
2. In line with our [Finance Reclassification policy](#), Group Finance should be notified if you are planning on offering any form of gift or hospitality externally¹.

There are some examples of gifts or hospitality that **would not be considered appropriate to accept (or offer) under any circumstances:**

- Any gift or hospitality involving a sporting event, even if in a charitable or team-building context
- Cash, cash equivalents (e.g. gift vouchers) or loans
- Anything involving your partner or other family members (with the exception of recognised rail industry events. Exceptions for other events will be considered on a case-by-case basis)
- Any gift or hospitality that involves significant conference fees, travel² and/or accommodation. If you have a genuine business need to attend or stay overnight, Network Rail should meet all the costs involved (see the [Business Travel and Expenses policy](#))
- Personal services (e.g. use of another company's vehicles, use of holiday homes, home improvements, personal discounts etc.)
- Anything where the person offering the gift or hospitality is not present (e.g. tickets to an event where the person paying does not attend)
- Accepting (or offering) gifts or hospitality either directly or through a third party (e.g. a relative or friend) that would – or might appear to – place you under any form of obligation to an individual or organisation, compromise your impartiality or otherwise be improper.

As well as being declined, these must also be declared on iEthics for transparency and audit purposes.

This policy cannot cover every situation that might arise. If you need to discuss a specific situation, please contact the ethics team (ethics@networkrail.co.uk).

¹ Group Finance - reclassificationgroupfinance@networkrail.co.uk

² NB: The only exception to this is i) standard class duty passes offered by train operators to enable teams to fulfil their duties during the working day, ii) travel passes offered by a train operator under the terms of an alliance agreement. The latter must be declared on iEthics.

4. Declaring gifts or hospitality

If you are being offered a gift or hospitality **from** an external third party:

- You do **not** need to declare gifts or hospitality offered to you if they have an approximate value of £15 or below (e.g. a normal working lunch, refreshments during a meeting or token promotional items, such as a branded pen or notebook)
- For anything with an approximate value **above £15, you must register the gift or hospitality on iEthics, regardless of whether it is accepted or declined.** If you wish to accept, you must wait for approval from your line manager before accepting/attending (e.g. networking or industry events, modest gestures on special occasions or a gift in exchange of speaking fees).

If you wish to offer a gift or hospitality **to** an external third party:

- All gifts or hospitality made by you, regardless of value, should be declared on iEthics and you should wait for approval from your line manager before offering anything.

5. Line manager responsibilities

If you are a line manager, you're responsible for considering submissions on iEthics from your direct reports and checking whether they are in-line with this policy and any others that might apply.

If you're not sure whether to approve a submission or you come across something that doesn't look right, contact the ethics team at ethics@networkrail.co.uk.

6. How to raise a concern

You have a duty to speak out about any concerns that you might have or about any breach of this policy that you may become aware of. You can do this in any of the following ways:

1. Raise your concerns through your line manager or another senior manager
2. Use our reporting service, Speak Out (Tel: 0808 143 0100 or Online: www.intouchfeedback.com/networkrail). You can make a report anonymously if you wish
3. Contact the ethics team (ethics@networkrail.co.uk)
4. Contact the Director of Risk & Internal Audit or the Group General Counsel.

Network Rail does not tolerate any form of victimisation, bullying or harassment of those who raise concerns.

For more information about speaking out, read our [Speak Out \(whistleblowing\) policy](#).

7. Doing business abroad

Customs and practices in relation to gifts and hospitality are sometimes different in other countries. Where it is culturally inappropriate to decline an offer of a gift or hospitality, you may accept it as long as you are confident that it does not appear to place you under any obligation to an individual or organisation, compromise your impartiality or is otherwise improper.

Similarly, in some cultures, you may be expected to offer a gift. In these cases, you may offer a token gift of nominal value.

In all cases, you should discuss with your line manager and register the gift or hospitality on [iEthics](#) (if applicable – see section four of this policy). Network Rail Consulting employees should declare on Network Rail Consulting’s gift and hospitality register.

Extra care should be taken if the person being offered (or offering) the gift or hospitality is a government official.

8. Sponsorship and charitable donations

When raising money for charitable causes, the aim will be to raise as much money as possible. This means that sometimes, employees may wish to approach external organisations – particularly those we have a business relationship with (e.g. suppliers, contractors, business partners) for charitable donations (e.g. prizes for a raffle or sponsorship).

Seeking sponsorship or charitable donations doesn’t strictly fall within the definition of gifts or hospitality, however asking somebody we have (or might be about to have) a business relationship with, to make a donation (monetary or otherwise) can create feelings of obligation or awkwardness. It can also look inappropriate to the outside world, particularly if, for example, the other person or their company is competing or intending to compete for a Network Rail contract. Even if you are not personally benefiting, these sorts of gestures are often intended to improve business relationships and could at times affect your impartiality, or appear to do so. For these reasons, we do not advise asking for donations from external organisations or their employees.

You can approach fellow Network Rail colleagues for donations and sponsorship.

For more information or questions about organising charity events or for guidance on what to do if you are offered a donation without having requested it, take a look at the Ethical Guide to Charity Events or contact CharitableGiving@networkrail.co.uk.

9. Exemptions

Where there are very clear, unique and compelling business reasons, one-off departures from this policy may be agreed by a functional or route director. Approval should be sought in writing by the line manager of the person who has received, or intends to make the offer, setting out the reasons the policy should not apply and considering the key principles referred to in section three above. The gift or hospitality in question should not be accepted (or offered) until approval has been received.

Where an exemption has been granted, the functional or route director’s approval should be attached to the declaration on [iEthics](#) and the ‘departure from policy approved’ option ticked. You should retrospectively update your submission to select this option if necessary.

In-line with deeper devolution and to ensure we deliver the promises we’ve made to passengers, freight users and the industry, we appreciate that Network Rail employees may be required to work in close collaboration with third parties (e.g. with a key delivery partner or in an alliance).

It is recognised that this may result in the need to develop a 'one team' approach which could, in some instances, be a significant factor in making a decision about whether or not it's appropriate for Network Rail employees to accept (or offer) gifts or hospitality that ordinarily wouldn't be allowed under this policy.

Should such instances arise, the exemptions process referenced above should be followed.

10. Breaches

Network Rail will investigate any actual or suspected breach of this policy thoroughly and impartially. Employees found to be in breach of this policy may be subject to disciplinary action which may ultimately result in their dismissal.

If employees are involved in bribery and corruption, the case will be reported to the police and they could face legal proceedings and possibly imprisonment.