

Conflicts of Interest & Outside Activities Policy



Version 2.2

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2.0	October 2015	Version 2.0 published
2.1	September 2016	Version 2.1 published to include amendment to Section 1 and addition of one new FAQ in Section 11
2.2	April 2018	Version 2.2 published – refresh of wording.

1. Policy statement

A conflict of interest occurs when your personal interests or loyalties to a person or organisation outside Network Rail affect – or appear to affect – the impartiality, judgment or effectiveness expected from you in your role for Network Rail.

Everyone working for or on behalf of Network Rail has a duty to avoid conflicts of interest. You must declare any actual or potential conflicts of interest on [iEthics](#)¹.

If you do not have access to iEthics you must discuss the situation with your line manager and make your HR Business Partner aware of any actual or potential conflicts of interest.

Line managers must manage all conflicts of interest in accordance with this policy.

If after reading this policy, you're not sure whether you have a conflict of interest, or you have a question about anything in this policy, talk to your line manager or contact the Ethics team: ethics@networkrail.co.uk.

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. Joint venture companies not under Network Rail control and joint venture partners should be encouraged to adopt a similar policy to manage conflicts of interest.

¹ iEthics can be found in the Oracle E-Business Suite, within 'Employee Self-Service'.

3. Recognising a conflict of interest

Common examples of conflicts of interest include:

- You, or a relative or someone you have a close personal relationship with, has a **financial interest** in a company that does, or wants to do, business with Network Rail, for example as a supplier or customer. The financial interest could be because of a directorship, shareholding², employment or consultancy
- You employ, or plan to employ, a relative or someone you have a **close personal relationship** with (e.g. a boyfriend, girlfriend or friend), or you have, or develop, a close personal relationship with someone in your reporting line
- You, or a relative or someone you have a close personal relationship with, works for one of Network Rail's customers, suppliers or close business partners and can **make or influence decisions** that could affect the relationship between the two
- You have a paid or unpaid second job, consultancy, part-time or freelance activity, directorship or other position that could **interfere with your ability to fulfil your responsibilities** at Network Rail
- You have previously undertaken roles in other companies that could affect, or appear to affect, your **impartiality**. For example, you previously worked for a company who are tendering for a contract with Network Rail, that you are responsible for awarding.

If you think you might have a conflict, or a potential conflict of interest, but aren't sure, ask yourself the following questions:

- Could the situation affect, or appear to affect, any of my decisions for Network Rail?
- Would I, a relative or someone I have a close personal relationship with, gain anything because of my relationship with the third party, or vice versa?
- How might the situation look to a colleague or someone outside Network Rail? (for example another customer, supplier, member of the public or the media)
- Would I feel under any obligation due to the relationship I have with the third party?

If the answer to any of these questions raises any doubts in your mind, there is probably a conflict of interest. For guidance on your next steps, please see section four of this policy.

4. What to do if you have a conflict of interest

If you have, or think you might have a conflict of interest, you should:

1. Discuss the situation with your line manager
2. Make a declaration on iEthics, selecting the 'Declare an actual or potential conflict of interest' option from the homepage of iEthics. Once you have made your submission, it will be sent to your line manager to be actioned.

² It is against the law to pass on, use, or act on unpublished, price-sensitive information for dealing in shares. For further information, view Network Rail's [Code on Share Dealing](#).

Line managers are responsible for dealing with any actual or potential conflicts of interest, and making sure suitable processes and procedures are put in place to manage the conflict effectively.

Where possible, your line manager should arrange for you to be removed from the situation by putting alternative arrangements in place. Guidance is contained in section five of this policy, or is available from the Ethics team or your local HR Business Partner.

You should discuss the conflict regularly with your line manager. Your line manager may need to amend some of the processes originally put in place to make sure that the conflict is being managed most effectively as time progresses.

Should the circumstances regarding your conflict change in any way, you must update the submission on iEthics as soon as possible.

All information added to [iEthics](#) is handled in a confidential and sensitive manner. Any submissions you make can be viewed only by:

- you
- your line manager
- the Ethics team
- the Business Integrity Department (Network Rail's investigating team); and
- the E-Business system support team.

Please note that iEthics is subject to audit by Network Rail Internal Audit.

5. [Guidance for line managers](#)

As a line manager you're responsible for dealing with any actual or potential conflicts of interest brought to your attention by members of your team within five working days, or as soon as practically possible thereafter.

When a conflict of interest submission is made on iEthics by a member of your team, it will be sent to you to be actioned. If this happens, or if a member of your team approaches you about a conflict of interest you should:

1. Discuss the situation with the individual. You need to make sure that you know enough about the situation to be able to judge whether or not the role, or relationship concerned, is a risk to Network Rail – the questions in section three of this policy should help to identify any risks
2. Put in place appropriate measures to manage the conflict accordingly. Appropriate measures should involve removing the individual from the situation (e.g. a particular project, recruitment or tender exercise). In order to do this, you may need to change reporting lines, rearrange an employee's duties, arrange third party supervision or transfer the employee to another function or business area

3. Record the appropriate measures on iEthics as part of the approval process. Your comments should contain sufficient detail explaining the risks the conflict poses, and what measures are being put in place to mitigate these risks
4. Discuss the conflict regularly with the employee. You may need to amend some of the processes originally put in place to make sure that the conflict is being managed most effectively as time progresses.

Every situation is unique so it's important that any conflicts of interest are dealt with on a case-by-case basis.

If you're not sure of the best course of action, ask for advice from the Ethics team (ethics@networkrail.co.uk) or contact your local HR business partner.

6. Personal relationships at work

You should not manage, or supervise, a relative or someone you have a close personal relationship with, for example a sibling, boyfriend or girlfriend, or friend.

Similarly, you shouldn't be in a position where you can make, or influence decisions that could affect, or appear to affect, the employment of someone you are related to, or have a close personal relationship with (this could include being able to make or influence decisions about their safety, pay, promotions, career development, discipline, annual leave or overtime allocation).

Please refer to Network Rail's [Working with Relatives/Personal Relationships at Work](#) policy for more information and guidance.

7. Recruitment

Network Rail employees sometimes recommend people from outside the company for vacancies we are trying to fill. This is permitted, subject to two qualifications:

- you must not recommend a relative or someone you have a close personal relationship with if they would be managed by you or one of your direct reports
- you should never be involved in the process of recruiting a relative or someone you have a close personal relationship with.

Network Rail's [Working with Relatives/Personal Relationships at Work](#) policy contains more information on this.

8. Outside activities

Outside activities could include second jobs, volunteering, directorships, consulting, or the creation of a new company. These are only acceptable if they are unlikely to affect, or be

perceived to affect, the impartiality, judgment, health and safety, or effectiveness expected from you in your role at Network Rail.

You should discuss any outside activities with your line manager when the opportunity first arises, and on a regular basis going forwards, so they're able to assess whether the activity is manageable with your role at Network Rail and/or whether it's adversely affecting your ability to fulfil your responsibilities or duties.

Second jobs or voluntary work

If you're considering taking on a second job or voluntary work, talk to your line manager about it first. The activity won't need to be declared on iEthics unless it:

- creates, or appears to create, a conflict of interest
- affects your ability to fulfil your responsibilities in your role at Network Rail (this could include time or fatigue management); or
- is a senior position/role.

If you think the activity and your job at Network Rail combined will take you more than 48 hours a week averaged over 17 weeks, you need to complete the [Working Hours Opt Out form](#) to comply with the EU Working Time Regulations.³

If you're a line manager and need advice on how to manage the working hours of an employee who has a second job, speak to your local HR Business Partner, or contact HR Direct. A manager's guide on holding a discussion with an employee on their working hours is available via the link below:

<http://connectdocs/NetworkRail/Documents/CorporateServices/HR/InformationCentre/WorkingTime/Working%20Hours%20-%20Manager%20Guidelines.pdf>.

Appointments on behalf of, or for the benefit of, Network Rail

If you are expected to take up an external role as part of your job at Network Rail, for example representing the company on a local community group, you must declare this on [iEthics](#) so there is a record of it.

When considering this type of appointment, you should make sure that the role:

- has direct and relevant need or benefit to Network Rail – this could include development of your own skills in areas relevant to Network Rail
- does not impose excessive demands on your working time or attention. You shouldn't normally hold more than one external appointment at a time
- If there's a risk that an external appointment might create, or risk creating, a conflict of interest for you or a colleague, discuss this with your line manager and update your [iEthics](#) record.

³ This applies to employees of Network Rail only, and not to suppliers, contractors or any self-employed individuals who work for Network Rail as we are not responsible for the hours they work.

Non-Executive Directorships

Network Rail is supportive of employees developing their careers by looking for, and taking up, senior positions outside of the company. Non-executive directorships with other organisations are a good example of this. Before you apply for a position of this sort, discuss your intentions with your line manager – including whether the appointment could create, or appear to create a conflict of interest. Then record it in the normal way through [iEthics](#). If the appointment is a Network Rail nominated employee appointment, any fees earned should be either waived or paid to Network Rail.

9. How to raise a concern

Everyone at Network Rail has a responsibility to raise genuine concerns about suspected wrongdoing taking place in Network Rail, so if you're worried about a potential breach of this policy, you must speak out. You can do this in a number of ways:

1. Raise your concern to your line manager, or another senior manager
2. Use our reporting service, Speak Out, which is run on our behalf by an external third party called InTouch. The service is available 24 hours a day, seven days a week, and is available via phone or online (Freephone: 0808 143 0100 or Online: www.intouchfeedback.com/networkrail). You can make a report anonymously, if you wish.
3. Contact the Ethics team by emailing Ethics@networkrail.co.uk
4. Contact Ben Edwards, Director, Risk & Internal Audit (ben.edwards@networkrail.co.uk) or Stuart Kelly, Group General Counsel (stuart.kelly@networkrail.co.uk).

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

For more information about speaking out and Network Rail's Speak Out service, please read our [Speak Out \(whistleblowing\) policy](#).

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.

FAQs

Q. Can a member of my family or someone I have a close personal relationship with apply for a job at Network Rail?

A. As long as you are not personally involved in any part of the recruitment process (this includes sifting initial applications, selecting candidates for interview, conducting interviews or being able to make or influence any decisions in relation to the final outcome) and the person will not report to you directly, there is no problem. Network Rail's policy on Working with

Relatives/Personal Relationships at Work contains further guidance on recommending candidates to Network Rail.

Q. A member of my family or a friend works for Network Rail – do I need to register this on [iEthics](#)?

A. You only need to disclose your relationship on [iEthics](#) if (or when) there is a possibility for it to become – or be perceived as – a conflict of interest. This could happen if either of you:

- has line management responsibilities for the other
- is able to make or influence decisions that could affect the other (e.g. performance or project evaluations, internal investigations or company restructuring).

Q. Can a consultant work for both Network Rail and one of its business partners (e.g. supplier, contractor), at the same time?

A. Generally this wouldn't be permitted, however it might be approved in some circumstances. The type of work that the consultant does would need to be considered and non-disclosure agreements should always be signed. If they are exposed to confidential information or work on a common project for more than one party, this wouldn't be considered appropriate.

Q. My husband works for one of our suppliers – do I need to register this on [iEthics](#)?

A. If your relationship could affect, or appear to affect, any of your decisions for Network Rail, then you must discuss the situation with your line manager and register it on [iEthics](#). Your line manager would need to consider the risks and, if necessary, put in place suitable processes to manage the conflict, or potential conflict of interest.

Q. I am volunteering for a charity through Network Rail – do I need to register this on [iEthics](#)?

A. If you're a permanent Network Rail employee, you can take up to five days volunteer leave to volunteer with an approved charity (with agreement from your line manager). This does not need to be registered on [iEthics](#).

For further information on volunteering, including how to submit a volunteer leave request please head to www.connect/Volunteering/.

Please make sure that any volunteer work you do doesn't create a conflict of interest with your role at Network Rail.

Q. I have a second part-time job which I have declared and discussed with my line manager. Do I need to do anything else?

A. You should continue to discuss your second job with your line manager on a regular basis, so your line manager can decide whether the arrangement is working, and whether your second role is manageable with your job at Network Rail. Your regular 1:1's with your line manager are a good opportunity to discuss this.

If you think the activity and your day job combined will take you more than 48 hours a week averaged over 17 weeks, and you are a Network Rail employee, you need to complete the [Working Hours Opt Out form](#) to comply with the EU Working Time Regulations.

Q. I own shares in one of Network Rail's suppliers – is this a conflict of interest?

A. Owning shares in an organisation that supplies us is not necessarily a conflict of interest. However, buying or selling shares (or encouraging someone else to do so) in a company that does, or may wish to do business with Network Rail, based on unpublished price-sensitive information is illegal. Have a look at Network Rail's [Code on Share Dealing](#) for more information.

Q. If my family member or friend has declared the conflict of interest to their employer, do I also need to declare it to Network Rail?

A. Yes. You must always let your line manager know of any actual or potential conflicts of interest, irrespective of whether the other person concerned has informed their employer. If there is a conflict of interest, or if the situation could give rise to a perception that a conflict exists, you must declare it on [iEthics](#).

Q. What should I do if a conflict I previously declared is no longer relevant?

A. You should inform your line manager of any changes to your conflict of interest as soon as possible after these changes become apparent. You must also update the entry on [iEthics](#) and set the conflict to 'Expired'. For support using [iEthics](#), please view our [user guide](#).