



Associated Policy: Legal Compliance

Associated Standard: Conflicts of Interest

Applicability: This guidance applies to everyone working for, or on behalf of, BT.

Objective of this document

We must always act in BT's best interests. We try to avoid an interest or situation that conflicts, or may appear to conflict, with our duty to BT. Where we cannot avoid a conflict of interest, we report it to ensure transparency and we take the steps we are advised to in order to mitigate the conflict of interest.

In this Guidance, we explain how to identify a potential conflict of interest, what to do if a conflict of interest arises, managing a conflict of interest and potential scenarios to help you.

You must ensure that you read, understand and comply with our [Conflict of Interest Standard](#)

Contents

1 How to identify a potential conflict of interest	2
1.1 Situations you must tell us about	2
2 What to do if a conflict of interest arises	3
2.1. How to register your interests	3
2.2. What to do if you manage someone that has a potential conflict of interest	3
2.3. What to do if you think that someone else has a conflict of interest	4
3 Managing a conflict of interest	4
4 Potential scenarios	5
5 Speak Up about your concerns	6

1 How to identify a potential conflict of interest

1.1 Situations you must tell us about

Below are examples of situations where a conflict of interest might arise and where you must make a registration on the [Register of Interests](#). This list is not exhaustive as we cannot cover every situation that may arise. If you're in doubt, you should register your interests for transparency.

1.1.1 Outside employment:

- I. Any outside business activity and/or employment, including work on a freelance basis;
- II. Being a Director of another company or organisation;
- III. Being a trustee of a charity.

1.1.2 Interests involving family and friends:

- I. Recruiting, managing or 2nd line managing someone you have a close personal relationship with. This includes a family member, relative, personal friend or partner (this is also referred to below for completeness);
- II. A close personal, or family, relationship with a senior manager of a competitor, customer or supplier;
- III. Personally entertaining a senior manager of a competitor, customer or supplier;
- IV. Working in the same department as a family member, personal friend or other person with whom you have a close relationship;
- V. Directly offering or providing a service to a customer that is a partner, a family member or a close personal friend of a family member.

1.1.3 Material financial interest:

- I. Where you have a personal interest with a supplier, customer or competitor which could influence your decisions at work;
- II. You or a family member have a material shareholding in a customer, competitor or supplier of BT (but not where the shareholding is part of an investment trust or pension plan managed by others). If you're unsure whether your interest is material, please ask the [Ethics and Compliance Team](#);
- III. Significant shareholdings (above 1%) or control in another company or companies;
- IV. Your BT role involves managing a supplier relationship with a company in which a family member, friend or partner has a financial, business or employment involvement;
- V. Offering or receiving gifts and hospitality from customers and third parties, except as permitted under the [Gifts and Hospitality Standard](#);
- VI. Receiving personal discounts or other benefits from third parties and customers which are not available generally across BT.

1.1.4 Recruitment:

- I. Recruiting an individual due to their political (central or local government) connections, which you intend to use, or which could appear to be used, to unfairly leverage for BT's benefit;
- II. Recruiting a family member, partner, or friend or former colleague;
- III. Offering a secondment or internship or similar for a relative or close friend of a customer or government official.

1.1.5 Customers:

- I. Conflicts of interest can arise between two or more of BT's customers.

1.2. When considering a potential conflict of interest, please ask yourself the following:

- 1.2.1 Will it affect how you do your job for BT? Or if others knew about the interest or relationship, could they question your ability to do your job for BT with the loyalty, integrity and impartiality required?
- 1.2.2. Could it cause embarrassment to you or BT if anyone found out about your other interest?
- 1.2.2 Will your interest influence you in any way? Or could others think that your interest might influence you at work, even if you think it doesn't?
- 1.2.3 Will you make a financial gain or avoid a financial loss, at the expense of a customer? Will you be remunerated in such a way that you get paid more to the potential detriment of BT or a BT customer?
- 1.2.4 As a result of your interest, do you have any incentive(s) to favour the interest of one customer or supplier over any other customer or supplier?
- 1.2.5 Have you received or been offered any inducement in the form of monetary or non-monetary benefits in relation to a service provided to a customer?

If you answer yes to any of these questions, you must make a registration on the [Register of Interests](#). When considering a potential conflict of interest, you must always consider the wider implications for BT as a whole. A good rule of thumb is how would you feel or what would you think if you heard that a colleague or a senior manager was in the same situation as you? Would you think that it was something that they should declare and take some advice over to avoid or mitigate the situation? If so, then you should take that action too.

2 What to do if a conflict of interest arises

2.1. How to register your interests

- 2.1.1 If you have, or think you might have, a conflict of interest, you should inform your line manager and then register it on the [Register of Interests](#). If you don't feel able to or if it's not appropriate to inform your line manager directly, you can just register it on the [Register of Interests](#);
- 2.1.2 In the interests of transparency, any potential conflict must be registered even if your line manager is unsure whether the interest should be registered or not;
- 2.1.3 The [Ethics and Compliance Team](#) will review your registration and respond to you and, if appropriate, your line manager. If further action is required, they will provide further guidance;
- 2.1.4 If you are a Director of a BT entity, there are additional requirements for the registration of conflicts of interest at the start of each meeting. Please see the [Director Portal](#) for further information.

2.2. What to do if you manage someone that has a potential conflict of interest

- 2.2.1 You should first discuss the matter with the person making the registration and gather all the facts. You should then determine if you think there is a potential conflict of interest;

- 2.2.2 If you decide that there is a conflict of interest, you must ensure that it is resolved promptly or suitable safeguards are implemented to effectively manage the situation. You, and the person making the registration, must regularly review the position and you could use any performance check-ins to do this;
- 2.2.3 Line managers must ensure that all interests that their team have declared to them are added to the [Register of Interests](#). [Ethics and Compliance](#) will review the registration and provide assistance where required.

2.3. What to do if you think that someone else has a conflict of interest

- 2.3.1 If you think someone else might have a conflict of interest, you should ask them if they have discussed it with their line manager and registered it on the [Register of Interests](#). If you do not feel comfortable doing this, you should contact their line manager directly and discuss your concerns with them;
- 2.3.2 If you do not feel comfortable contacting your colleague or their line manager directly, you should contact [Speak Up](#).

3 Managing a conflict of interest

Once a conflict of interest is registered, you must agree appropriate mitigations with your line manager to ensure that it does not adversely affect the interests of BT. Some mitigation methods include (please note that this is not an exhaustive list):

- 3.1 Disposal of a material shareholding in a competitor;
- 3.2 The individual agreeing to remove themselves from any decision-making which could be perceived as based on a conflict of interest;
- 3.3 If the conflict relates to an internal BT team structure, you should make your HR representative aware. This may involve changing line managers to ensure that performance, pay and discipline decisions are not taken by family members or partners;
- 3.4 Termination of a conflicting part-time role, outside appointment or private business;
- 3.5 Declining to deal with a customer or supplier if there is no alternative method of dealing with the conflict of interest;
- 3.6 Disclosure to the customer or supplier of the conflict of interest prior to undertaking any business for them. Please note, however, that disclosure alone is insufficient to manage a conflict of interest;
- 3.7 Segregation of duties to ensure that there are procedures for the supervision or functional segregation of our people or potential parts of the business carrying out activities for customers and suppliers whose interests may conflict;
- 3.8 Information barriers are an internal arrangement designed to restrict the information flow between or amongst employees, different parts of BT or between group companies, performing potential conflicting functions. The principle is that those on one side of an information barrier should have no knowledge of confidential actions taking place on the other side of an information barrier. Those on either side are therefore able to operate independently without their actions being compromised.

For further advice on mitigating conflicts of interest please contact [Ethics and Compliance](#).

4 Potential scenarios

Below are some potential scenarios that you might find useful when considering conflict of interest type issues:

- 1. A family member of a BT employee wants to work for BT, maybe in the same office as them. Will this be a problem?**

It may be acceptable if local policy in the country you work in permits it and there is suitable separation between the BT employee's role and the role their family member applies for. The BT employee must not have any involvement in decisions regarding the post their family member has applied for. If they do join, both parties must ensure that they are not responsible for any decisions regarding their family member's job or remuneration.

- 2. My best customer wants to go to the big football match. BT has already entertained them twice this year so I can't get BT corporate box tickets. Can I buy tickets and entertain them myself?**

No. Giving the same customer repeat hospitality regardless of who's paying for it could create a feeling of obligation to unfairly give BT more business. This creates a conflict of interest.

- 3. I regularly entertain customers at home and I am thinking about throwing a summer BBQ for a selection of BT customers and suppliers. Will this be a problem?**

Giving or receiving personal hospitality to BT customers or suppliers at events or at home can create an actual or perceived conflict of interest. For transparency purposes, this must be registered on the [Register of Interests](#). How would it look to a competitor if they found out that they lost the bid to BT after the customer's family were invited to the BT bid manager's house for a summer BBQ?

- 4. A customer has a relative who wants to work for BT and they ask me to help their relative find a job. Will this be a problem?**

You can notify them of externally advertised vacancies but you must not get involved in the recruitment process. The standard recruitment process must be followed and the best candidate for the role selected. If in doubt, please contact [Ethics and Compliance](#).

If, following an open and fair selection process, the customer's relative is employed by BT, they must not be given any special treatment. They must not work in a role where they can influence any decisions relating to the customer.

- 5. As well as the role I have applied for at BT, I own a small company that manufactures specialist equipment. Will this be a problem?**

Maybe. If running your own business or having another role outside BT conflicts with your duties to BT because it causes your BT work to suffer, then this is a conflict of interest which must be registered and resolved. Similarly, if your other role is with a company that is a supplier to BT or is in competition with BT, then this is a conflict of interest which must be registered and resolved. Also you must not use information gathered in your BT role to benefit your own private company.

Outside occupations and affiliations can create conflicts of interest if any relate to a third party organisation that is a competitor, customer or supplier of goods or services to BT (including a third-party organisation that is actively seeking to become any one of the above with BT). You must register them on BT's [Register of Interests](#).

- 6. My partner runs a small printing firm that I am sure could make our leaflets at a much reduced price. Can I give them the contract?**

No. If your partner bids for BT work, you must register this relationship immediately on the [Register of Interests](#) and avoid any involvement in the procurement process.

7. Can I influence a customer to purchase a product they don't need which gives me increased commission?

No. You must always treat the customer fairly and must conduct yourself in a way that never detracts the customer.

How you're paid and incentivised should be structured in a way that doesn't cause a conflict with the way you sell BT's products. All pay and incentive schemes that relate to the sale of products must be approved by your Compliance team. Sales are monitored regularly via call monitoring and file reviews for quality assurance purposes. However, if you feel the way you are paid creates a conflict with the way you sell a product to a customer, please either consult [Ethics and Compliance](#) or contact [Speak Up](#).

8. I am a BT employee who has been seconded to a joint venture. In whose interests should I work?

Hopefully, there would not be a conflict of interest between BT and a joint venture. Your personal professional integrity should be the most important thing at all times and you must always comply with [Being trusted: our code](#) and BT's anti-bribery and corruption Standard.

However, you have a responsibility to the joint venture for the period that you work for them and if you think you have a personal interest that interferes or may interfere with the interests of the joint venture then you should inform your line manager and register this on the [Register of Interests](#).

9. I have come across some information that is not yet public. This makes it clear that now would be a good time to buy BT shares. Can I tell my family and friends?

No. This is called insider trading and is a very serious crime. You must be extremely careful with information you gain through your work not to contravene these laws. If in doubt, ask [Ethics and Compliance](#).

5 Speak Up about your concerns

If you are worried you've spotted something unethical, or something that makes you feel uneasy at work, do the right thing and contact [Speak Up](#).

Speak Up is a safe and confidential way for you to help protect yourself, BT and live our values. Don't rely on someone else, get in touch yourself. We can't act on your concerns if we don't know about them. For further information on Speak Up, please see the [Speak Up intranet pages](#).

If you are a BT employee and have any questions about this Standard, speak to the [Ethics and Compliance Team](#).