

Business Integrity Training

Scenarios for team discussions 2022



Scenario 5

Conflicts of Interest



Gabby
Office
Manager



John
Team
Leader

Introduction

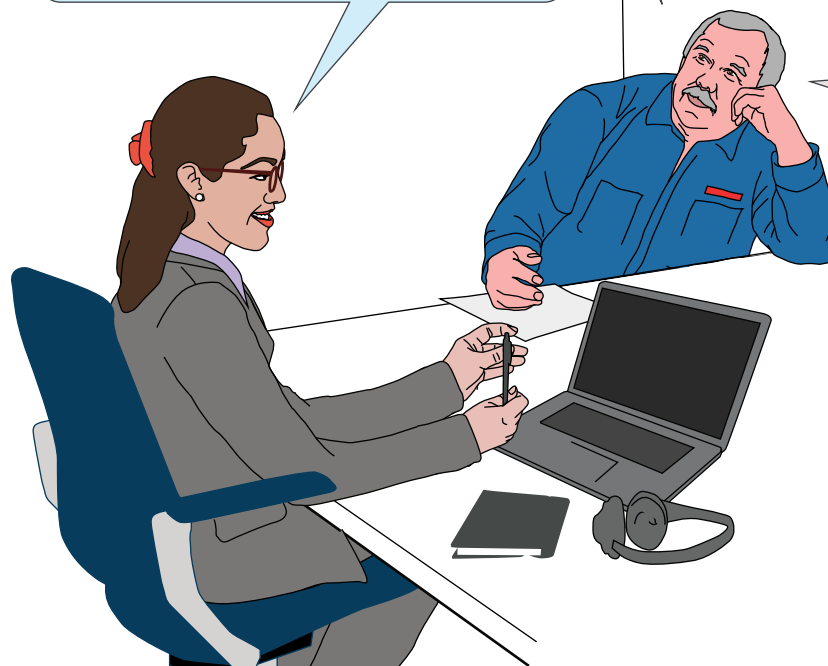
John's team are running low on safety glasses, so he goes to see Gabby in the office to find out when more will be arriving.

In the office, John and Gabby discuss supply issues.

What's the status of the order we made a few weeks ago?

I've been chasing the supplier, apparently there's a delay in the supply chain. They reckon it'll be another two weeks at least.

We'll have definitely run out by then! You know the team can't work without them and this means production will stop, the deadline will slip and we'll be losing £10k a day!



Scenario 5

Conflicts of Interest

Gabby explains to John that she has a backup plan. Her brother's company supplies safety glasses. She tells John that she has already spoken to him in the morning and they have enough in stock to keep the team in safety glasses for the next month.



Scenario questions and summary



Scenario 5 Conflicts of Interest

Ethical red flags

When people make poor choices, they usually create reasons to tell themselves, "It's OK, I can go ahead". We call these justifications 'ethical red flags'. In this scenario, what might Gabby have told herself?

Common ethical red flags include:

- "I'll save the company money."
- "I didn't do it for my own benefit – I'm not profiting from it."
- "It's not illegal."
- "I'm only putting safety / the programme first."

Questions

- What do you think about this scenario? Are there any alarm bells that signal something is wrong?
Is Gabby doing anything wrong?
- What good reasons might Gabby have for behaving the way she has?
- How might Gabby justify her actions?
- Is it ever OK to override process in order to keep production going?

Key messages

- If a supplier is connected to you through friends or family, this is an example of a conflict of interest.
- We need to avoid, disclose and/or manage conflicts of interests, whether actual or perceived, so that the best decisions are made for the Company and its reputation.
- Often a conflict of interest is only an issue where it is kept secret. Therefore all conflicts of interest must be reported and discussed openly with your line manager so they can appropriately manage the situation to mitigate potential conflicts of interest.
- Ensure that the conflict and any required actions are recorded with your local Legal team.
- All suppliers should be subject to relevant checks before any business is conducted with them. Always make sure that the supplier is an approved supplier. If they're not, discuss with your Line Manager and Procurement how the supplier can undergo due diligence with Procurement.

Further reading

Code of Conduct
Managing conflicts of interest (page 46)

Policies and Guidelines
Conflict of Interest Policy
Procurement Policy
Our Company Behaviours