

# Heathrow Supply Chain Conflicts of Interest Policy

<b>Date policy last reviewed and updated (if required):</b>	5 October 2023
<b>Last approved by Executive Committee on:</b>	10 October 2023
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<b>Version number:</b>	V.2

## 1. Heathrow Terminology

When we refer to “Heathrow” in the context of the Supply Chain Conflicts of Interest Policy we mean Heathrow Airport Holding Limited and its subsidiary companies (“**Heathrow**” or “**Heathrow Group**”). This includes all those who work for and on behalf of Heathrow (including directors and colleagues on permanent, temporary or fixed-term contracts of employment (“**Colleagues**”). This Policy uses the term “**supplier**” to refer generically to any individual or company who is, or who wishes to be, engaged by Heathrow, whether as a contractor, supplier, advisor or consultant and whether to provide works, services or supplies and includes, for the avoidance of doubt, any prospective supplier (including e.g. a bidder in a procurement process).

For the purposes of this Policy, Heathrow defines a “**Conflict of Interest**” as any situation and/or position which creates, or has the potential to create, a conflict between the interests of Heathrow on one hand and, on the other hand, the interests of a party engaged, or in the process of being engaged, by Heathrow. Such engagement may be either direct (i.e. as a contractor, consultant or supplier) or indirect (e.g. as a sub-contractor or as a related company to a supplier; or as a result of the party’s relationship or connection with a third party).

## 2. Purpose

The purpose of this policy is to set out Heathrow’s approach to the management of any Conflicts of Interest arising in relation to its supply chain.

It is vital that Heathrow adopt a robust approach to managing Conflicts of Interest across its supply chain and make deliberate choices about who has access to information and how it is shared. It is therefore essential for all those engaged in procurement related activities to highlight, discuss, record and manage market engagement activities and potential supplier conflicts.

Heathrow considers the possible adverse impact of a Conflict of Interest to its reputation and/or business interests to be a risk which should be properly managed. The fundamental objective of this Policy is to promote an open and transparent approach to Conflicts of Interest amongst its suppliers.

This policy should be read in conjunction with:

- Procurement Policy
- Heathrow Professional Conduct Policy and Guidance
- Anti-Bribery, Gifts & Hospitality Policy

## 3. Scope

This policy applies to Heathrow colleagues involved in procurement activities on Heathrow’s behalf and Heathrow’s suppliers. A Conflict of Interest may arise where a supplier provides, or proposes to provide, services for any entity which is a competitor airport hub.

A Conflict of Interest, for the purposes of this Policy, includes any situation and/or position in which any such Conflict of Interest may be perceived to exist either by a stakeholder of Heathrow or by a reasonable member of the general public. In addition, a Conflict of Interest can occur when a company or person is perceived to have a vested interest, such as money, status, knowledge, relationships, or reputation, which puts into question whether their actions, judgment, and/or decision-making can be unbiased.

## 4. Policy

Heathrow takes Conflicts of Interest seriously and any supplier must be mindful of its duties regarding Conflicts of Interest.

Heathrow expects all suppliers to proactively manage Conflicts of Interest in conjunction with Heathrow. Any supplier must therefore identify and notify Heathrow of any Conflict of Interest (actual, potential or perceived) and/or of any circumstances that may give rise to a perceived conflict, as soon as it becomes aware. There is a reputational risk as it may reduce confidence in the market. Any complaint, even if not successful or well-founded can delay projects while investigated

There are different ways in which a conflict of interest could exist or be perceived:

- ***In procurement phase***: where a supplier that has provided input into the activities leading up to and during the procurement of products, works or services and may want to bid could either have or be perceived to have:
  - access to information not available to other potential bidders
  - an influence on the procurement, either in respect of
    - the procurement process itself (e.g. ITT documents),
    - the subject matter (i.e. scope) being procured, or
    - the way the scope will/should be delivered (e.g. constructability advice)
    - an influence in the scoring and evaluation of bids
- ***In delivery phase***: if a supplier is performing a “client side” advisory role e.g. scheduling, and is also successful in winning a role to deliver a package of works, is it able to properly discharge the client-side role in an impartial manner, acting in the best interests of Heathrow?

Operating good Conflict of Interest procedures is good practice and is in line with our corporate values. In order to mitigate Conflict of Interests, procurement maintain documents such as the Non-Disclosure and Conflict of Interest Statement completed prior to each tender and Information Barrier Agreement where Heathrow has identified there might be a Conflict of Interest. The supplier shall ensure the complete physical separation of personnel working on either side of the Information Barrier at all times.

The role of Heathrow is to ensure there is a transparent, fair and neutral approach in tendering activity. Heathrow must ensure there is a level playing field by providing all relevant information to other bidders/market place in a timely manner.

The duty on Heathrow colleagues and each supplier is to identify and notify Procurement of any potential perceived or actual Conflicts of Interests. This include any conflicts which are ongoing (whether or not a potential Conflict of Interest has previously been identified) and applies on a continuing basis for the duration of a procurement process and throughout any resulting relationship between Heathrow and the supplier.

Notifications of Conflicts should be sent to [ConflictofInterest@heathrow.com](mailto:ConflictofInterest@heathrow.com), this should state the parties involved and the reason a conflict of interest exists.

Where a Conflict of Interest (or any circumstances that might give rise to a perceived conflict) has been identified and notified to Heathrow, it will be referred internally for consideration at the Procurement Approval Meeting, as required. Each situation will be assessed according to its own circumstances and decisions will be taken on a case-by-case basis. The Secretary of the Procurement Approval Meeting will maintain a Conflict of Interest Log and where necessary such conflicts will be escalated to the Executive Committee. However, the underlying principle is that Heathrow should avoid, if possible, circumstances in which there remains a significant risk that a

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Conflict of Interest could give rise to circumstances inconsistent with the role, responsibilities, and values of Heathrow.

If a Conflict of Interest arises between a PAM member prior or during any procurement activity the responsibility will be passed to an adequate substituted individual of similar experience or grade.

After a decision has been taken by Heathrow in respect of any notified Conflict of Interest, any required management and/or mitigation measures shall be adopted by Heathrow and/or the relevant party/parties connected with the Conflict of Interest. Heathrow will monitor the implementation of such measures for as long as it determines that a Conflict of Interest (or risk thereof) must be managed.

If it is deemed necessary any Conflict of Interest will be escalated to the Executive Committee.

### 5. Accountabilities and Responsibilities

Heathrow colleagues, any individuals or organisations undertaking procurement activities on Heathrow's behalf and all Heathrow suppliers must adhere to this Policy.

### 6. Consequences of the Policy

Non-compliance with this policy by Heathrow colleagues may result in disciplinary action, which may be dealt with by Heathrow in accordance with the Disciplinary Policy.

Non-compliance with this policy by suppliers may result in action being taken by Heathrow according to the terms of any applicable contract and/or the exclusion or disqualification of a supplier from any tendering process.

### 7. Communication of the Policy

This policy will be published and communicated internally on HUB+, externally on Heathrow.com and will be shared specifically with Heathrow's existing strategic suppliers

### 8. Management review of the Policy

This policy will be reviewed on an annual basis by Solutions and the Executive Committee.