



Post Office Ltd

Employee Disclosure Policy

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1. Employee Disclosure

1.1 Introduction

Royal Mail Group plc attaches great importance to the ethical conduct of its business and to the protection of its good reputation. This statement sets out company policy for enabling employees to disclose information about breaches of its policies and standards of conduct. This policy will be supported by each of the Royal Mail businesses, which will maintain arrangements for giving confidential and fair consideration to such disclosures, and for taking appropriate and effective remedial action. The Public Interest Disclosure Act 1998 gives workers the right not to be subjected to any detriment if they make a protected disclosure. The dismissal of a worker because they have made a protected disclosure is automatically unfair.

2.0 Definition

Employee disclosure means an allegation made by an employee that Royal Mail policy or standards are being broken or disregarded, or that unethical, unlawful or unprofessional practices are being pursued. This may concern criminal activity or corruption, financial irregularity, conflict of interest, malpractice in relation to suppliers or clients, harassment, bullying, neglect of duty, neglect of health and safety hazards, etc. Such concerns may be raised where the employee feels that his or her line manager or head of department is implicated in the behaviour complained of, or that for some reason they may not be willing or in a position to provide an impartial hearing or remedy. The employee may feel threatened or otherwise inhibited by the consequences of raising their concerns by the normal management channel or via the grievance procedure.

3.0 Policy

Royal Mail Group plc is committed to trust and openness in its dealings with all employees, and to listening to their views. It has adopted a *Code of Business Standards*, and is determined to see that the standards in it are effectively observed. It seeks to foster a working environment where line managers are accessible to their staff and can be expected to give a fair hearing to any legitimate concern which is raised with them, and to respond positively.

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In normal circumstances, employees should feel able to discuss any problem at work with their line manager or, failing that, to raise the issue with the next most senior manager or the head of department.

"Employee disclosure" concerns those occasional cases where the employee feels that these routes cannot be used without compromising their position, or that the issue is so serious that it needs to be escalated to a senior level of management. An employee may also use the disclosure system if an approach by the normal channel has been tried but has failed to provide an effective remedy of the abuse complained of.

In an organisation the size of Royal Mail Group plc, situations may occasionally arise where the interests or standards of the organisation are put at risk by the misguided, irresponsible or even criminal actions of a few individuals or a group of people. Reporting such behaviour is not disloyal: it is protecting the good reputation of the company and of the honest majority of its employees. It is essential that there should be a safe and confidential channel by which employees can have concerns about unethical or unlawful conduct impartially investigated by someone outside their department. Employees should have a means of expressing any anxieties inside the organisation, and feel confident that justice can be obtained by elevating the problem to a senior level. This is preferable to keeping silent, or feeling that their only recourse is to pass information to the media or to some outside body, or even to resign. Each business has a duty to provide such a channel. Concerns should normally be expressed internally in the first instance, although the Act prescribes some circumstances in which an employee is protected if they disclose certain categories of information to specified third parties. Unless there are exceptional circumstances, employees should not disclose a complaint to the media before they have raised it with management and have made a reasonable attempt to resolve the issue internally by following the procedures described in this guideline. Whilst the existence of a safe channel for employee disclosure is important to ensuring the ethical health of the organisation, it needs to be sensitively managed. It should support morale and promote employee confidence and loyalty in the organisation. It should not achieve the reverse effect by creating a culture of informers, anonymous denunciations and insecurity. Genuine complainants must be encouraged and protected, but malicious complainants are to be discouraged. The following section provides some guidelines on how

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cases of employee disclosure should be dealt with.

4.0 Guidelines

Each business should nominate a senior manager, and additional managers if its size and structure make this appropriate, to deal with cases of employee disclosure. Nominees should preferably be people with personnel training and skilled in interview techniques. Arrangements should be publicised internally to all employees, giving contact details.

On receipt of information about any unethical or unlawful practice, the nominated manager should approach the complainant discreetly and sympathetically and invite them to be interviewed confidentially. During the confidential interview, all relevant information should be gathered and an initial assessment should be made of whether the complaint is made in good faith or whether it appears to be malicious, mischievous or made out of a desire for personal vengeance. In cases of doubt, it must be assumed that the complaint is made in good faith. A confidential note of the interview may be made, but the informant should not be identified in it by name or by inference if they wish their anonymity to be respected at this stage. (But see further below.)

The nominated manager should then pursue the complaint with the director of the department concerned (provided he or she is not implicated in the complaint) and conduct an enquiry to confirm the facts. If it is apparent that financial irregularity is involved, Internal Audit must be involved immediately. If there is a suspicion of criminal activity, Security and Investigation Services must be involved immediately. Internal Audit and/or Security and Investigation Services will pursue their investigations independently of management, but may require the production of, and retain, any documentation relating to the complaint or initial management enquiry. They may also require the disclosure of the identity of the employee who has provided information.

Once an enquiry has been completed, the nominated manager should (after appropriate consultation with other senior managers) recommend to the line manager whether there is a case to be pursued under the business conduct code. If it is decided that there is not, the complainant should be told, and given reasons. If the complaint is found to be wholly or partly substantiated, appropriate action should be taken according to the business conduct code. In this case (and particularly if criminal

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prosecution is involved), the complainant should be advised only that their concern is being dealt with and that they will be notified of the outcome. They should be given a further report, in writing if requested, once resulting action has been concluded, and asked to confirm that their complaint has been dealt with satisfactorily. The need for any further action should then be reviewed by management.

Employees who have disclosed information about any misconduct or malpractice must be given every reasonable protection against any form of recrimination, intimidation or any other form of detriment. This will be particularly necessary where the complaint involves previous instances of harassment or bullying. The complainant's identity must be protected so far as possible, and not disclosed to the person who is the subject of the complaint. If it becomes absolutely necessary to disclose it in order to substantiate the complaint, the subject of the complaint should be warned that any attempt at recrimination will be a serious disciplinary matter, and firm action must follow if the warning is ignored. If separation of the employees in question is appropriate, then on principle (as in sexual harassment cases) it is the perpetrator, not the victim, who should be moved. If, however, the victim asks to be moved for their own protection or peace of mind, prompt and supportive action must be taken to help them. If appropriate, the complainant should be supported by counselling both during and after the outcome of the investigation.

Where information is provided anonymously, the allegation should be investigated as described above and appropriate action should be pursued. There need be no attempt to establish the identity of the complainant unless their testimony is essential to substantiating a serious complaint.

Any complaint upheld against a director must be notified in confidence to the Company Secretary. If financial activity and/or criminal activity are involved, Internal Audit and Security and Investigation Services must also be notified.

Throughout the enquiry process, the rights of the person or persons complained of must be adequately respected while the facts are being established. It may be that the perpetrator, or alleged perpetrator, requires counselling or other support and this should be provided as appropriate. Managers making enquiries must take care to establish facts and to take an even handed approach. This will be particularly challenging when allegations and denials of harassment or bullying may

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largely depend on the differing perceptions of the parties involved.

Nothing in this guideline should be taken to affect an employee's right to involve their trade union in accordance with agreed practice should they choose to do so.

5.0 Penalties

Royal Mail Group plc will take disciplinary action as appropriate against anyone who is shown to have acted in an unethical or unlawful manner, in breach of its *Code of Business Standards* or other standing instructions. Criminal penalties may also be appropriate in serious cases.

Employees who raise legitimate concerns under these guidelines in good faith must not suffer disciplinary action or discriminatory treatment or any other detriment as a result, even if subsequent enquiry concludes that the complaint cannot be substantiated in whole or in part. However, disciplinary action will be taken against any employee who is shown to have used the employee disclosure system deliberately, maliciously or mischievously to lay false or misleading information. Penalties may range from reprimand when the integrity and reputation of another employee have been impugned without reasonable cause, to dismissal in serious cases where there has been a knowingly false accusation of criminal activity.

6.0 Further Information

In such a sensitive area, no rule can cover every eventuality. It is essential that good behaviour and integrity are fostered and supported throughout the organisation, and recourse to the employee disclosure system should be necessary only as a last resort. Its effectiveness will depend on the discretion, good judgement and impartiality of the nominated managers responsible for operating it and of managers who are called on to take remedial action. The contact point for employee disclosure should be the Director of Security with responsibility for your business unit.

For serious complaints concerning senior directors, the matter should be brought to the attention of the Company Secretary.

For advice concerning the Public Interest Disclosure Act 1998, contact HRSC in the first instance on 0845 6016260

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