

# CONFLICTS OF INTEREST POLICY

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# Conflicts of Interest Policy

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| Responsible Officer           | Group Director of Governance |
| This policy is applicable to  | Karbon Group                 |
| Policy version                | 5                            |
| Date this version implemented | September 2026               |
| Date of next review           | December 2028                |

## Policy Statement

This policy explains how Karbon Group makes sure decisions are made fairly and in the best interests of our customers. A conflict of interest is when someone's personal, family, or financial interests could influence (or be seen to influence) the way they do their job or take part in a decision. Being open about interests protects customers, colleagues and the Group, and helps maintain trust in our services.

This policy applies to all colleagues and anyone working on behalf of the Group, including board and committee members, consultants, agency workers, volunteers and involved residents. Everyone must declare any interests that could create a conflict when they join the organisation, and reviewed every year, and/or whenever something changes (within 28 days of a potential conflict arising).

For customers, this means decisions about homes, services, recruitment and contracts are made without favouritism, with clear records that show how we have acted fairly and transparently.

## Risk the policy is designed to control

6. Governance and Compliance

## Key performance measures

The following KPIs are reported to Group Audit and Risk Committee annually

% Declaration of Interests forms completed after 3 months request

% of colleagues annually completing a Declaration of Interests form

Number of cases reported on the fraud register

## Definitions

The Group - 'The Group' refers to Karbon Homes Group including any subsidiary organisations.

Colleague - For the purposes of this policy, a 'colleague' refers to any colleague, board or committee member, contractor, agency worker, volunteer, involved resident or external consultant working on behalf of the Group or its subsidiary companies, including any subsidiary housing association.

Family member:

- Your partner (to whom you are married, in a civil partnership or living with in a similar capacity);
- Parent, step-parent, parent-in-law;
- Your daughter or son, stepchildren, or the child of your partner;

- Your brother or sister, or sister or brother of your partner;
- Grandparents, grandchildren;
- An aunt or uncle, nephew or niece and cousin
- The partners of any of these people;
- Any dependents; and
- Any person on whom you depend.

Includes estranged, separated and divorced family members (and estranged, separated and divorced persons who might reasonably be regarded as similar to family members).

Close connection - Your business partner or a business in which you have an interest through ownership or influence.

Using the Group's contractors or suppliers for private purposes - means knowingly entering any arrangement which leaves you open to people thinking you are benefitting from your position with the Group. An example could be a contractor fitting new bathrooms in the Group homes, then the same company coming out the next day to fit you a new bathroom in your own property.

It does not include e.g. personal banking with the same bank that the Group uses or buying building supplies from a major national supplier sometimes also used by the Group.

## Abbreviations

NHF – National Housing Federation

## Policy Detail

### 1.0 Purpose of policy

- 1.1 The purpose of this policy and related procedure is to ensure that conflicts of interests are appropriately declared and managed and that the Group colleagues act, and are seen to act, in the best interests of the Group and our customers.

### 2.0 Objectives

- 2.1 The objectives of this policy are:

- That all colleagues understand what may constitute a conflict of interest with their work with the Group;
- That all colleagues understand the steps the Group may take to manage potential conflicts;
- That all colleagues know how potential conflicts of interest should be declared.

- 2.2 This policy is one of a suite of probity policies. The overall objective of the probity policies is to ensure that all individuals and organisations associated in whatever way with the Group act with the highest standards of probity and integrity. This policy should be read in conjunction with the following probity policies:

- Anti-Fraud, Anti-Theft and Anti-Bribery and Corruption Policy
- Speak Out Policy

- Gifts and Hospitality Policy
- Anti-Money Laundering Policy
- Related Party Transactions Policy.

2.3 The Group colleagues are also required to act at all times in line with the Group's Code of Conduct, which provides guidance to ensure that each colleague's actions and behaviour are consistent with the Group's values and high standards.

## **3.0 Policy detail**

### **3.1 Declarations**

3.1.1 Colleagues are expected to take all reasonable steps to ensure that no undeclared conflict arises, or could reasonably be perceived to arise, between their duties with the Group and their personal interests, financial or otherwise.

3.1.2 By declaring any potential conflicts, colleagues are protected from any perception or accusation that they are using their work with the Group to further their own interests, or the interests of their family or close connections.

3.1.3 All colleagues are required to complete a Declaration of Interest Form:

- when they join the Group;
- on an annual basis; and
- at any point where a new conflict arises

3.1.4 Colleagues must complete a declaration of interest form within 28 days of any potential conflict arising.

3.1.5 Colleagues are not expected to research into the employment, business interests and other activities of all their family members and close connections, or to research whether a company is a Group supplier or contractor. However, they are expected to declare any interest which they know about, or which, from the point of view of a reasonable and objective observer, they should have known about.

### **3.2 Potential Conflicts of Interest**

3.2.1 The situations detailed in Appendix 1 could cause a potential conflict of interest and must be declared on a Declaration of Interests Form.

### **3.3 Rules for managing conflicts of interest**

3.3.1 The following rules are in place to manage conflicts of interest:

#### **3.3.2 Applying for other work or volunteering**

- Colleagues must consult with their line manager before taking on any work, including formal volunteering, outside of the Group.

- Written permission from the colleague's line manager must be included on the declaration of interest form. Any such work or position must not interfere with the colleagues existing job or conflict with the interests of the Group.
- Colleagues must not carry out work for their own business or another company in Group time or using Group resources.

### **3.3.3 Colleagues wishing to create a new business**

- Where colleagues are proposing to constitute a new company with themselves as a member (Shareholder, Director or Company Secretary) of the new company, they must seek written permission from the Group before the company is formally constituted.

### **3.3.4 Colleagues, their family members or close connection who lives in a Group property**

- Colleagues who live in one of the Group's homes, or who have a family member or close connection who lives in one of the Group's homes, must not deliberately access data, make any changes to any data, or make any decisions relating to their (or their family member's / close connection's) tenancy or property.
- Colleagues must not attend their own Group home, or that of their family member or close connection, for work purposes (other than for the purposes of agreed homeworking / hybrid working arrangements).
- Colleagues should not deal with any queries or issues relating to their own Group home or tenancy, or that of their family member or close connection, on behalf of the Group. If a query or issue is received it should be passed to another colleague to deal with.
- Colleagues must not be involved in any decision-making process regarding any supplier or contractor that they, their family member or close connection have an interest in. They must not be involved in appointing the contractor or supplier or establishing the terms of any such contract, or its ongoing monitoring and management.
- Colleagues must not hold line management responsibility for their family members or close connections.

### **3.3.5 Family members or close connections applying for a role within the Group**

- New applicants to the Group must declare on their application form whether they are the family member or close connection of any existing Group colleague.
- Colleagues must not be involved in any decision-making process on whether to appoint their family member or close connection to a role within the Group.
- Colleagues must not be involved in decisions relating to discipline, promotion, pay or benefits for their family members or close connections.

- Colleagues must not hold line management responsibility for their family members or close connections.

### **3.3.6 Colleague conduct**

- Colleagues must not use their position within the Group to obtain any type of personal discount or benefit from a Group contractor or supplier, other than where an exemption has been authorised on behalf of all Group colleagues.
- These rules are not intended to be exhaustive.

### **3.3.7 Additional rules for board and committee members**

- Members are always encouraged to read board or committee papers in advance of the meeting and must report any new conflicts of interests as they arise. Board and committee members must declare their interest at the start of any board or committee meeting where the matters under discussion could represent a conflict of interest. The Chair will provide direction where appropriate; a note will be recorded in the minutes and if it is a new declaration of interest then the member must complete a new form.
- By default, board and committee members are expected to not take part in discussion and/or voting on any matter in which they have declared a conflict, unless otherwise agreed by the other members, allowed by the Articles of Association, or allowed by the Terms of Reference of the Board/ Committee
- The board or committee member should offer to withdraw from the meeting for the duration of the discussion of the relevant item. If invited to remain in the meeting, the board or committee member should refrain from participating in the discussion and in any decision, unless otherwise agreed by the other members, allowed by the Articles of Association, or allowed by the Terms of Reference of the Board/ Committee.
- When changes occur in a board or committee members' own interests, or those of a family member or close connection, which may give rise to a potentially serious or continuing material conflict with those of the Group, the board or committee member should review their continuing membership and involvement. If necessary, they should take advice on whether they should stand down.
- In the event of any fundamental or ongoing material conflict of interest the Group or relevant Board will consider and determine whether the person concerned should cease to be a board or committee member.
- The register of board and committee member Declarations of Interest is publicly available and is reported on annually to the Board.

## **3.4 Accidental or unavoidable breach**

- 3.4.1 Colleagues should immediately report any accidental or unavoidable breach of the above rules as follows:
- Colleagues should report it to their line manager

- Board and committee members should report it to the Company Secretary or to the Chair of the relevant board or committee
- Professional services consultants, agency staff and involved residents should report it to their main Group contact.

### **3.5 Using discretion**

3.5.1 From time to time, colleagues will need to use their discretion as to:

- Whether to declare an interest
- Whether an interest that has been declared by someone else conflicts with their role, and how it should be managed
- Whether a particular exemption should be agreed.

3.5.2 Whenever matters are open to discretion, colleagues must weigh up the decision very carefully, and be guided by the principles of the Code of Conduct, which are: acting in the best interests of the housing association and its residents; behaving with integrity; conducting yourself professionally and treating others well; and protecting yourself, others and the environment.

3.5.3 Any colleague requiring support with decision making should seek support as follows:

- Colleagues should seek support from their line manager or the Governance and Risk team
- Board and committee members should seek support from the Company Secretary or the Chair of the relevant board or committee
- Professional services consultants, agency staff and involved residents should seek support from their main Group contact or the Governance and Risk team.

### **3.6 54 North Homes Corporate Trustee of the Almshouses**

3.6.1 A statement for 54North Homes Limited is provided in appendix 3 in relation to how any conflicts of interests are to be managed by the organisation in their role as a corporate trustee of the Almshouses.

### **3.7 Failure to comply with this policy**

3.7.1 It is the responsibility of the individual colleague to ensure that their interests are fully, properly and promptly declared.

3.7.2 Where there is evidence that a colleague has withheld information or provided misleading information on a Declaration of Interest form, or where there has been any deliberate and undeclared breach of the rules agreed for managing conflicts of interest, action may be taken against the colleague.

3.7.3 For colleagues, this may result in disciplinary action in line with the Group's Disciplinary Policy. Serious breaches of this policy may be considered gross misconduct.

3.7.4 For other colleagues, this may result in their contract, agreement for services or relationship with the Group being ended.

### **3.8 Processing the declaration of interest form**

- 3.8.1 A central register will be maintained of all declared interests. The Declaration of Interests Register will be overseen by the Company Secretary.
- 3.8.2 The Company Secretary may decline to authorise a declaration where the conflict is so great that it cannot be effectively managed by putting appropriate rules in place. In this circumstance, steps must be taken by the colleague concerned to ensure that the source of conflict is removed. Failure by the colleague to remove the source of conflict in this situation could result in disciplinary action being taken.
- 3.8.3 For any potential conflict declared which cannot be managed by applying the above rules, the colleague and line manager, with the support of the Governance and Risk team where required, will discuss and agree appropriate rules to put in place to manage the conflict on a case-by-case basis.
- 3.8.4 Some specific conflicts of interest may require an exemption from an Executive Director. Details of exemptions requested and granted will be kept on an Exemptions Register overseen by the Company Secretary.
- 3.8.5 The register of board and committee member Declarations of Interest is publicly available and is reported on annually to the Board. Declarations made by the Board, Executive Directors and KLT members are reported in the Group's annual accounts.

### **3.9 Exemptions**

- 3.9.1 Occasionally a potential conflict of interest may arise which requires a specific exemption from the Company Secretary see appendix 2 Exemptions for a list of these.
- 3.9.2 The Company Secretary must be presented with all the facts of the case in order that they can make a decision on whether to approve an exemption. Another Executive Director may authorise an exemption in the absence of the Company Secretary.
- 3.9.3 The exemption form should be completed giving as many details as possible to enable the Company Secretary to make a reasoned judgement on whether to authorise the exemption. Any other Executive Director can authorise an exemption in the absence of the Company Secretary. The Group will keep a copy of all Exemptions authorised by the Executive team in a central Exemptions Register. This register is owned by the Company Secretary and is maintained by the Governance and Risk Team.

## **4.0 Customer Vulnerabilities**

- 4.1 This policy is applied in line with our Customers in Vulnerable Circumstances Policy. We want people to be treated fairly, have equality of opportunities, freedom, respect, and access to our services.

4.2 We will support people in vulnerable circumstances to help us deliver this service. We will work alongside external agencies such as social services, the police and fire services and other appropriate agencies to help and support people in vulnerable circumstances and to ensure we meet our statutory and regulatory requirements as a social landlord.

4.3 Policies and key information are made available on our website.

## **5.0 Monitoring and Review**

5.1 The Company Secretary is responsible for the monitoring and review of this policy.

5.2 This policy will be reviewed at least every 3 years.

5.3 Policy review will be undertaken before the expected review date if there are significant changes to legislative or regulatory requirements, good practice or any other situation arises that makes a review necessary.

## **6.0 Equality and Diversity**

6.1 This policy is applied in line with our Inclusion and Belonging Policy. This includes the legal requirements of the Equality Act 2010, Workers Protection Act 2023 and the Public Sector Equality Duty.

6.2 At the Karbon Group we aim to eliminate discrimination, promote equality of opportunity, foster good relations and define the nine protected characteristics of age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

6.3 If you would like this or any other policies in a different language or format please contact [inclusion@karbonhomes.co.uk](mailto:inclusion@karbonhomes.co.uk).

## **7.0 Data Protection and Privacy**

7.1 We have a clear policy on data protection and sharing data with other partners/third parties under the requirements of the UK General Data Protection Regulation, the Data Protection Act 2018 and other associated legislation. This is clearly set out in the Data Protection Policy for the Karbon Group which, along with its associated procedures, must be followed throughout the operation of this policy.

## Potential conflicts of interest

Carrying out any paid work besides work for the Group, or any formal voluntary work (e.g. holding a regular unpaid position such as with a charity or community group)

Having a family member or close connection who works for the Group

Having a family member or close connection who works for or has connections with a Group supplier or contractor

Holding any position as a board or committee member, Director or Company Secretary with any company, whether this company does business with the Group or not

Owning a property which is rented out

Owning or having an interest in any piece of land close to any Group property

Being a Group tenant or leaseholder

Having a family member or close connection who is a Group tenant or leaseholder

Membership of an organisation whose membership rules conflict with the Group's purpose or which has secrecy around its membership

Association with (e.g. participation in activities organised by) groups or organisations whose values are inconsistent with the Groups. For example, involvement with racist or other discriminatory organisations.

Having a family member or close connection who is a member of an organisation whose membership rules conflict with the Group's purpose, or which has secrecy around its membership

Membership of a parish council or being an elected representative

Receiving gifts or hospitality in relation to any of the above

Receiving payment or benefit in relation to any of the above

Personally employing a Group contractor, supplier or a Group colleague

Having an interest in an organisation applying for grant/funding from the Group

This list is non-exhaustive

## Exemptions

**Employing family and close connections of existing Group colleagues (see Definitions)** It is Group policy to ensure and demonstrate that no preferential consideration is given to any application for employment by the family or close connection of existing colleagues.

**Re-employing previous Group colleagues, within 12 months of them leaving (or five years, if the former colleague is applying for a Board or Committee role).** Previous colleagues should not be excluded from seeking and obtaining such re-employment / appointment within the Group, as long as the due processes of either recruitment or appointment to the Approved List of Contractors / Consultants have been adhered to. To maintain the independence of the Board and its Committees, former colleagues will not normally be appointed to the Board or a Committee within 5 years of leaving the Group.

**Applications for housing from Group colleagues, or their family or close connections.** It is Group policy to ensure and demonstrate that no preferential consideration is given to any application for housing from Group colleagues, or their family members or close connections. People will not be unfairly excluded from allocations for which they are eligible. The conflict arises when connections are not declared, or when allocation processes are not open and transparent. Housing in this context includes general needs, retirement living schemes or specialist supported housing. Retrospective authorisation can be sought for applicants arriving through local authority Choice Based Lettings processes, who may not be known to the Group until the point of a property being offered.

**Applications for home ownership schemes from Group colleagues, or their family or close connections.** It is Group policy to ensure and demonstrate that no preferential consideration is given in any home ownership scheme to Group colleagues, or their family members or close connections. People will not be unfairly excluded from home ownership schemes for which they are eligible. The conflict arises when connections are not declared, or when processes are not open and transparent.

**Appointment of contractors/suppliers with close links to Group colleagues.** It is Group policy to ensure and demonstrate that no preferential consideration is given in any appointment or tendering process to any contractor/supplier with links to Group colleagues. A contractor/supplier having close links with Group colleagues should not be a bar to appointment as long as the relationship is openly declared and all required procurement procedures and processes are followed. The Group colleague with close links to the supplier/contractor must not be involved in the appointment or management of the contract.

**Employing Group colleagues for private purposes (for example employing a Group trades person to carry out work in your own home).** Except where specifically permitted by an approved Exemption form, you must normally avoid employing Group colleagues for private purposes, for example using a Group trades person to carry out work on your own home. Where this is unavoidable, the work must not be carried out in Group time or using Group materials or resources, and no financial advantage should be secured as a result (e.g. you must pay the full price and not 'mates rates').

**Using the Group's contractors and suppliers for private purposes.** Except where specifically permitted by an approved Exemption form, you must normally avoid using the Group's contractors and suppliers for private purposes. Where this is unavoidable, you must not receive a favourable service as a result of your connection with the Group. Using the Group's contractors or suppliers for private purposes means knowingly entering any arrangement which leaves you open to people thinking you are benefitting from your

position in the Group. An example could be a contractor fitting new bathrooms in a Group home, then the same company coming out the next day to fit you a new bathroom in your own property. It does not include e.g. personal banking with the same bank that the Group uses, or buying building supplies from a major national supplier sometimes also used by the Group. This requirement applies to using contractors or suppliers who you know, or should reasonably have known, are Group contractors or suppliers. Exemptions to this requirement will be granted on a case-by-case basis, for example where there is no alternative comparable contractor/supplier from which you can procure goods/services. You may be asked to make a written declaration confirming that no financial or other advantage has been secured as a result of your relationship with the Group.

**A colleague/board member or involved resident having an interest in an organisation applying for a grant/funding from the Group.** It is Group policy to ensure and demonstrate that no preferential consideration is given to any application for grants/funding. The conflict arises when interests are not declared. Any application must be approved via an Exemption form”

## 54North Homes Almshouse Statement

### 54 North Homes Corporate Trustee of the Almshouses

The Board Members acknowledge that 54NH is a corporate trustee of Marsden Memorial Homes, Emily Bentley Homes and Agnes Marsden Trust (the Trusts). When making decisions as corporate trustee of the Trusts, the Board Members are under duties to each of the Trusts, including a duty to act in the best interests of each Trust.

In most cases the interests of 54NH and the Trusts will be in alignment, so even in circumstances that affect more than one entity problems need not arise. Nevertheless, it is important that when making decisions on behalf of each Trust, the Board Members of 54N are clear on whose behalf they are making those decisions. Conflicts can arise within a corporate trustee structure because the same people making the decision on behalf of the Trust also sit on the Board of the corporate trustee and have duties to each organisation. However, conflicts which prevent Board Members from voting on certain matters should be rare, if handled properly.

Notwithstanding the above, 54NH has adopted this policy in order to set out a mechanism for dealing with conflicts should these ever arise in connection with the operation of the Trusts.

In the event that circumstances arise in which Board Member(s) feel unable to independently fulfil their duties to each Trust (a Conflict Situation) the following procedure shall be adopted:

If a Conflict Situation arises where individual members of 54NH find it difficult to fulfil their duties to 54N and the Trusts then they will declare the nature of the conflict and the conflict will be managed in accordance with the Group's usual board member conflict procedures and/or relevant constitution as appropriate.

Where all or a majority of the members of the board of 54NH feel that a Conflict Situation has arisen such that they cannot fulfil their duties (Group Conflict Situation), then the 54NH board shall be split in two, to enable quorate board meetings to be held on relevant issues, but also so that sufficient individuals are able to make a decision on behalf of 54NH and sufficient individuals are able to make an independent decision on behalf of the Trust(s). If there is no agreement regarding who should stand down, the Chair shall take responsibility for ensuring that Board Members will be assigned in order of their length of service to either 54NH or one of the Trusts that are subject to the Group Conflict Situation. The Board Members shall be assigned in accordance with their length of service with the longest serving Board Member being the first to be assigned to a board.

If two or more of the Board Members have served for the same period of time, the order in which they are assigned to Boards will be determined by the drawing of lots.

During the continuance of the Group Conflict Situation, the Secretary and Chairs shall ensure that appropriate arrangements are in place to ensure that Board Members only receive information (including draft agenda, reports, draft minutes) relevant to matter under consideration for the organisation to which they are assigned. They shall also

ensure that boards are able to access appropriate advice where this is considered necessary and that board minutes record the discussions and decisions taken by the relevant entity.

Once a Group Conflict Situation is resolved, the arrangements described above shall cease.