

GIFTS AND HOSPITALITY POLICY

Gifts and Hospitality Policy

Responsible Officer	Group Director of Governance
This policy is applicable to	Karbon Group
Policy version	7
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Policy Statement

This policy sets out how Karbon Group colleagues must handle gifts, hospitality, prizes, sponsorship, discounts and similar offers. It protects customers, colleagues and the organisation by making sure decisions are fair, transparent and not influenced, or seen to be influenced, by personal benefit. Colleagues must not ask for, encourage or accept bribes, gifts, hospitality, tips, favours or concessions that could compromise their judgement.

Gifts and hospitality should normally be declined unless they are modest, occasional, clearly linked to legitimate business activity and properly approved. Customer gifts, money or vouchers, gifts worth £50 or more, and offers from suppliers involved in procurement must be declined. Hospitality under £20 may be accepted if modest and occasional; hospitality worth £300 or more is normally considered lavish and must be declined. Colleagues must report offers, complete the Gifts and Hospitality form where required, record decisions clearly and seek advice if unsure. Breaches may lead to disciplinary action or legal consequences, and concerns can be raised through the Speak Out Policy.

Risk the policy is designed to control

6.3 Legal and Regulatory Change

Key performance measures

Reports to Group Audit and Risk Committee quarterly and annually:

The number of frauds and thefts reported to the regulator.

Amount and value of gifts accepted each quarter

Number of instances and combined value of hospitality accepted and declined each quarter – split by offering organisation and by level/team accepting

Definitions

For the purposes of this policy, a 'colleague' refers to any employee, Non-Executive Director, contractor, agency worker or involved resident, working on behalf of Karbon Homes or its subsidiary companies, including any subsidiary housing association, the 'Group'.

Abbreviations

ECCTA – Economic Crime and Corporate Transparency Act

HMRC – His Majesty's Revenue and Customs

Policy Detail

1.0 Purpose of policy

- 1.1 The Group operates under the principles of integrity and transparency. We work for the benefit of our customers and the wider community, with the aim of providing strong foundations for life.
- 1.2 The Group's Code of Conduct provides guidance to ensure that each colleague's actions and behaviour are consistent with the Group's values and high standards. We are committed to ensuring that colleagues do not place themselves under any obligation which influences, or might be perceived to influence, any of our decisions.
- 1.3 In accordance with the Bribery Act 2010, bribery is generally defined as offering, promising, giving or receiving, accepting or agreeing to accept a financial or other advantage to encourage that person to perform their functions or activities improperly, such as with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith, or to reward that person for having already done so. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.
- 1.4 The Bribery Act also has a failure to prevent bribery offence. Companies can be held criminally liable if an 'associated person' commits bribery and the company did not have sufficient policies and procedures in place to prevent this from occurring. Colleagues, agents, subsidiaries and any person who otherwise performs services for or on behalf of the Group. Fines and penalties apply for the organisation alongside criminal proceedings for the colleague who engaged in bribery. Please also refer to our Anti-Fraud, Anti-Theft, Anti-Bribery and Corruption policy for more information on bribery.
- 1.5 The types of bribery that take place in an organisation can be:
 - bribery to secure or keep a contract or secure an order
 - bribery to gain any advantage over a competitor
 - bribery of a local or national official to secure a contract or funding
 - bribery to turn a blind eye to a health safety issue or poor performance or substitution of materials or false labour charges
 - bribery to falsify an inspection report or obtain a certificate
- 1.6 Colleagues must not solicit or seek gifts, hospitality or other benefits under any circumstances. This includes asking for gifts, hospitality, tips, favours, legacies, discounts or concessions.

- 1.7 Where gifts or disproportionate, frequent or lavish hospitality may be perceived as being related to procurement decisions, these could be considered offences under the Act.
- 1.8 This policy is designed to help all our colleagues to understand the rules and procedures in place around the giving and receiving of hospitality. The policy is designed to protect both individuals and the Group, to ensure that you do not open yourself up to criticism that decisions you make in the course of your role within the Group are influenced by the giving or receiving of gifts and/or hospitality, whilst maintaining a sensible and balanced position which avoids any unintended reduction in the Group's ability to undertake legitimate business networking or to influence national, regional and local stakeholders.

2.0 Objectives

- 2.1 Our Code of Conduct outlines the following principle:
- You must not offer, seek or accept bribes or inducements to act improperly or corruptly;
 - You must not offer, seek or accept gifts, hospitality or other benefits from individuals or organisations that might reasonably be seen to compromise your judgment or integrity or place you under an obligation to those individuals or organisations.
- 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, Anti- Bribery and Corruption Policy
 - Speak Out Policy
 - Conflicts of Interest Policy
 - Anti-Money Laundering Policy
- 2.3 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 Gifts

- 3.1.1 Offers of gifts should be declined wherever possible. Acceptance of gifts should be the exception rather than the rule. Gifts should only be accepted as one-offs; it is not acceptable for colleagues to accept multiple gifts, particularly from the same person or company.

3.1.2 If a gift is to be accepted, then approval must always be by someone who has seniority to you.

3.1.3 Gifts offered to the Chief Executive must be approved by the Company Secretary.

3.1.4 Gifts offered to board or committee members, in their roles for the Group or any subsidiary company, must be approved by the Chair of the Group Board.

3.1.5 The Group or colleagues – offering gifts

3.1.6 Colleagues must be careful at all times to ensure that they cannot be perceived to be giving, promising or offering a bribe.

3.1.7 Colleagues should never give gifts or loans of money to tenants or other service users.

3.1.8 Gifts must never be offered during or leading up to a procurement or purchasing decision involving the recipient, or where it might be perceived that there could be any intention to influence a business decision.

3.1.9 The Housing and Regeneration Act 2008, s122, restricts the making of gifts (and the payment of dividends or bonuses) to our current or former Board Members and their close relatives. Therefore, no gifts or non-business -related hospitality can be given to this group.

3.1.10 Any gift offered by the Group to a third-party company or individual must be declared.

3.1.11 Receiving gifts from customers

3.1.12 Gifts from customers should be declined; other than where refusing a modest gift would cause legitimate offence.

3.1.13 Any gift with a perceived value of £50 or above must be declined. Any monetary gifts or cash equivalents (e.g vouchers) from customers must also be declined. The gift must be reported to your line manager and a Gifts & Hospitality form should be completed.

3.1.14 Receiving gifts from suppliers or contractors

3.1.15 Gifts should be declined when the person/company offering the gift is in, or about to be in, a procurement or purchasing process with the Group. This includes contract variations and extensions as well as full tender processes.

3.1.16 Gifts of token value (under £10)

3.1.17 An example may be free promotional pens or calendars.

3.1.18 The gift must be reported to your line manager, prior to accepting. The line manager will advise whether the gift requires a Gifts & Hospitality form to be completed.

3.1.19 Gifts with a value of £10 to £50

3.1.20 The gift must be reported to your line manager and a Gifts & Hospitality form completed, prior to accepting. This will then be sent to a KLT member or if the colleague is above this level of management, then the appropriate manager who has seniority, who will check with the Procurement Team whether the company is in procurement process and then consider the circumstances before deciding whether to accept or decline.

3.1.21 Gifts with a value of £50 and over

3.1.22 Gifts of this value should be declined, reported to your line manager and the Gifts & Hospitality form should be completed.

3.1.23 Receiving gifts at conference/events

3.1.24 In cases where more than one gift is offered, for example, if a team attend a conference and each colleague is given a 'goody bag', the value of the gifts should be combined, and the most senior member of the team should seek approval for the total value.

3.1.25 Wherever possible, gifts accepted should be shared with the team, or donated as a raffle prize for charity, rather than kept by the individual.

3.1.26 Receiving gifts during the course of a hospitality event requires the colleague to complete the Gift and Hospitality form. A note should also be included on the declaration to record that the gift was offered during the course of the declared hospitality.

3.2 Hospitality

3.2.1 Offers of hospitality, other than the occasional modest hospitality, should be declined wherever possible. Modest hospitality can include working lunches of a modest nature, invitations to events that are clearly related to official duties and where attendance is justified and recorded. Offers of hospitality, must be approved **in advance** of the event and not retrospectively. The event must only be attended where approval has been gained.

3.2.2 Retrospective reporting will be considered an exception to the requirements of the Gifts and Hospitality Policy, and continued retrospective reporting considered a breach.

3.2.3 In circumstances where it is impracticable to go through the full approval process in advance of the event (for example impromptu hospitality invitations during attendance at conferences), the full approval process must be followed as soon as possible. The Company Secretary (or, if made by the Company Secretary, the Group Chief Executive) will be notified of any retrospective report made.

3.2.4 Hospitality should not be accepted where there is no justification. An example of this would be events paid for by a third party but where only the Group colleagues are likely to be present.

3.2.5 Acceptance of hospitality should be the exception rather than the rule.

3.2.6 It is recognised that acceptance of hospitality can be necessary in building stakeholder engagement and growing the Group's reputation within the wider community. Other hospitality may therefore be accepted, for instance where:

- There is a genuine need to impart information or represent the Group in the community;
- Where an event is clearly part of the life of the community or where the Group should be seen to be represented;
- The hospitality concerns attendance at a relevant function, conference or course where it is clear that the hospitality is corporate, i.e. representing the Group rather than personal;
- There is a genuine need to represent the Group in the business community and to foster effective business relationships;
- There is a need to accept hospitality which advances the Group public affairs work and strategic aims.

3.2.7 Colleagues should not accept multiple offers of hospitality from the same third-party organisation or individual. As a guide, it is unlikely to be appropriate to accept more than three offers from the same source in any financial year. Repeated acceptance of invitations to the same sporting, social or cultural events within a financial year should be avoided.

3.2.8 Hospitality should not be accepted where there is no justification for it in line with 4.6. An example of hospitality which will not reach the criteria in 3.2.6 is events paid for by a third party but where only Group colleagues are likely to be present. As any hospitality accepted must be for business purposes only, extensions of hospitality to non-Group colleagues (for example invitations which include the colleague's spouse, partner or other family member) must be seen as the exception and approved prior to the event.

3.2.9 The Group or colleagues – offering hospitality

3.2.10 Colleagues should never offer lavish or exceptional hospitality, or any hospitality which could be interpreted as a way of exerting an improper influence over the way duties are carried out. The timing of hospitality in relation to procurement or purchasing decisions which the Group may be taking is especially sensitive.

3.2.11 Lavish or exceptional hospitality may be more of a social than a business occasion; anything which could be perceived as a 'perk' of the job rather than hospitality offered in the necessary course of business.

3.2.12 Any hospitality offered exceeding £300 in value per person will be classed as lavish hospitality and should be declined. If you are unsure whether the hospitality you

wish to offer may be seen as 'lavish or exceptional' please contact the Governance & Risk team for guidance.

3.2.13 Receiving hospitality from customers

3.2.14 Hospitality from customers and residents should be declined, other than where refusing modest hospitality would cause legitimate offence. Modest hospitality can be defined as a customer offering tea, coffee, biscuits in the course of carrying out employment related duties in their home.

3.2.15 Receiving hospitality from suppliers or contractors

3.2.16 Hospitality should be declined when the person/company offering the hospitality is in, or about to be in, a procurement or purchasing process with the Group. This includes contract variations and extensions as well as full tender processes.

3.2.17 Occasional modest hospitality (under £20)

3.2.18 Occasional modest hospitality can be accepted without seeking prior approval from your line manager and a form is not required to be completed.

3.2.19 An example may be someone with whom you have an established working relationship buying you a coffee, or a light meal being offered during a lunchtime meeting.

3.2.20 Hospitality between £20 and up to £50

3.2.21 Hospitality offered with an estimated value of £20 up to £50 may be accepted following approval from the line manager and a KLT member or above, guided by the advice of the procurement team, via the approval procedure outlined at Appendix 1 of this policy.

3.2.22 Hospitality £50 or above

3.2.23 Hospitality with an estimated value of £50 or above may be accepted following approval from the line manager and a Group Director or above, guided by the advice of the procurement team, via the approval procedure outlined at Appendix 1 of this policy.

3.2.24 Lavish or exceptional hospitality £300 or over

3.2.25 Any hospitality offered exceeding £300 in value will be classed as lavish hospitality and should be declined.

3.2.26 Lavish or exceptional hospitality may be more of a social than a business occasion; anything which could be perceived as a 'perk' of the job rather than hospitality offered in the necessary course of business.

3.2.27 Where demonstrably necessary to promote the Group's objectives, these limits may be exceeded by exception, subject to review by the Company Secretary (or, if offered to the Company Secretary, review by the Group Chief Executive).

3.2.28 If you are unsure whether hospitality you have been offered may be seen as 'lavish or exceptional' please contact the Company Secretary or a member of the Governance & Risk Team for advice.

3.3 Judging the value of gifts

3.3.1 If you are unsure of the value of the gift or hospitality you should use the most generous estimate. For example, if you think the gift or hospitality could be worth anything from £15 to £30 you should record the value as £30 and seek approval accordingly.

3.3.2 Under-reporting of the value of gifts or hospitality where the colleague knows, or should reasonably have known, the true value will be considered a breach of this policy.

3.4 Prizes

3.4.1 Prizes won while representing the Group (for example, a business card prize draw at a conference) with a value of over £10 should be shared with the team, or donated as a raffle prize for charity, rather than kept by the individual.

3.4.2 This does not apply where the colleague has used their own money to be eligible for the prize (for example by buying a raffle ticket).

3.5 Collecting for Charity

3.5.1 Situations sometimes arise where colleagues wish to accept gifts or hospitality to offer as prizes for charity events, raising money for agreed charities.

3.5.2 In order that this cannot be perceived as a loophole in the Gifts and Hospitality Policy, the following guidance should be followed in accepting gifts or hospitality for charity purposes:

- Gifts or hospitality for charity purposes should not be accepted from a company which you know is, or is about to, go through a procurement or purchasing process with the Group. This includes contract variations and extensions and supplier disputes as well as full tender processes.
- All gifts or hospitality accepted for charity purposes should be recorded on the Gifts and Hospitality register.
- The company / individual supplying the gift or hospitality should be informed in writing of the charitable purposes for which the gift/hospitality was used, and a copy kept by the Group. This could be in the format of a thank you letter or email to the company / individual.

3.6 Sponsorship

- 3.6.1 Where an outside organisation wishes to sponsor the activity of the Group, whether by invitation, tender or negotiation, or voluntarily, the basic conventions concerning the award of contracts and acceptance of gifts and hospitality will apply.

3.7 Wills and Trusts

- 3.7.1 Colleagues must not invite or influence Group tenants or customers, other than those with whom they are closely connected to make a will or trust under which the colleague, or a family member or close associate of the colleague, is named as executor, trustee or beneficiary.
- 3.7.2 Any will or trust made by a Group tenant or customer under which the colleague, or a family member or close associate of the colleague, is named as executor, trustee or beneficiary (perhaps because of a close connection), should be declared in line with Conflicts of Interest Policy.

3.8 Discounts and Concessions

- 3.8.1 Discounts and concessions may be accepted by colleagues where they have been negotiated by the Group on behalf of all Group colleagues. It will be the responsibility of the relevant Executive Director to ensure that such group discounts or concessions have not been offered in order to influence any procurement or purchasing decision.
- 3.8.2 Where a discount or concession is offered to an individual colleague or team of colleagues because of their association with the Group, this discount or concession will be treated as a 'gift' under this policy, and the rules relating to acceptance of gifts at section 3 above will apply.

3.9 Breaches of this Policy

- 3.9.1 Colleagues who fail to comply with this policy will be subject to disciplinary action under the Group's Disciplinary Policy, up to and including summary dismissal, dependent upon the nature of the non-compliance.
- 3.9.2 Board members or involved residents who fail to comply with the policy will be referred to the Chair of the Group Board; failure to comply with this policy may constitute a breach of duty.
- 3.9.3 Colleagues acting in contravention of the Bribery Act 2010 may be subject to prosecution.
- 3.9.4 Any colleague who suspects another colleague of failure to comply with this policy may raise the issue using the Group's Speak Out Policy.

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 This policy will be monitored and reviewed by the Group Director of Governance/Company Secretary.
- 5.2 This policy will be reviewed at least every three 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.

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.