

# Anti-Bribery and Corruption Policy

## 1. Policy Statement

It is Keepmoat's policy to conduct all of its business in an honest and ethical manner, and in accordance with UK legislation. Keepmoat takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and implementing and enforcing effective systems to counter bribery.

It is a criminal offence to offer, promise, give, request or accept a bribe, and individuals found guilty of bribery offences may face up to ten years' imprisonment and/or unlimited fines. In addition, if Keepmoat is found to have failed to prevent acts of bribery and corruption within its business, it too could face an unlimited fine, be excluded from tendering for public contracts, and suffer a loss in revenue as a result of reputational damage. For all the above reasons, Keepmoat takes its legal responsibilities extremely seriously.

The purpose of this policy is to:

- ▶ Set out the responsibilities of Keepmoat, and of those working for or with Keepmoat, in observing and upholding its position on bribery and corruption; and
- ▶ Provide information and guidance to those working for Keepmoat on how to recognise and deal with bribery and corruption issues.

In this policy, third party means any individual or organisation that Employees would come into contact with during the course of their employment for Keepmoat. It includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

## 2. Scope

- 2.1. As Keepmoat is responsible for preventing a wide range of associates from offering bribes on its behalf, this policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located.
- 2.2. Where parties in the above list are not direct employees of Keepmoat, whomever engages the parties to work for or on behalf of Keepmoat is responsible for ensuring that sufficient due diligence has been carried out:
  - ▶ in respect of their anti-bribery policies and processes; and
  - ▶ that the correct contractual documents are in place in order to set appropriate standard of behaviour from the outset.

## 3. Roles and responsibilities

- 3.1. **Executive Board** - has overall responsibility for ensuring this policy complies with Keepmoat's legal obligations and ensuring that all those under Keepmoat's control comply with it. This includes

reviewing the gift log on an annual basis.

- 3.2. **Senior Leadership Team** - is responsible for ensuring that:
- ▶ they have adequate monitoring and supervision of their respective teams for the purpose of complying with this policy; and
  - ▶ those reporting to them are made aware of this policy and they attend or complete all training sessions that are arranged for them and their team.
- 3.2.1. The Senior Leadership Team in the context of this policy shall mean all directors and heads-of function in each region and in the central function.
- 3.3. **Regional Managing Directors** - should be aware of all gifts and hospitality in their region. They should report on compliance with this policy in their regional board papers.
- 3.4. **Compliance Manager** - has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation.
- 3.5. **Line managers** – must ensure their staff record all gifts and hospitality on the gift log, and authorise these in line with this policy.
- 3.6. **All staff** – must familiarise themselves with this policy and comply with the anti-bribery and corruption measures set out. In particular, they should:
- ▶ not offer or accept any bribe;
  - ▶ record any gifts or hospitality given or received on the gift log in line with this policy; and
  - ▶ complete the HR.net declaration agreeing to comply with the policy.
- All staff must complete any anti-bribery and corruption training assigned to them.

## 4. Responsibility to prevent and report acts of bribery

- 4.1. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for Keepmoat or under Keepmoat’s control (“**Employees**”).
- 4.2. Employees are required to avoid any activity that might lead to, or suggest, a breach of this policy. Employees are individually responsible for ensuring that they have read, understood and can comply with this policy.
- 4.3. Employees must notify the **Compliance Manager** or the Keepmoat Legal Department as soon as possible if they believe or suspect that a conflict with this policy has occurred or may occur in the future, or if they feel uncomfortable about an offer or request that has been made or received. For example, if a third party offers to disclose confidential information relating to a tender in exchange for money or other thing of value (such as lavish hospitality).

**Any Employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.**

## 5. What is bribery and corruption?

- 5.1. A bribe is an inducement or reward offered, promised or provided in order to gain a commercial, contractual, regulatory or personal advantage.

## 5.2. A bribe:

- ▶ can be made by an **individual** or a **company**;
- ▶ can be **cash** or **something else** (e.g. gifts and hospitality, travel or accommodation, vouchers, the offer of a work or a promotion or the provision of services etc.);
- ▶ must be made with the **intention to induce** or **reward improper behaviour**, or a gain a business advantage for the offeror – although it need not be the recipient who acts improperly;
- ▶ must be made within a **business context** or to a recipient **in the course of their employment**;
- ▶ can be given or received by a **third party** on behalf of an individual or a company (e.g. it can be given by a land agent on behalf of Keepmoat);
- ▶ can involve multiple parties and complex transactions;
- ▶ **does not** have to be **accepted** by the recipient to be deemed a bribe; and
- ▶ **does not** have to be **significant** in **value**.

## 5.3. Corruption is “the abuse of entrusted power for private gain”, for example, a sales director improperly offering a Keepmoat home at a discount to a relative.

For further information and examples of what may constitute bribery within Keepmoat’s business arena please refer to the ‘**Potential risk scenarios: Red Flags**’ at appendix A of this policy.

# 6. Risks identified within Keepmoat’s business

Keepmoat has conducted a bribery risk assessment of all aspects of its business and has identified the areas as vulnerable to allegations of bribery, these risks include:

- ▶ Acquiring development land in both the private and public sectors;
- ▶ Delivering housing through Government and local authority partnerships;
- ▶ Involvement in large scale tenders;
- ▶ Receipt of Government and other third-party funding;
- ▶ Involvement in the technical approvals process with planning and statutory undertakers;
- ▶ Use of land agents;
- ▶ Use of consultants;
- ▶ Use of contractors, material suppliers and service providers;
- ▶ Non-automation of systems and use of manual processes for financial controls;
- ▶ The recommendation of customer solicitors and customer IFAs;
- ▶ Adherence with build cost targets and timescales; and
- ▶ Application of the HBF star rating system through customer satisfaction surveys.

# 7. Gifts and hospitality

## 7.1. This policy does not prohibit normal proportionate and appropriate hospitality given and received to or from third parties for the purpose of:

- ▶ Establishing and maintaining good business relationships; and/or
- ▶ Improving or maintaining Keepmoat’s image or reputation.

7.2. The giving or receipt of gifts is not prohibited, if the following requirements are met:

- ▶ It is recorded on **Keepmoat's gift and hospitality register** if the value is **over £100** (see later for more detail);
- ▶ It is **authorised in advance** by the Employee's line manager (or in the absence of a line manager the RMD);
- ▶ It is not made with the **intention of influencing** a third party to **obtain or retain business** or a **business advantage**, or **to reward the provision or retention of business** or a **business advantage**, or in explicit or implicit exchange for favours or benefits;
- ▶ It **complies with the law**;
- ▶ It is **given in the name of Keepmoat**, and not an Employee's name;
- ▶ It **does not include cash** or a **cash equivalent** (such as gift certificates or vouchers unless authorised in accordance with this policy – see later);
- ▶ It is **appropriate** in the **circumstances**, e.g. it is customary for small gifts to be given at Christmas time;
- ▶ taking into account the reason for the gift, it is of an **appropriate type** and **value** and given at an **appropriate time**;
- ▶ The reason for the giving is **transparent**, and it is given **openly, not secretly**;
- ▶ It is not offered to or accepted from **government officials** or representatives, or **politicians** or **political parties**, without the prior approval of the Group Board (upon recommendation of the Divisional Chair); and
- ▶ The gift is not received by **family members or friends** of Employees.

7.3. The intention behind the gift should always be considered. The test to be applied is whether, in all the circumstances, the gift or hospitality is reasonable and justifiable. See later for further information about what may be considered excessive.

7.4. This policy is subject to, and should be read in accordance with paragraph 6 of **Keepmoat's Expenses Policy**.

## 8. What is a gift?

Gifts do not necessarily have to be a physical gift; the following things must also be recorded on Keepmoat's **gift and hospitality register** if their value is over £100:

- ▶ Meals out, including breakfast, lunch or dinner;
- ▶ Drinks receptions;
- ▶ Sporting or cultural events (such as tickets to the theatre);
- ▶ Overnight stays;
- ▶ Travel costs;
- ▶ Goody bags obtained from or prizes won at industry events;
- ▶ Works or renovations to private property if carried out by a Keepmoat subcontractor; and
- ▶ Vouchers (see later guidance).

## 9. What is considered excessive?

There is no strict guidance on what would be deemed lavish or excessive in respect of gifts and hospitality, however if the gift or hospitality is excessively expensive or exclusive, then there is an increased risk that

that it will put the Employee or Keepmoat into a difficult position. The following may be considered excessive or lavish:

- ▶ Overseas visits (paid for by a third party)
- ▶ Offers of accommodation and travel for an Employee's attendance at a sporting, cultural or industry event (unless the Employee is there as a speaker).

## 10. Record keeping and the gift log

- 10.1. Keepmoat must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 10.2. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness and in accordance with Keepmoat's processes. No accounts must be kept "off-book" to facilitate or conceal improper payments.
- 10.3. Keepmoat must keep a written record of all hospitality or gifts accepted or offered with a value over £100, which will be subject to managerial review. The gift log can be found on HR.Net. It will be monitored by the **Compliance Manager** and reviewed annually by the **Executive Board**.
- 10.4. All gifts or hospitality either given or received with a value in excess of **£100 per gift/hospitality** must be approved by a line manager and logged on to Keepmoat's register of gifts and hospitality **in ADVANCE**.
- 10.5. Any gift or hospitality given or received with a value in excess of **£500** must be approved by the relevant **Divisional Chair** (or a central services director for central services function).
- 10.6. Any gifts, hospitality or donations given or received with a value in excess of **£1,000** must be approved **in ADVANCE** by the **Company Secretary**.
- 10.7. Employees must also keep a record of (on Keepmoat's register of gifts and hospitality) any gifts or hospitality given to or received from the same recipient/giver where two or more gifts or instances of hospitality are given to or received from the same party within a two-week period.
- 10.8. The provisions of paragraphs 10.3 to 10.7 apply equally to offers of gifts or hospitality either given or received by Employees or third parties, but which are not accepted by the recipient.
- 10.9. **Under no circumstances is it acceptable for an Employee to give or receive hospitality over £100 without prior approval.**
- 10.10. **Regional Managing Directors** are required to be aware of all gifts made and received in their region. The **Compliance Manager** will provide copies of this information upon request.
- 10.11. It is the responsibility of individual Employees to ensure that all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with **Keepmoat's Expenses Policy** and specifically record the reason for the expenditure.

## 11. Prohibited activity

11.1. It is never acceptable for an Employee (or someone acting on their behalf) to:

- a) **give, promise to give, or offer, a payment, gift or hospitality** with the **expectation or hope** that a **business advantage will be received**, or to **reward a business advantage** already given;
- b) give, promise to give, or offer, a payment, gift or hospitality to a **government official, agent or representative** to "**facilitate**" or **expedite a routine procedure**;
- c) **accept payment** from a third party that you **know, or suspect** is offered with the **expectation** that it will obtain a **business advantage** for them;
- d) **accept a gift or hospitality** from a third party if you **know or suspect** that it is offered or provided with an expectation that a business advantage will be **provided by us in return**;
- e) **threaten or retaliate** against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- f) engage in **any activity** that might lead to a **breach of this policy**.

## 12. Vouchers

### Gifting vouchers to Keepmoat staff

12.1. Vouchers must not be offered to any person as a reward or gift in any circumstances unless this falls into one of the following allowed exceptions:

12.1.1. They are gifted to Employees through the following permitted Employee schemes:

- ▶ Gem Awards
- ▶ Long Service Anniversary Awards

12.1.2. There are **exceptional circumstances** which mean the gift of vouchers is appropriate. The gift should be approved by two members of the **Executive Board** and reported to the **Executive Board** for transparency. This exception is intended for extreme situations such as saving life and limb. In the first instance, you should contact the **Compliance Manager** for guidance and support if you intend to use this exception.

12.2. Vouchers must not be awarded for any other Employee schemes such as Star of the Month.

12.3. All permitted vouchers must be ordered through the **HR Shared Services Manager** and must not be ordered personally or through any external supplier.

12.4. The ordering of vouchers through HR will be reviewed on a periodic basis by the **Compliance Manager**.

## Gift vouchers to Keepmoat customers

12.5. The offering of gift vouchers to customers is not permitted unless authorised by the **Regional Managing Director** and required in exceptional circumstances. Any such vouchers must be ordered through the **HR Shared Services Manager** and actions agreed to keep the vouchers safe and auditable (e.g. stored in a safe, tracked by the finance team and signed off by the recipient).

## Receiving vouchers from third parties

12.6. Vouchers or other cash equivalents should not be accepted from third parties.

12.7. If any vouchers are received from third parties these must be notified to the **Compliance Manager** without delay.

## 13. Facilitation payments and kickbacks

13.1. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK but are common in some other jurisdictions where Keepmoat's supply chain may operate.

13.2. Kickbacks are typically payments made in return for a **business favour or advantage**.

13.3. Keepmoat does not make facilitation payments or "kickbacks" of any kind. If an Employee is asked to make a payment on Keepmoat's behalf, they must notify the **Compliance Manager** immediately, and should not process the payment without receiving authority to proceed from Keepmoat's **Legal Department**.

13.4. Employees must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by Keepmoat.

## 14. Donations

Keepmoat does not permit the giving of contributions to political parties, and only makes charitable donations that are legal and ethical under UK laws and practices. No donation must be offered or made without the prior approval of the **Compliance Manager**.

## 15. Community Investment schemes

15.1. Contributions made in connection with a contractual obligation must be documented in a CIS business plan which should identify the amount of the contribution and the approved recipient or category of recipient (if not identifiable) and must be approved by the **Regional Managing Director in ADVANCE**.

15.2. Ad hoc contributions must be approved by the **Regional Managing Director in ADVANCE**.

15.3. All CIS contributions must be recorded in **Keepmoat's gift and hospitality register if over £100**.



## 16. The use of recommended solicitors and independent financial advisors

- 16.1. Recommended solicitors and IFAs must be independent from Keepmoat. Employees should not entertain or be entertained or give or receive gifts from recommended solicitors and IFAs **in any capacity**. Doing so has the potential to bring into question such independence and would constitute a breach of this policy.

## 17. Working with third parties

- 17.1. Keepmoat will only contract with parties that are committed to acting to the standards contained within this policy. As such, Keepmoat will undertake appropriate due diligence to ensure this.

## 18. How to raise a concern

- 18.1. Employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If Employees are unsure whether a particular act constitutes bribery or corruption, or if there are any other queries relating to bribery and corruption, these should be raised with the **Compliance Manager**.
- 18.2. It is important that Employees tell the **Compliance Manager** as soon as possible if they (or anyone else known to the Employee within the business) are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that they may be a victim of another form of unlawful activity.
- 18.3. Concerns may be reported anonymously by following the procedure set out in Keepmoat's **Whistleblowing Policy**

## 19. Protection

- 19.1. Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Keepmoat wishes to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 19.2. Keepmoat is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If an Employee believes that they have suffered any such treatment, they should inform the **Compliance Manager** immediately.



## 20. Training and communication

- 20.1. Training on Anti-Bribery and Corruption forms part of the induction process for all new workers, and thereafter forms part of Keepmoat's mandatory e-learning package. In addition, the Senior Leadership Team will undergo face to face training every 2 years and is responsible thereafter for ensuring that regular face to face training is rolled out their teams in their respective team meetings.
- 20.2. Keepmoat's zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of Keepmoat's business relationship with them and as appropriate thereafter.

## 21. Monitoring and review

### Monitoring

- 21.1. The **Compliance Manager** will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 21.2. This policy will be monitored using the mechanisms listed below:

Requirement	Monitoring	Frequency	Responsible Officer
Staff must familiarise themselves with this policy and agree to comply with it.	Staff receive a notification through HR.net asking them to read the Anti-Bribery and Corruption Policy. They will need to complete the declaration to confirm that they have done this and agree to comply with the policy.  The declarations are monitored and levels of compliance included in the Compliance Update.	Annually	<b>Compliance Manager</b>
Staff must complete the Anti-Bribery and Corruption training appropriate to their role.	The anti-bribery and corruption training matrix is reviewed to ensure all staff are assigned appropriate training.  Training records for anti-bribery and corruption e-learning are monitored. Levels of compliance included in the Compliance Update.	Annually  Monthly	<b>Compliance Manager</b>
All gifts and hospitality given or received with a value of over £100 must be recorded and approved on the gift log.	Analysis is performed on the gift log to identify: <ul style="list-style-type: none"> <li>Whether submissions to the gift log are complete and appropriately approved.</li> </ul>	Biannually	<b>Compliance Manager</b>

	<ul style="list-style-type: none"> <li>Any trends or patterns that might suggest any lack of recording, or any issues related to bribery or corruption.</li> </ul> <p>All expense claims for entertainment over £100 are cross-checked with the gift log.</p>	Monthly	Purchase Ledger Manager
Regional Managing Directors are required to be aware of all gifts given and received in their area.	The gift log is split into regions and emailed to the Regional Managing Directors. Receipt of the list must be confirmed.	Quarterly	Compliance Manager
Permitted gift vouchers must be ordered through the HR Shared Services Manager.	The gift log is compared to the HR records for the purchase of vouchers.	Annually	Compliance Manager

21.3. All Employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

21.4. Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the **Compliance Manager**.

## Review

21.5. This policy should be reviewed by the owner:

- ▶ Annually; or
- ▶ Upon the change of applicable legislation, regulation, or guidance.

**Employees are reminded that Keepmoat takes anti-bribery and corruption very seriously and failure to comply with this policy may result in disciplinary action, including dismissal for gross misconduct.**

## Appendix A - Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of your employment with Keepmoat, and which may raise concerns under various anti-bribery and anti-corruption laws. **The list is not intended to be exhaustive and is for illustrative purposes only.**

If you, or anyone you know working for or with Keepmoat, encounters any of these red flags, you must report them promptly to the **Compliance Manager** OR using the procedure set out in **Keepmoat's Whistleblowing Policy**.

- ▶ you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- ▶ you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them;
- ▶ a land agent requests an unexpected additional fee or commission to "facilitate" a service or in exchange for commercially sensitive information;
- ▶ a commercial director demands lavish entertainment or gifts before commencing or continuing contractual negotiations or the provision of services;
- ▶ a Keepmoat employee requests that a payment is made to "overlook" shoddy workmanship;
- ▶ a public sector official requests that you provide employment or some other advantage to a friend or relative;
- ▶ a planning officer unexpectedly offers to expediate the planning process in exchange for personal gain;
- ▶ a sub-contractor offers you discounted works or renovations at your private residence;
- ▶ you receive an invoice from an IT supplier that appears to be non-standard or customised;
- ▶ a third party insists on the use of side letters or refuses to put terms agreed in writing;
- ▶ you notice that Keepmoat has been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- ▶ You have a concerned about extras on a property which supposedly have been installed "mistakenly";
- ▶ Payment for customer extras or sub-contractor variations have a poor audit trail;
- ▶ A third party wants to keep a transaction secret;
- ▶ a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- ▶ you are offered an unusually generous gift or offered lavish hospitality by a third party.