

Henry Boot

Gifts and hospitality policy

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All persons within the Henry Boot group

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Henry Boot legal department

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Ethics policy

Anti-bribery and corruption policy

Anti-bribery guidance note

Employee purchases and declaration of interest policy

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Signed by:

T.A. Roberts, Chief Executive Officer

Overview

This policy provides advice to all employees who in the course of their employment receive offers of gifts and hospitality. It should be read in conjunction with our anti-bribery and corruption policy, and our ethics policy.

In general, we don't believe it is appropriate for employees to accept gifts. However, reasonable and proportionate hospitality is not prohibited and this policy outlines situations where hospitality should be refused. If a situation arises that's not specifically identified in this policy, please seek approval from your line manager.

The policy also sets out the position regarding any corporate hospitality offered or arranged on behalf of the group.

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1. Introduction

This policy is intended to provide guidance to all employees who, in the course of their day-to-day work or as a result of their employment, receive offers of gifts and hospitality. It should be read in conjunction with our anti-bribery and corruption policy, and our ethics policy.

Section 8 also confirms our position in relation to providing gifts and hospitality.

In general, we don't believe it appropriate for employees to accept gifts from customers, suppliers or any other person or organisation with which we have (or might have) business connections. This is because it is important to ensure that no employee acts in any way that is inconsistent with our objectives or integrity by accepting a gift in circumstances where it could influence, or be seen to influence, that employee's business actions or decisions. Reasonable, appropriate and proportionate hospitality is not prohibited. Any hospitality offered or received (whether or not declined) over £100 must be declared on the corporate gifts and hospitality register. Please see Appendix 1.

This is an area where perception is important. All decisions by employees on the provision or acceptance of gifts and hospitality must be able to withstand both internal and external scrutiny. They must be defensible as being in our direct broader interests, as being proportionate to those interests and within limits that are acceptable to our Board. Failure to do so could lead to accusations of improper conduct, disciplinary action or even criminal liability under the Bribery Act 2010. Please also refer to our anti-bribery and corruption policy.

Employees should consider the following questions before accepting a gift or hospitality:

- Could my acceptance or offer lead to a claim of "undue influence" being made, or imply such a position, if the gift or entertainment is accepted?
- Is this gift, hospitality or entertainment event in reality a 'sweetener' to retain business, or could it be claimed to be such?
- Is this gift, hospitality or entertainment event an excessive or inappropriate or secret 'reward' for a business transaction?
- Is this gift or hospitality excessive or disproportionate in value?
- Could I breach any applicable laws, regulations or company policy by acquiring/attending it, for example, inappropriate social entertainment?

If you answer yes to any of these questions, the gift or hospitality should not be offered or accepted. If you aren't clear how to answer these questions you should seek advice from your line manager (being the person who approves your holiday requests or carries out your appraisals).

The solicitation of gifts or hospitality in exchange for business or placing orders for goods or suppliers of services is strictly prohibited.

2. Principles

This policy has been put together to ensure that employees:

- Record all offers made or received for gifts and/or hospitality on the provision of gift or hospitality approval form at Appendix 2 whether or not accepted.
- Don't accept gifts, hospitality or benefits of any kind from a third party which might be perceived as a 'bribe' or something perceived to compromise their personal judgement or integrity,
- Base all purchasing decisions and negotiations of contracts solely on achieving the best outcome for Henry Boot allowed by the law and our ethics policy.
- Don't offer or accept a bribe or a kickback. A bribe can be defined as a thing of value given to someone with the intent of obtaining favourable treatment from the recipient. The intent here is to bring about the improper performance of a relevant function or activity, to reward such improper performance, or where acceptance of the advantage itself constitutes improper performance. Kickbacks consist of wrongful or secret payments in cash or in kind, including goods or services made for the purpose of improperly obtaining or rewarding favourable treatment in connection with a sale or purchase or the supply of services. Bribes and kickbacks may not be offered or received either directly or through a third party. Refer to our anti-bribery and corruption policy for more details. Such activity may be a criminal offence.

Any breach of this policy will be regarded as potential misconduct, leading to disciplinary action in accordance with our disciplinary and dismissal procedure, up to and including summary dismissal.

3. Acceptance of gifts

A 'gift' is defined as any item, cash or goods, or any service offered for personal benefit at a cost, or no cost, that is less than its commercial value.

3.1. Promotional gifts

This policy does not apply to low value corporate promotional gifts, for example, items such as business diaries, calendars or pens that bear the logo or company name of another organisation, provided they have no significant value. However, since it's likely that such gifts will be received by only a limited number of employees, they should be shared amongst other members of staff where appropriate.

3.2. Cash or cash equivalents

Offers of cash or cash equivalents (for example, lottery tickets, gift vouchers or gift cheques) made by suppliers, contractors, service users or their relatives to our employees or their immediate family (partner, spouse, parents, children) should be declined.

If it is believed that a member of your immediate family should be entitled to accept a gift or hospitality, then approval must be obtained under this policy.

3.3. Non-cash gifts

Gifts of a small or inexpensive nature such as calendars or diaries or other simple or inexpensive items such as flowers, chocolates or bottles of wine up to a value of £50 (particularly if received at Christmas) can be accepted.

This type of gift can be easily distinguishable from more expensive or substantial items which should not on any account be accepted without the written consent of the Company Secretary. However, since it is likely that such gifts will be received by only a limited number of employees, they should be shared among other members of staff (including through distribution by a raffle or draw) where appropriate. If there is any doubt as to whether the acceptance of such an item is appropriate, or whether or how it should be distributed, speak to your line manager.

3.4. Exceptional cases

We recognise that there are exceptional cases where refusal of a gift will clearly offend a donor, cause embarrassment or appear discourteous. In these cases, the donor should be advised that the permission of the Company Secretary will have to be sought as to whether or not the gift can be accepted.

The Company Secretary should be asked to decide whether to:

- Allow the recipient to accept the gift
- Return it to the donor with a suitably-worded letter explaining why the gift can't be accepted
- Use or dispose of it, if possible, in or by the group, or
- Donate it to charity in lieu of gift to be nominated by the Company Secretary.

3.5. Trade or discount cards

Trade or discount cards, other than those negotiated by Henry Boot on behalf of all of its staff, by which an employee might benefit from the purchase of goods or services at a reduced price, are classified as gifts and should be politely declined and, if already accepted, returned to the sender with a suitably-worded letter.

3.6. Free or subsidised materials and/or work from contractors, suppliers and consultants

These arrangements are barred unless disclosed at the outset (before work/supply commences) and approved under the group employee purchases and declaration of interest policy.

4. Hospitality from third parties

- 4.1. 'Hospitality' is defined here as any generous or material welcome or reception that is more than an incidental kind, such as a beverage or other light refreshment.
- 4.2. The handling of offers of hospitality is recognised as being much more difficult to regulate, but it is an area in which employees must exercise careful judgment. We recognise that it can be as embarrassing to refuse hospitality as it can be to refuse a gift. There is also a need to distinguish between simple, low-cost hospitality of a conventional type (for example, a working lunch or evening meal or a short training session) compared with more expensive and elaborate hospitality.
- 4.3. Working meals and training sessions are acceptable if they pass the common-sense test for reasonable behaviour in a business environment.

- 4.4. There is clearly a need for a sense of balance. Accepting frequent, regular or annual invitations to events or functions, particularly from the same source and/or where a considerable degree of hospitality is involved, may expose us and the individual to the risk of an accusation of bribery or other complaint. Therefore, we won't normally grant permission to attend at more than four events in any one year with the same company/group, or for hospitality reasonably estimated as being of more than £1,000 in value.
- 4.5. In accepting any hospitality employees need to be aware of, and guard against, the dangers of misrepresentation or perception of favouritism by a competitor of the host. It is obviously easier to explain attendance at events related directly to our work but where these happen outside working hours and on purely social occasions they may need more justification. Note that tickets to an event where the person/business offering the tickets does not attend will be viewed as a gift and not hospitality and will be subject to the rules on gifts.
- 4.6. Offers for factory tours, trade fairs and the like in the UK and abroad must be considered carefully. Is there a business case for attendance? Is the trip mainly focused on business meetings or is there far more free time/other hospitality involved?
- 4.7. Offering and accepting hospitality from potential business partners within the limits described is an acceptable part of the business world. However, when a contract is being tendered or negotiated with that organisation at the same time as the offering of that hospitality of any kind, including attendance of employees at seasonal events hosted by suppliers/contractors, the offer must not be accepted.
- 4.8. When in doubt about accepting hospitality or an invitation speak to your line manager. In all instances where anything beyond conventional hospitality is offered, please seek the approval of your line manager.

5. Awards or prizes

Employees should consult their line manager if they are offered recognition of achievement by an award or prize by a third party in connection with their duties.

They will normally be allowed to keep it, provided:

- There is no risk of public criticism
- It is offered strictly in accordance with personal achievement, and
- It is not in the nature of a gift nor can be construed as a gift, inducement of payment for publication, or invention to which other rules apply.

6. Approval and registration of gifts, hospitality and invitations

- 6.1. To counter any possible accusations or suspicions of breach of this policy, we will keep a record of all offers of gifts, awards and prizes made to our employees.
- 6.2. We will also record invitations to functions or events, where a considerable degree of hospitality is involved.

- 6.3. Always seek permission from your line manager, disclosing the nature of the gift, hospitality or invitation along with any other offer made in the last reporting year, whether or not accepted.
- 6.4. Christmas gifts, whatever the value, are to be declared and shared amongst all department employees or lots drawn.
- 6.5. If, in the opinion of your line manager, the gift is inappropriate and/or might constitute or be perceived to be a bribe or other wrongful inducement, you will be asked to pass the gift to your line manager, who will return it to the sender with a suitable letter explaining our policy and asking that it be respected in the future.

7. Other circumstances

If situations arise not covered by the above guidance, please seek prior approval from your line manager before you accept hospitality. This approval should be formally documented.

We recognise that there may be cases when, in our interests, flexible interpretation of the rules may be necessary. Please obtain prior approval for such situations in writing from the Company Secretary. Any requests should state why the request falls outside the boundaries of what is normally allowable and why it is considered necessary to provide such hospitality.

DO	DON'T
Before offering or accepting any gifts or hospitality make sure you understand the applicable legal, regulatory and company policy requirements	Accept gifts in cash or with a monetary value
Make gifts or offer hospitality only in compliance with this policy and applicable laws, regulations and company policy	Be embarrassed to decline any offer by referring to this policy. This will be understood by the business counterparty who, in most cases, will be subject to similar rules
Take into consideration the policy of the recipient's organisation	Give or receive gifts or entertaining you would feel uncomfortable explaining to your work colleagues, your family or the media
Where appropriate, communicate details of our anti-bribery and corruption policy, and this policy, at the beginning of every new business relationship	Differentiate between giving and receiving of gifts and hospitality directly or via an intermediary

Be aware of potential conflicts of interest if you accept gifts or hospitality	Ignore or fail to report any concerns you have about improper conduct or corruption activity or otherwise "look the other way"
Make the criteria for inviting guests to hospitality events clear and internally transparent, and consider extending the invitation to the most senior people in the target organisation and respect their decision to send whoever they want	Forget to register all gifts and hospitality offered, given or received
Seek advice if you are unsure about the giving or receiving of gifts or hospitality	
Report any concerns you have about improper conduct or corruption activity immediately	

8. Providing gifts and hospitality

- 8.1. Any corporate hospitality offered or arranged on our behalf must be approved in advance using the provision of gift or hospitality approval form at Appendix 2. Care should be given in offering hospitality not to breach our anti-bribery and corruption policy and/or ethics policy.
- 8.2. We don't generally offer gifts to third parties. Any gifts offered must meet the regulations in section three above.
- 8.3. No gifts above £10 in value should be offered to a public official without the prior written agreement of the Company Secretary.
- 8.4. Managing directors should ensure that, before arranging any hospitality themselves, they obtain the approval of the Chief Executive Officer (CEO) or Chief Financial Officer (CFO). Anyone else arranging hospitality should obtain approval from their own managing director unless the value of the hospitality in total amounts to £1,000 or more in value. In this case, the CEO or CFO Officer will be required to approve, via the provision of gift or hospitality approval form at Appendix 2.