



CHRYSALIS GROUP & SUBSIDIARIES

Chrysalis Group Services Limited
Touchstone Developments & Investments Limited
Chrysalis Supported Housing Limited
Opoka Charitable Incorporated Organisation
Compass Project CIC
Journey Care Services Ltd
Blackfields Furniture Ltd

ANTI BRIBERY, CONFLICT OF INTEREST
& IMPARTIALITY POLICY

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Within the Chrysalis Group there is a Charitable Incorporated Organisation supporting Polish women and children escaping domestic abuse, a Registered Social Housing Landlord that delivers supported housing to vulnerable people, a Charitable Incorporated Company supporting those recovering from addiction including counselling and training, a limited company providing treatment under CQC regulation and other commercial companies offering internal and external related services. It is therefore essential that the Governance Framework used within the Group is fit for all the entities and their stakeholders, recognising the regulatory requirements of each organisation within the group. It is also essential that as service users may access services of more than one organisation within the group, policies and procedures are consistently applied across the group, staff are trained using the same guidelines and proper information sharing protocols are in place. For this reason, governance based policies are group wide but apply to all entities within the group to meet our mission:

To safeguard and promote the wellbeing of our service users and communities across the UK, providing high quality, good value, sustainable services and homes, demonstrating that commercial opportunity and activities through the group can underpin our commitment to deliver for social good.

Chrysalis Group is committed to establishing, implementing and maintaining adequate procedures to manage the risk of bribery and corruption while considering the possible threats and safeguards against those threats to impartiality.

Chrysalis Group's Whistleblowing Policy and Procedure must be maintained to enable employees to anonymously raise suspected fraudulent or other non partial activity.

1. Purpose

This policy outlines Chrysalis's position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010 and other forms of corruption by managing Conflicts of Interest and Impartiality in decision making. This policy is to assist Members and Employees not only to identify any conflicts of interest but also to demonstrate that they have dealt with them effectively.

2. Definitions

Bribery is 'giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith'.

Notes:

- 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.
- An offence under the act covers both UK and foreign territories.

A conflict of interest is a situation in which a Board Member's or employees' personal interests, or interests which they owe to another body, conflict or appear to conflict with each other.

Impartiality (also called even-handedness or fair-mindedness) is a principle of justice holding that decisions should be based on objective criteria, rather than on the basis of bias, prejudice, or preferring the benefit to one person over another for improper reasons.

Scope

This policy applies to:

- all employees and officers within the group, and
- to temporary workers, consultants, contractors, agents and subsidiaries acting for, or on behalf of, the organisation ("associated persons") within the UK and overseas.

Every employee and associated person acting for, or on behalf of, Chrysalis Group is responsible for maintaining the highest standards of business conduct. Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the organisation.

Chrysalis Group may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010. All employees and associated persons are required to familiarise themselves and comply with this policy, including any future updates that may be issued from time to time by the organisation.

This policy covers:

- the main areas of liability under the Bribery Act 2010;
- the principles of identifying and managing any conflicts or potential conflicts of interests;
- the principles of acting in an impartial way in relation to stakeholders;
- the responsibilities of employees and associated persons acting for, or on behalf of, the organisation; and
- the consequences of any breaches of this policy

Legal and Regulatory responsibilities (not exhaustive)

- Bribery Act 2010
- Housing Acts 2004 and 1996
- Housing and Planning Act 2016
- Cooperative and Community Benefit Societies Act 2014
- Charities Act 2011
- Companies Act 2006
- Chosen Code of Conduct

Chrysalis Group is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on the organisation's behalf is responsible for maintaining Chrysalis's reputation and for conducting company business honestly and professionally.

The organisation considers that bribery and corruption has a detrimental impact on business by undermining good governance and will not tolerate any form of bribery by, or of, its employees, workers or consultants or any person or body acting on its behalf. Senior management is committed to implementing effective measures to prevent, monitor and eliminate bribery, manage conflicts of interest and to act impartially.

3. Bribery Act 2010

This policy applies to the current and future Chrysalis Board Members and employees.

Under the Bribery Act 2010, a bribe is a financial or other type of advantage that is offered or requested with the:

- intention of inducing or rewarding improper performance of a function or activity; or
- knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

A relevant function or activity includes public, state or business activities or any activity performed in the course of a person's employment, or on behalf of another organisation or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust.

A criminal offence will be committed under the Bribery Act 2010 if:

- an employee or associated person acting for, or on behalf of Chrysalis Group, promises, gives, requests, receives or agrees to receive bribes; or
- an employee or associated person acting for, or on behalf of Chrysalis Group offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of their duties (where local law does not permit or require such influence); and
- Chrysalis Group does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons.

All employees and associated persons are required to comply with this policy, in accordance with the Bribery Act 2010.

3.1 What is prohibited?

Chrysalis Group prohibits employees or associated persons from offering, promising, giving, soliciting or accepting any bribe. The bribe might be cash, a gift or other inducement to, or from, any person or organisation, whether a public or government official, official of a state-controlled industry, political party or a private person or organisation, regardless of whether the employee or associated person is situated in the UK or overseas.

The bribe might be made to ensure that a person or organisation improperly performs duties or functions (for example, by not acting impartially or in good faith or in accordance with their position of trust) to gain any commercial, contractual or regulatory advantage for the organisation in either obtaining or maintaining organisation business, or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

This prohibition also applies to indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers or other third parties.

3.2 Records

Employees and, where applicable, associated persons, are required to take particular care to ensure that all Chrysalis Group records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials. Due diligence should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative in accordance with Chrysalis Group's financial regulations.

Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

3.3 Corporate entertainment, gifts, hospitality and promotional expenditure

Chrysalis Group permits corporate entertainment, gifts to a maximum value of £20, hospitality and promotional expenditure that is undertaken:

- for the purpose of establishing or maintaining good business relationships.
- to improve the image and reputation of the organisation; or
- to present Chrysalis Group's services effectively.

provided that it is:

- arranged in good faith; and
- not offered, promised or accepted to secure an advantage for Chrysalis Group or any of its employees or associated persons or to influence the impartiality of the recipient.

Chrysalis Group will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure.

3.4 Procedure

Employees and, where relevant, associated persons should submit requests for proposed hospitality and promotional expenditure well in advance of proposed dates to their line manager.

Employees are required to set out in writing:

- the objective of the proposed client entertainment or expenditure;
- the identity of those who will be attending both inside and outside the group;
- the organisation that they represent;
- details and rationale of the proposed activity; and
- the anticipated date.

Chrysalis Group will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship and the above details will be recorded in the gifts and hospitality register. Chrysalis Group will not approve business entertainment where it considers that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example prior to a tendering exercise).

3.5 Accepting Gifts and Hospitality

You should avoid accepting gifts and hospitality that might reasonably be thought to influence your judgement. The acceptance of non-monetary gifts or benefits must be actively discouraged at all times. Whilst it is recognised that in a restricted number of situations it may not be possible, without giving offence, to refuse a trivial gift (e.g. a bottle of wine from a contractor at Christmas-time, or chocolates from a grateful family), such a gift should only be accepted on the clearly expressed understanding that it will benefit equally a number of employees at Chrysalis Group. The gift and donor must be reported to your manager, who can decide whether it should be returned. Retained gifts must be recorded in the gifts and hospitality register.

If you receive hospitality from or provide hospitality to a supplier, extravagance must be avoided, and details must be declared to the Director.

The criteria which your manager will use to determine whether trivial gifts or hospitality can be accepted from firms, organisations or individuals, includes:

- Whether the invitation comes from a firm likely to benefit from the goodwill of Chrysalis Group or from a charity or other organisation that does not have the same vested interests in the outcome.
- Whether the firm is seeking a contract or one has already been agreed.
- Whether the visit is genuinely instructive or constitutes more of a social function.
- The scale and location of hospitality, and whether it falls within working hours.
- The frequency of the hospitality.

If there is any doubt whether an invitation should be accepted it should be preferable to discuss it with a senior member of staff.

Chrysalis Group maintains a gifts and hospitality register which all employees must record occasions when they receive hospitality from outside contractors, other similar parties or individuals associated with Chrysalis Group. The gifts and hospitality register will record the time and date of when the hospitality was received, the name of the giver, the name of the receiver, the type and level of hospitality. Equally employees will record instances when they give hospitality to contractor, consultants and the like.

3.6 Risk Management

Chrysalis Group has established detailed risk management procedures to prevent, detect and prohibit bribery or updating. Chrysalis Group will conduct risk assessments for each of its key business activities on a regular basis and, where relevant, will identify employees or officers of the organisation who are in positions where they may be exposed to bribery.

3.7 Reporting Suspected Bribery

Chrysalis Group depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its business dealings. Employees and associated persons are required to assist the organisation and to remain vigilant in preventing, detecting and reporting bribery.

Should the employee become concerned about the conduct of an employee or associated person, then they must report their concerns immediately to Chrysalis Group through their manager.

Issues that should be reported include:

- any suspected or actual attempts at bribery.
- concerns that other employees or associated persons may be being bribed; or
- concerns that other employees or associated persons may be bribing third parties, such as clients or government officials.

3.8 Action by the Organisation

Chrysalis Group will fully investigate any instances of alleged or suspected bribery. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. Chrysalis Group will invoke its disciplinary procedures where any

employee is suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal.

Chrysalis Group will terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, the organisation who are found to have breached this policy.

4. Conflict of Interest

4.1 Identifying Potential Conflicts

Potential or actual conflicts can arise prior to the appointment of a Member or Employee, or during the Member's or Employee's appointment. They can take different forms and do not necessarily have to come in the form of financial gain.

Potential or actual conflicts of interest could take the following forms (not a complete or exhaustive list):

- Direct financial gain or benefit to the Member or Employee:
- Indirect financial gain;
- Conflict of loyalties;
- Situations such as the following:
 - The employment of a relative;
 - The housing of a relative;
 - An interest in any property being purchased;
 - An interest in any company selling or being an agent for any property being purchased;
 - A business or personal relationship with any person or firm earning fees from work;
 - Intragroup services and fees
- A business or personal relationship which any person or firm entering into a contract to carry out work for Chrysalis including contractors and suppliers;
- Involvement personally or by association with a relative or friendship with a business that may be viewed as a conflict of interest with Chrysalis's activities;
- If you are on the Board or a Committee of another registered provider or other property company;
- If you are a member of an organisation which is not open to the public or has secrecy about its rules, membership or conduct.
- Employment, ownership of land and/or property in the area of Chrysalis's operation
- Tenancy or leasehold interest of a property owned within the group.

Every Board Member and Employee is responsible for considering and disclosing any actual or potential conflicting interest and they are expected to over-declare, with transparency being an overriding principle of this policy.

Individuals are not expected to research into the employment, business interests and other activities of all persons with whom they are 'closely connected'. However, they must not ignore the existence of interests which, from the point of view of a reasonable and objective observer, they should have been aware.

4.2 Conflicts that may arise

Chrysalis' shareholding directors may or may not be from time to time be directors of other companies with whom Chrysalis may or may not do business both inside and outside the group. This could mean that a conflict of loyalties could arise when the Board is making decisions which involve or affect those other companies. These conflicts will be managed by ensuring that these Directors are excluded from voting. This will ensure transparency and provide confidence, demonstrating that decision making processes are made in the best interests of the relevant Chrysalis entity.

4.3 Declaring an Interest

The Company Secretary will conduct an annual exercise whereby all Directors, Members and senior employees must complete/update their Conflict of Interest Declaration Form.

Additionally, if a Member has an actual or partial conflict of interest in respect of any matter to be discussed at a board or committee meeting, he should declare this even if it has been declared previously and entered in the register. A declaration should be made during the "declaration of interest" item with which each meeting will start or, if he cannot or does not do this, before the matter is discussed. The minutes of the meeting or discussion will reflect the conflict and if necessary, the Member's records will be updated.

Further, if a conflict arises outside of a meeting, it is the responsibility of each individual covered by this policy to ensure the complete disclosure of all activities and interests covered by this policy (at the time such an activity or interest arises) to the Company Secretary; that is, individuals should not wait until the next meeting to make a report.

4.4 What to do in the event of a conflict of interest arising at a meeting

This will depend on the type of conflict situation which arises.

If there is a material benefit to the Member the other un-conflicted Members should establish if there is express authority allowing the benefit.

If there is no such express authority the Member concerned should not take part in any discussions and will not be able to vote on any matters under consideration. They must offer to leave the meeting. This will be noted in the minutes of the meeting.

Where a potential conflict is perceived not to be material, the Chair may also determine whether the individual Members concerned should:

- a. be permitted to take a full part in the meeting;
- b. be permitted to comment on the application and participate in discussions but not present the application to the committee or the board;
- c. be permitted to comment on the application and participate in discussions but not take part in the decision; or
- d. absent themselves from the relevant part of the meeting

Response to ongoing conflicts whether arising at or outside of meetings.

If a conflict constitutes a substantial and continuing problem for a Member or an Employee

then the Board should consider their position.

If there is evidence that individual Members or Employees have withheld information or provided misleading information about their interests or those of a person closely connected to the, the Board will consider removing them.

Anyone with concerns regarding this policy or regarding any potential conflicts should notify the Company Secretary in the first instance, or the Chair. The Chair may discuss their concerns with the other Members and/or obtain legal advice.

4.5 Annual Review of Interests

The recording of all Declarations of Interest will be the responsibility of the Company Secretary, who will be supported by the CEO for all colleague declarations. Individuals will be made aware of the policy during induction, and there will be annual updates.

The Register of Interests will be formally signed off by the Chair annually having reviewed the declarations made and adjudged that the appropriate action has been taken in each case.

5. Impartiality

5.1 Threats to Impartiality

Threats to impartiality are sources of potential bias that may compromise or may reasonably be expected to compromise the ability to make unbiased observations or draw impartial conclusions associated with inspection outcomes.

Chrysalis Group has identified the type of threats applicable to its activities below. Although the list is not exhaustive, it illustrates the wide variety of types of threat that Chrysalis Group will consider when analysing impartiality issues:

- self-interest threats: threats that arise from staff acting in their own interest
- self-review threats - threats that arise from reviewing the work done by themselves or by their colleagues
- familiarity (or trust) threats: threats that arise from being influenced by a close relationship with a person
- intimidation threats: threats that arise from being, or believing that they are being, openly or secretly coerced by other interested parties
- advocacy threats e.g., a body or its personnel acting in support of, or in opposition to, a given organisation, which is at the same time its customer, in the resolution of a dispute or litigation
- ownership, governance, management: e.g., directors or managers responsible for financially conflicting areas of the business e.g maintenance work being generated by deliberate failure of sound installations during inspection to feed maintenance work
- shared resources - threats that arise from contractors conducting maintenance and repairs on behalf of any group company
- finances: eg, remuneration of employees should not be linked to the volume or outcome of analyses performed

- contracts: eg, contracts which require any group company to carry out conflicting activities. This includes conflicts between two group companies.

5.2 Safeguards to Impartiality

Chrysalis Group companies have in place safeguards that, where possible, eliminate threats to impartiality. Where this is not possible, mitigation to limit the risk are put in place.

These include:

- Company policies linked to employment terms and conditions
- Operational procedures defining how all activities will be controlled to meet the requirements of the QMS
- Contractual arrangements with key employees and customers defining roles and responsibilities
- Training, monitoring and technical rigour during all activities
- Identify changes in the group activities that may become a risk
- The value Chrysalis Group and an individual employee place on their reputations
- External audit to assess organisation-wide compliance with standards and regulatory requirements
- Oversight by Chrysalis Group governance structures (for example, boards of directors) concerning compliance with impartiality criteria and individual MDs for each subsidiary company
- Other aspects of corporate governance, including the Chrysalis Group culture that supports the accreditation and certification processes and impartiality from the top down
- Rules, standards, and codes of professional conduct governing behaviour
- The raising of sanctions, and the possibility of such actions

The structure and organisation of Chrysalis Group to meet these objectives is transparent and supports the development and the application of the processes necessary to meet the above objectives. This includes Chrysalis Supported Association (CSA) and Opoka CIC having separate board and non-executive structures from the main Group board.

Both CSA and Opoka operate their own Boards, which are separate from the Group board, to ensure good governance. This offers an appropriate level of independence to ensure their individual aims are achieved without any conflict.

Blackfields Furniture Ltd has two external owners, unlike any of our other subsidiaries, which enhances impartiality by allowing for a more balanced decision-making process and in turn protecting the company's interest.

Chrysalis Group Structure Chart



Related Documents

Document No.	Document Name
CM04	Chrysalis Whistleblowing Policy
CR05	Gifts & Hospitality Register
CF06	Conflict of Interest Declaration Form