

# Group Standard Operating Procedure Gifts and Hospitality



## Document Details

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<b>Applicability</b>	<b>Serco Group covering all business regions, operating companies and business units throughout the world<sup>1</sup></b>

<sup>1</sup> As used herein, Serco Group and its affiliates, subsidiaries and operating companies are referred to as "Serco". The "Company" or "company", or "we", "us" or "our"

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## Version history

Version	Date	Reason for release/version update	Issued by
3	September 2017	<ul style="list-style-type: none"> <li>- Reflects lower Group threshold for approval of gifts and hospitality</li> <li>- Reflects new means of accessing global gifts and hospitality online register</li> <li>- Outlines new requirement to record managers' approval of gifts and hospitality in the online register</li> <li>- Outlines new requirement for managers to review gifts and hospitality records with their teams</li> <li>- Highlights divisional reporting on gifts and hospitality</li> </ul>	Funmi Wilson
3.1	December 2019	<ul style="list-style-type: none"> <li>- Reviewed and updated to reflect change in the management approval of G&amp;H</li> </ul>	Robert Smith



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## 1 Introduction

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### 1.1 Objectives

This Group Standard Operating Procedure (GSOP) sets out the procedure to be followed across all of Serco's operations for the recording and approval of all gifts and hospitality that are offered or received by Serco employees, directors, representatives or other associated persons.

Following this procedure will ensure transparency and provide assurance that any gifts and hospitality offered or received are reasonable, do not improperly influence a business outcome, or otherwise result in an improper advantage in order that the requirements set out in Serco's Group policy<sup>2</sup> and Standard<sup>3</sup> for gifts and hospitality are met.

## 2 Procedure

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### 2.1 Recording Gifts and Hospitality

- Gifts and hospitality offered, given or received will be *appropriate* and recorded in the Group gifts and hospitality register, even if they are declined
- Serco employees can enter a record in the gifts and hospitality register
  - online at <https://gandh.serco.com>, or
  - offline by completing and emailing a paper form available within the SMS<sup>4</sup> to [gandh@serco.com](mailto:gandh@serco.com) so that the gift or hospitality recorded can be manually added to the gifts and hospitality register
- The offline recording procedure is to be adopted where employees are not able to access <https://gandh.serco.com>
- Contracts and Departments are to nominate an individual within the team with responsibility for managing the gifts and hospitality process and for ensuring that
  - printed paper forms are available for employees without access to <https://gandh.serco.com> to complete
  - completed paper forms are collected, scanned and emailed to [gandh@serco.com](mailto:gandh@serco.com) whenever a gift or hospitality is offered or received

### 2.2 Management Approval of Gifts and Hospitality

- Management approval must be obtained and recorded for all gifts and hospitality offered, given or received which are valued at **£100** or above per person (or equivalent in local currency) for the occasion or item
- Prior management approval must be obtained and recorded where gifts or hospitality valued at **£100** or above per person (or equivalent in local currency) for the occasion or item are being **offered** by Serco employees
- Divisional CEO (or Executive Committee member) approval is required for gifts or hospitality valued at over **£1000** per person for the occasion or item
- Management approval may be requested and provided as part of the gifts and hospitality registration process online or on the paper form. Where verbal approval has been obtained, this must be recorded in the gifts and hospitality register
- It is the responsibility of the employee to ensure management approval is requested, and to decline or withdraw the offer of any gift or hospitality not approved
- Managers are to ensure proper consideration is given to the nature of the gifts and hospitality they are requested to approve and, if necessary, obtain supporting documentation to satisfy themselves that gifts and hospitality are *appropriate* in the circumstances, having regard to the Business Conduct and Ethics Policy and Group Standard
- A manager should speak with their line manager or divisional Ethics Lead or use the Speak Up system<sup>5</sup> to ask a question at [serco-speakup.com](http://serco-speakup.com) if they are unsure about the appropriateness of the gifts and hospitality they have been requested to approve

<sup>2</sup> Business Conduct and Ethics Policy Statement (Ref: SMS-PS-BC)

<sup>3</sup> Business Conduct and Ethics Group Standard (Ref: SMS-GS-BC2)



- <sup>4</sup> Paper forms are available in the SMS > Business Conduct & Ethics > Forms & Guidance
- <sup>5</sup> See Speaking Up Group Standard (Ref: SMS-GS-BC3)

- Any employee concerned that this GSOP is not being followed should speak to their line manager or report their concern using the Speak Up system at serco-speakup.com

## 2.3 Gifts and Hospitality during the Procurement Period

- Except where there is a *legitimate business purpose*, when decisions are being made about the selection of suppliers or about the purchase of goods or services ('procurement period'), no gifts or hospitality valued at **£100** or above per person (or equivalent in local currency) for the occasion or item should be accepted from any third party involved in the procurement process, and managers should not approve same, even if the gift or hospitality is to be used after the procurement period or by another employee or charity
- Except where there is a *legitimate business purpose*, Serco employees should not offer third parties involved in the decision to buy Serco products or services any gifts or hospitality valued at **£100** or above per person (or equivalent in local currency) for the occasion or item, even if the gift or hospitality is to be used after the procurement period or donated to charity
- Snacks and beverages such as tea and coffee and promotional items of nominal value such as pens, key chains, mugs, hats, t-shirts, or similar items displaying a company's logo may be offered or accepted during the procurement period

## 2.4 Legitimate Business Purpose of Gifts and Hospitality

- Gifts and hospitality such as meals, drinks, entertainment, travel, or accommodation will usually have a legitimate business purpose when
  - they are appropriate, and necessary for and provided in connection with the promotion, demonstration, or explanation of Serco's or a third party company's products or services; and
  - there is nothing to suggest an expectation in return of improper performance, undue advantage or influence or other corrupt intent

## 2.5 Appropriate Gifts and Hospitality

- Gifts and hospitality will usually be appropriate when
  - they are not cash, securities, personal cheques or payments to or for the benefit of an individual or political party;
  - they are consistent with building business relations or designed to enhance knowledge in the organisation's field;
  - they are infrequent or occasional;
  - they are unsolicited and provided openly and transparently;
  - they do not risk negatively affecting Serco's reputation and are socially acceptable, reasonable in value and not lavish or extravagant or embarrassing for the recipient (i.e. you would be happy to reciprocate with the same level of gift or hospitality that is being offered);
  - they do not violate any local law or regulation or where known, the standards of the recipient's organisation;
  - they are not given or received during the procurement period or other period leading up to or following a commercial decision;
  - they are not given or received specifically in recognition of services performed – e.g. for meeting targets or objectives – without informing Group Tax for reporting purposes;
  - there is no expectation in return of improper performance, undue advantage or influence or other corrupt intent or a perception of same
- It should be recognised that situations change over time and what was once acceptable in the past or acceptable in certain countries may not generally be acceptable now. If you are at all uncertain, ask your manager for guidance. It is better to ask the question than to risk your reputation and the reputation of Serco.

## 2.6 Review and Monitoring of Gifts and Hospitality

- Managers will regularly review the reports of records of gifts and hospitality with their teams and direct reports to ensure compliance with this GSOP



- Managers of procurement, bidding or business development teams will ensure this review takes place monthly, with any issues immediately reported to the divisional Ethics Lead
- The review of gifts and hospitality records should include a comparison of entries with the use of expenses and similar budgets by employees in order to ensure accuracy of record keeping

## 2.7 Divisional Reporting and Management

- Divisional reports from the Group Gifts and Hospitality Register will be provided by Ethics Leads on a regular basis, to Group and Divisional Executive Management Teams and the Corporate Responsibility Committee so that trends can be reviewed and appropriate management action taken, if required
- The Group Gifts and Hospitality Register will be periodically reviewed by the Ethics and Compliance Steering Group and the outcome reported to the Executive Committee and plc Corporate Responsibility Committee

## 3 Support & Feedback

For help/support with implementing this operating procedure email [gandh@serco.com](mailto:gandh@serco.com).

## 4 References

The following documents should be referred to when implementing this operating procedure:

Reference	Location	Title
-	MySerco >Ethics and Behaviour> Code of Conduct Also on serco.com website ( <a href="https://www.serco.com/about/serco-code-of-conduct">https://www.serco.com/about/serco-code-of-conduct</a> )	Code of Conduct
SMS-PS-BC	MySerco> SMS> Business Conduct and Ethics > Policies	SMS-PS-BC_Business Conduct and Ethics
SMS GS-BC2	MySerco> SMS> Business Conduct and Ethics > Standards	SMS-GS-BC2_ Business Conduct and Ethics
FBCE16	MySerco> SMS> Business Conduct and Ethics >Forms & Guidance	FBCE17_Gifts & Hospitality Form_Offered
FBCE17	SMS by Subject>Business Conduct & Ethics>Forms & Guidance	FBCE17_Gifts & Hospitality Form_Received



## Annex A – Gifts and Hospitality Register Paper Form

This form is to be used to register gifts and hospitality where employees have no access to the online register at <https://gandh.serco.com>

### Gifts and Hospitality Offered by Serco

#### Your details, or the details of the employee offering the gift or hospitality

<b>Name/Email Address</b>	
<b>Division</b>	
<b>Business Unit</b>	
<b>Contract/Department</b>	

#### Details of the gift or hospitality

<b>Gift or Hospitality</b>	Gift <input type="checkbox"/> Hospitality <input type="checkbox"/>
<b>Date Offered</b>	<i>Use date format dd/mm/yyyy</i>
<b>Description of Offer</b>	<i>Describe the gift (wine, chocolates, watch, pen etc) or event eg Dinner, lunch, event tickets, (theatre, sport, concert) including dates and location</i>
<b>Reason for Offer</b>	
<b>Currency</b>	
<b>Value</b>	<i>The estimated or actual monetary value of the gift or hospitality</i>
<b>Acceptance</b>	Accepted <input type="checkbox"/> Declined <input type="checkbox"/>

#### Recipient's Details

<b>Third Party</b>	Supplier <input type="checkbox"/> Partner <input type="checkbox"/> Client/Customer <input type="checkbox"/> Other <input type="checkbox"/>
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<b>Third Party Company</b>	<i>The name of the third party the gift/hospitality was offered to</i>
<b>Third Party Company Address</b>	<i>Address of the company the gift/hospitality was offered to</i>
<b>Offered to</b>	<i>The name of the actual person the offer was made to</i>
<b>Job Title</b>	
<b>Ultimate Recipient</b>	<i>Name(s) of the individual(s) who will derive benefit from the gift/hospitality if different from the 'Offered to' individual</i>
<b>Business Relationship</b>	<i>Describe the business/contract relationship</i>

**Approval Details**

*You must get approval from your manager before offering a gift or hospitality that is above financial thresholds that have been set for your area. Your manager can advise on the limits that apply to you or you can check the Group Standard Operating Procedure (GSOP) for Gifts and Hospitality (Ref: SMS-GSOP-BC2-2) within the SMS or in your local divisional policy. Even if approval is not required (because the gift or hospitality is below the financial thresholds set for your area) you need to provide your manager/approver's details*

<b>Approval</b>	Item requires approval <input type="checkbox"/> Item has been approved <input type="checkbox"/>
<b>Manager / Approver's Name/Email Address</b>	
<b>Additional Details</b>	
<b>Attachment</b>	

Completed forms should be sent to [gandh@serco.com](mailto:gandh@serco.com) together with any attachments.



This form is to be used to register gifts and hospitality where employees have no access to the online register at <https://gandh.serco.com>

**Gifts and Hospitality Received by Serco**

**Your details, or the details of the employee receiving the gift or hospitality**

<b>Name/Email Address</b>	
<b>Division</b>	
<b>Business Unit</b>	
<b>Contract/Department</b>	

**Details of the gift or hospitality**

<b>Gift or Hospitality</b>	Gift <input type="checkbox"/> Hospitality <input type="checkbox"/>
<b>Date Received</b>	<i>Use date format dd/mm/yyyy</i>
<b>Description of Offer</b>	<i>Describe the gift (wine, chocolates, watch, pen etc.) or event e.g. Dinner, lunch, event tickets, (theatre, sport, concert) including dates and location</i>
<b>Reason for Offer</b>	
<b>Currency</b>	
<b>Value</b>	<i>The estimated or actual monetary value of the gift or hospitality</i>
<b>Acceptance</b>	Accepted <input type="checkbox"/> Declined <input type="checkbox"/>
<b>What happened</b>	<i>If accepted, what happened to the gift? e.g. donated to charity, shared in office, kept for personal use etc.</i>
<b>Ultimate Recipient</b>	<i>e.g. if donated to charity</i>



**Offerer's Details**

<b>Third Party</b>	Supplier <input type="checkbox"/> Partner <input type="checkbox"/> Client/Customer <input type="checkbox"/> Other <input type="checkbox"/>
<b>Third Party Company</b>	<i>The name of the third party the gift/hospitality was received from</i>
<b>Third Party Company Address</b>	<i>Address of the company the gift/hospitality was received from</i>
<b>Offered by</b>	<i>The name of the actual person the offer was received from</i>
<b>Job Title</b>	
<b>Ultimate Recipient</b>	<i>Name(s) of the individual(s) who will derive benefit from the gift/hospitality if different from the 'Received by' individual</i>
<b>Business Relationship</b>	<i>Describe the business/contract relationship</i>

**Approval Details**

*You must get approval from your manager before accepting a gift or hospitality that is above financial thresholds that have been set for your area. Your manager can advise on the limits that apply to you or you can check the Group Standard Operating Procedure (GSOP) for Gifts and Hospitality (Ref: SMS-GSOP-BC2-2) within the SMS or in your local divisional policy. Even if approval is not required (because the gift or hospitality is below the financial thresholds set for your area) you need to provide your manager/approver's details*

<b>Approval</b>	Item requires approval <input type="checkbox"/> Item has been approved <input type="checkbox"/>
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