

Gifts and Hospitality policy

1. Introduction

- 1.1 Giving or receiving gifts and hospitality as part of a normal commercial relationship-building process is a legitimate part of business to help foster good relationships with ISG's partners. However, the provision of gifts or hospitality over certain values may be seen to be offered to gain an 'advantage' and therefore could create a risk for ISG. Any gifts and hospitality (whether given or received) in a commercial context, or to/from a public official, could be deemed to be a bribe, or give a perception of bribery having occurred. The nature of what is being given or received, the people benefiting from it and the timing can all increase the risk of such an unhelpful perception. To help protect against the risk of wrongdoing and any perception of wrongdoing, it is essential that you follow the requirements of this policy.
- 1.2 This policy sets out the governance procedures and authorisation levels required for the giving or receiving of gifts and hospitality. The principles outlined in this policy are all based on the integrity of business dealings and to help ensure compliance with the laws of the countries where we do business.
- 1.3 This policy applies to all people who perform services for or on behalf of ISG (including all full and part-time employees, all Directors, all agency staff/contractors and all persons employed by all group companies). Failure to comply with this policy will be treated as a very serious matter and, for employees, a disciplinary matter. In order to fulfil our contractual obligations to our clients and maintain integrity throughout our supply chain, this policy sets the minimum standards for all parties working for ISG.
- 1.4 The purpose of this policy is to prevent inappropriate influencing activity, whether actual or perceived, over certain areas of business, such as choice of supplier or selection by a client (including tendered business), the amount of business conducted and/or the terms of contract. Compliance with this policy does not mean that ISG cannot entertain its customers, suppliers and partners to get to know them better in the ordinary course of business. It means that entertainment must constitute *bona fide* hospitality or promotional materials for business purposes and must be acceptable and proportionate. At no time should any gifts or hospitality be offered with the intention to promise, give, financial or other advantage to another person, or to induce a person to perform a relevant function/activity improperly, or to reward a person for improper performance of a function/activity.
- 1.5 The offering of gifts/hospitality to clients, suppliers or other third parties can only be requested by members of the ISG workforce (in accordance with the terms of this policy), who in the UK would be on the payroll of ISG. It is not appropriate for others who may be working for, or providing a service to, ISG (such as contractors, agency staff, or Freelancer's) to offer gifts or hospitality to third parties, on behalf of, and paid for by, ISG.
- 1.6 It is impossible for this policy and the information contained within its appendices to cover every eventuality that may arise, or to make every business decision that may need to be taken from time to time regarding the giving or receiving of gifts and hospitality. Reference is made within the policy to putting forward 'business justifications' for expenditure on gifts or hospitality that falls outside the thresholds permitted; it is not practical to provide numerous examples of what might be classed as a valid 'business justification', as each situation will be different, and potentially dependant on local circumstances. A common-sense approach needs to be applied, based on acceptable and proportionate decision-making, the details of which need to be accurately recorded.
- 1.7 There are six appendices attached to this document, all which form part of this policy, as follows:
- Appendix 1 Gifts and Hospitality authorisation levels and approval procedure,
 - Appendix 2 Accompanying notes in relation to Appendix 1,
 - Appendix 3 How to assess what is 'acceptable and proportionate',
 - Appendix 4 Gifts and hospitality approval,
 - Appendix 5 Guest List form,
 - Appendix 6 Charity & Sponsorship authorisation levels and approval procedure.

It is essential that you familiarise yourself with all of them, as well as this policy document. If you are uncertain of any aspect of this policy and the appendices, please contact the Company Secretary or the Head of Business Assurance.

2. Gifts

2.1 Gifts means things like:

- cash, and/or cash equivalents,
- Favours,
- gift vouchers,
- presents (e.g. wine, hampers or other items),
- shares, debentures, or other hand-outs; or
- benefits in kind or anything else that benefits or can be enjoyed by an individual.

This list is not intended to be exhaustive – if you think something may be a gift assume it is and act accordingly.

2.2 Gifts may be given or received where custom dictates, however, the value (or estimated value) of these should be based on the acceptable and proportionate guidelines, see Appendix 3, and must follow the authorisation levels and approval processes stated in Appendix 1.

2.3 The giving or receiving of cash (including gift vouchers) is never permitted, regardless of the value. No approval can or will be given for this.

2.4 No gifts (whatever the value):

- shall be offered to clients or prospective clients; or
- shall be accepted from suppliers or prospective supplier,

during a **'live' tender process**, or where a tender process may be about to commence.

If you are ever approached to offer/accept a gift on behalf of ISG (for example, from a client) refer the matter to the Managing Director of your Business Unit, the Company Secretary or the Head of Business Assurance, as soon as possible.

2.5 No gifts (whatever the value):

- shall be offered to **the family members** (or other third parties connected to them) of clients, or prospective clients,
- shall be accepted on behalf of your **family members** (or connected persons) from suppliers, or prospective suppliers, under any circumstances.

If gifts are to be offered, they should only ever be offered or given to the relevant client/supplier representative himself/herself.

2.6 Where possible, any gifts accepted that are over the value of £50 should be shared amongst other ISG employees, rather than a one ISG recipient taking the benefit. Alternatively, they can be donated to charity (for example, an ISG nominated charity raffle). All gifts received must be notified in accordance with this policy, see Appendix 1 for approval levels and authorisation procedures. Failure to do so will be treated as a serious disciplinary matter.

3. Hospitality

3.1 Hospitality means things like:

- food and drink,
- trips, travel, holidays,
- hotel bookings, accommodation,
- sporting event,
- theatre or concert events, or amusements.

This list is not intended to be exhaustive – if you think something may be hospitality assume it is and act accordingly.

3.2 In order to obtain approval for the giving or receiving of hospitality follow the authorisation levels and approval processes stated in Appendix 1.

3.3 During the course of business, it may occasionally be necessary to offer hospitality to prospective clients as part of a **'live' tender/bidding process** – for example, in the interests of allowing representatives of the prospective client to get to know ISG employees and other representatives who they could be working with on their project if ISG were to be successful in winning the contract. Always follow any specific guidelines in relation to the offering of gifts/hospitality that may be included in the Request for Proposal (RFP) or other tender documentation that ISG may have agreed with the client. Additional caution should be applied in such instances; it is important to consider how the timing, value and nature of such invitations may be perceived by the client representatives themselves, their employer and the outside world.

Before offering any hospitality around the time of a tender exercise, for values above those stated in section 3.4 (i.e. £100 per head or £1,000 total event value) it is necessary to confirm the requirement for the invitee to be in compliance with their employer's own compliance procedures regarding the acceptance of such hospitality. In practice, this could most easily be achieved by adding template **disclosure wording** into the relevant invitation emails sent to the client (using template disclosure wording available in Appendix 2), so that if the client accepts the invitation they also automatically accept the wording of the disclosure. Copies of such written confirmations/disclosure emails from/to clients must be retained and be made available upon request as part of ISG's standard internal auditing processes. Similar considerations should also be given prior to accepting hospitality from prospective suppliers, during periods where ISG is in the process of making tendering decisions regarding its supply chain.

3.4 The value of the hospitality that may be offered during a **tender process** should be acceptable and proportionate and not more than either:

- a) a per head value of £100 (including all cost elements whoever is incurring the relevant expense); or
- b) a total event value of £1,000,

both values to be calculated to include VAT, together with any service charges and associated accommodation/transport to/from a venue.

For example, if five attendees were invited out to a meal intended to build relationships you could spend a maximum of £500 in total; if 20 attendees were invited you could spend up to £1,000 in total. When considering the total event value, the costs of, or incurred, by all participants should be included and the costs of ISG staff attending should also be included. If different ISG employees will incur or have incurred expenses associated with the same event or hospitality, all such expenditure should be considered together and presented to those authorising that expenditure as a combined amount with all individual costs identified. If expenditure above these values is necessary, based on valid business justifications, separate pre-approval will be required in writing. Please refer to Appendix 1 for authorisation levels.

3.5 As a general rule, ISG does not extend invites of hospitality to **the family members/friends** of client contacts. There may be exceptions to this rule from time to time but before approval can be given a clear business justification will need to be provided and written approval obtained. This is regardless of the value of the hospitality (i.e. the thresholds identified in paragraph 3.4 above shall not apply).

Before offering any hospitality to family members/friends of client contacts, obtain specific written confirmation that the client contact would be permitted to accept the hospitality under their employer's own compliance procedures. This confirmation should come from a level within the customer organisation who are above those to be invited. It is acknowledged that such confirmations may be difficult to obtain but the offering of hospitality to

family members of clients/others should be very infrequent and only for one-off circumstances. In such instances, it is not considered suitable just to use the template disclosure wording as outlined in section 3.3 above. Copies of such written confirmations from clients must be retained and be made available upon request as part of ISG's standard internal auditing processes. Likewise, if a supplier or other business contact were to offer you hospitality and extend the invite to one or more of your family members/friends outside of ISG you should ordinarily decline the invitation unless there is a clear business justification, it has been approved by the COO or Managing Director responsible for your area of the business and has been recorded on the relevant gifts and hospitality register.

3.6 When planning hospitality events for ISG clients to attend, consideration should be given to **the ratio of clients/others** per ISG employee in attendance. Discretion will need to be applied on an acceptable and proportionate basis and each event will differ in terms of requirements. However, as a general minimum rule, there should be at least three client/other representatives in attendance to one ISG employee (a 3:1 ratio), where values are above the threshold of £100 per head or £1,000 total event value – in such instances additional information and clear business justifications will need to be provided for ratios of less than 3:1. It will never be acceptable to provide hospitality to client representatives where no ISG representatives are present (e.g. simply giving concert tickets to a client would never be permitted).

3.7 Where possible, ad-hoc offers of hospitality should be avoided, as the short-notice nature of such events can make it difficult to comply with this policy and to accurately record details on the relevant gifts and hospitality register. For example, the last-minute offer of hotel accommodation to a client at the end of a hospitality event (which had not been pre-planned), could tip the per head value or total event value over an authorisation threshold, and result in non-compliance with this policy.

3.8 In instances where the hospitality event involves food and alcohol, it is important to remember the acceptable and proportionate guidelines. ISG considers it unacceptable to spend large amounts on expensive bottles/glasses of wine and other alcoholic beverages. For values above the threshold of £100 per head or £1,000 total event value, unless there is a valid business justification that has been pre-agreed with the relevant approving person in accordance with this policy and has been specifically recorded on the relevant gifts and hospitality register, where food is involved, the spend on alcohol should not be more than the cost of the food for that event. When ordering wine and other alcoholic beverages as part of a client meal, consider:

a) how lavish expenditure would increase the per head value of the hospitality,

b) the acceptable and proportionate guidelines; and

c) how such expenditure may look to the clients attending the event, their employer and the outside world.

Lavish and ad-hoc expenditure on alcohol may also place your invited clients in a difficult position and could result in them inadvertently infringing their own company's gifts and hospitality policies. Where the hospitality event only involves spending on alcohol, the above considerations of what is acceptable and proportionate should still also be taken into account.

3.9 Never request hospitality from suppliers or other business partners. Similarly, you should never accede to any request for specific gifts or hospitality from a client. If you receive such a request (e.g. "please could you take us to the F1 race..."), this should be immediately reported to your Business Unit Managing Director (with a copy to the Company Secretary or the Head of Business Assurance).

3.10 It is not acceptable for ISG employees to try and by-pass the procedures outlined in this policy, in order to try and offer or accept gifts/hospitality without obtaining the appropriate approvals. For example, it would not be considered acceptable to try and include/disguise hospitality costs within project costs to be paid for by the client, to avoid the need to obtain the appropriate approvals in accordance with this policy. Equally, it would not be considered appropriate to suggest for a sub-contractor to pay such hospitality costs on behalf of ISG. If ISG offer a gift or hospitality, it is ISG who must pay for it.

4. Charitable events, sponsorship and political donations

4.1 Any charitable donation or sponsorship of an individual shall require prior approval and must follow the authorisation level and approval processes stated in Appendix 6. Each Business Unit shall ensure that a local Charity and Sponsorship register is kept to record all charity donations and sponsorships that requires Managing Director, COO or CEO/CFO approval.

Examples of scenarios caught by this requirement would include:

- ISG sponsor an individual employee of a client (or other third party that ISG may work for/with) to take part in an event, whether that be organised by the client organisation or the individual employee,
- A supplier sponsors an individual employee of ISG to take part in an event, the proceeds of which are going to a charity of the individual ISG employee's choice (whether that be ISG's corporate charity of choice, or not),
- Sponsorship of tables at charitable, industry or trade gatherings. Note - any hospitality costs associated with such an event (separate to the actual sponsorship cost of hiring the table) should be approved in-line with Appendix 1,
- Sponsorship of other corporate events (for example, sponsorship of a hole at a charity Golf event organised by a client),
- Donation of raffle/auction prizes for charitable causes (either offered by ISG or received by ISG from suppliers/others).

4.2 In no circumstances should any employee, agent or contractor of ISG make any political donations on behalf of the Company.

5. Client policies and contracts

5.1 Many of ISG's clients will have their own policies and procedures regarding the acceptance of gifts and/or hospitality from their supply base. Before providing gifts/hospitality that exceeds £250 per head, it is necessary to confirm the requirement for the invitee to be in compliance with their employer's own compliance procedures regarding the acceptance of such offers and that they will follow any internal disclosure obligations that may be in place in accordance with that policy. In practice, this could most easily be achieved by adding template **disclosure wording** into the relevant invitation emails sent to the client (using template disclosure wording available in Appendix 2) – so that if the client accepts the invitation they also automatically accept the wording of the disclosure. Copies of such written confirmations/disclosure to/from clients must be retained and be made available upon request as part of ISG's standard internal auditing processes. (See also paragraph 3.3 above regarding hospitality during tender processes, paragraph 5.2 regarding the checking of legal contracts and paragraph 6.1 regarding hospitality to public officials).

5.2 The legal contracts that ISG agree with its clients and other business partners can sometimes have clauses contained within them as to the procedure to follow when offering gifts and/or hospitality to their employees and other representatives. Consideration should be given to any relevant contractual terms prior to the offering of gifts and/or hospitality to ensure that by doing so you are not infringing any legal obligations that ISG may have previously committed to.

6. Public officials

6.1 It is important to be extra careful when dealing with public officials, as any form of gift-giving or hospitality could be perceived to be improper. Many public bodies/organisations will have internal rules preventing or strictly limiting the extent to which public officials/civil servants may accept any form of gift or hospitality from private businesses or individuals. When a public official is to be offered hospitality of any kind, no matter how low the value, they must also confirm in writing that by accepting it they are entitled to do so under the terms of their employer's gifts and hospitality policies and that they will follow any internal disclosure obligations that may be in place in accordance with that policy. Copies of such written confirmations must be retained and be made available upon request as part of ISG's standard internal auditing processes.

6.2 The definition of public officials may differ from country to country, particularly where a Government agency has an interest (share) of a business with whom ISG is contracted to/working with. It is your responsibility to check ownership/interests in such cases and seek authority for the gift or hospitality being offered.

6.3 All of the rules set out in this policy for dealings in the private sector also apply to dealings with the public sector, with the following additional restrictions:

- gifts of any value must not be offered to public officials, save that low value branded marketing materials (e.g. pens, other stationery etc.) may be offered/given as part of normal relationship-building,
- only gifts of minimal value (not exceeding £15) may be accepted from public officials,

- any hospitality offered, given to, or accepted from, public officials must not exceed £25 in value. In specific circumstances it may be necessary to offer such hospitality to public officials that is >£25, in such instances written approval must be obtained via ISG's CFO. Such expenditure must have a legitimate business justification. In such instances, send a separate email to ISG's CFO to confirm the details, rather than use the approval form shown at Appendix 4.

7.0 Gift and hospitality registers

- 7.1 The Finance Directors of each Business Unit shall ensure that a local Gifts and Hospitality register ("BU Gifts and Hospitality Register") is kept to record all gifts and hospitality that requires Managing Director, COO or ISG's CEO/CFO approval in accordance with Appendix 1 of this policy. This BU Gifts and Hospitality Register shall be maintained in a specific format as advised by the Business Assurance team. The Business Unit Finance Directors shall carry out regular reviews, checks and balances on their BU Gifts and Hospitality Register to ensure they are materially accurate. Any concerns should be reported to either the Company Secretary or the Head of Business Assurance without delay.
- 7.2 The Company Secretary shall ensure that a central gifts and hospitality register ("Central Gifts and Hospitality Register") be kept to record all gifts and hospitality within the Enabling Department and the Statutory Board, in accordance with Appendix 1 of this policy. A copy of the register shall be made available to the Business Assurance Team immediately upon request.
- 7.3 The Business Assurance team shall carry out a review of both the BU Gifts and Hospitality Register and the Central Gifts and Hospitality Register at the discretion of the Risk Committee. Audit results/trends shall be reported to the Risk Committee.
- 7.4 It is each Business Unit responsibility to record and maintain the Hospitality attendance details of third parties and ISG employees, including names and company details. This information must be retained and be made available upon request as part of ISG's standard internal auditing processes.

8.0 Cumulative values

- 8.1 Before offering or receiving gifts and/or hospitality, consideration should be given to the overall value that may have been offered or received to or from the same source (individual and organisation) during a rolling 12-month period (based only on the information recorded on the BU Gifts and Hospitality Register and the Central Gifts and Hospitality Register). This assessment should be recorded on the gifts and hospitality approval form, where there have been multiple instances of gifts or hospitality to or from the same source (individual or organisation) within the last 12 months. For the avoidance of doubt, it is impractical to expect this consideration of cumulative values to take account of past expenditure that may have been incurred at levels below those that need to be recorded on either the BU Gifts and Hospitality Register or the Central Gifts and Hospitality Register.
- 8.2 This policy does not set specific values for what is acceptable to give or receive on a cumulative basis, as there will need to be various factors taken into consideration when making this judgement. Both the Managing Director and Finance Director of each Business Unit will regularly review their gift and hospitality registers to ensure that excessive cumulative values are not being built up with certain clients/others over rolling 12-month periods. Any concerns shall be raised with the Company Secretary or the Head of the Business Assurance.

9.0 How to assess what is 'acceptable and proportionate'

- 9.1 When authorising persons are assessing whether a gift or hospitality request is acceptable and proportionate it can sometimes be difficult to understand what this means in practice. See Appendix 3 for some useful tips that should be considered when making these important decisions.
- 9.2 When assessing what might be acceptable and proportionate it is not a defence to base future activity on past business practices. For example, just because certain clients may have been invited to a sporting event for the past few years does not make the offer of such hospitality acceptable and proportionate.

10. Calculating the value of gifts and hospitality

- 10.1 It may sometimes be difficult to place a value on certain gifts and hospitality, especially if you are the receiver. In such circumstances, the value should be estimated on a conservative basis, i.e. over-estimate rather than under-estimate. For gifts, it may be possible to obtain accurate valuations from looking on comparison websites or retail sites for the same items. Make sure you include VAT (as this will give a more accurate value the hospitality may have cost to the individual if paying for it themselves), and in the case of hospitality, any estimated services charges and associated accommodation/transport to/from a venue, within your estimates.

11. Local business unit variations

11.1 COO or Managing Director may decide that the approval limits stated in Appendix 1 are too high, taking into account local considerations. As such, COO or Managing Directors can set lower approval limits if they wish but will need to communicate such changes locally through their usual reporting lines. Any lower limits that may be set should also be reported through to the Company Secretary or the Head of Business Assurance. However, COO and Managing Directors do not have the authority to increase the approval limits stated in this policy.

12. Expense claims and company credit card usage for the purchase of gifts or hospitality (UK business only)

12.1 Each entry made on the BU Gifts and Hospitality Register shall be given a unique and Business Unit specific 'Gifts and Hospitality Reference Code' ("ID Number"). When claiming back personal expenses that have been incurred as a result of the gift or hospitality in question, the ID Number will need to be quoted before the reimbursement can be made through the expenses system. This will allow the expenses team to match such expenditure to the approval of a gift or hospitality under the terms of this policy.

12.2 The relevant ID Number will also need to be quoted when submitting receipts for expenditure incurred on a company credit card, or for invoices that need to be paid.

12.3 It is generally assumed that the ISG employee who makes the gift/hospitality request will be attending the event. As such, the ISG employee who seeks and obtains approval for the expenditure to be incurred should ensure they pick up all associated costs incurred, whether that be via a company credit card or a personal credit card. This will ensure that all costs in relation to the hospitality that has been approved can be recorded under one expense claim from one employee. There may be instances where this is not practical and in such cases details of the other ISG employees who will be making a claim against the same hospitality approval form should be disclosed to the FSS team and details of all the related expenditure identified at the same time.

12.4 The FSS team may require sight of copies of gifts/hospitality approval forms and their authorisation, before processing company credit card statements and making payments through the expenses system for the reimbursement of payments made on personal credit cards. If the appropriate approval has not been obtained in advance, expense claims will not be reimbursed. Retrospective approval will be permissible only in exceptional cases with a clear written justification and where approved by the person who should have been requested to approve the gift/hospitality expense in advance of the expenditure being incurred, in accordance with Appendix 1. The use of company credit cards should not be abused and failure to adhere to reasonable usage in accordance with this policy could lead to disciplinary action being taken.

13. Policy review

13.1 This policy will be regularly reviewed to consider any feedback, questions and suggested areas for improvement. It may be amended and updated, and new versions will be communicated and made available.

If you are ever in any doubt as to how this policy should work in practice always seek further guidance from the Company Secretary, or the Head of Business Assurance. Any attempt, or perceived attempt, to circumvent the rules in this policy (e.g. by structuring arrangements so that they technically comply with this policy even if they do not fulfil the aims of the policy) will be considered a breach of this policy and dealt with accordingly, including through disciplinary processes, which may lead to disciplinary action up to and including summary dismissal.

This policy was approved by the Board of Directors of ISG Limited on 11 July 2022

For and on behalf of ISG Limited
Signed:



Matt Blowers
Chief Executive Officer
Date: 11 July 2022

Appendix 1. Gifts and Hospitality - authorisation levels and approval procedures

Gifts							
Private Sector							
Category	Value	Authorisation levels	Advanced email approval	G&H Register	G&H Form	Client Confirmation	Approval Procedures
Per gift	<£50	Business Unit Managing Director discretion (BU MD)	No	No	No	No	Follow local Business Unit approval processes
Per gift	£50 to £250	Business Unit Managing Director (BU MD)	Yes	Yes	Yes	No	Business Unit Managing Director will either approve, reject or request additional information, by email
Per gift	£250 to £500	Chief Operating Officer (COO)	Yes	Yes	Yes	Yes	COO will either approve, reject or request additional information, by email. Confirm the requirement for the recipient(s) to be in compliance with their employer's own compliance procedures
Per gift	>£500	ISG's Group CEO or CFO	Yes	Yes	Yes	Yes	The ISG's Group CEO or CFO will either approve, reject or request additional information, by email. Confirm the requirement for the recipient(s) to be in compliance with their employer's own compliance procedures
Public Officials							
Providing	Gifts of any value must not be offered to public officials, save that low value branded materials may be offered/given as part of normal relationship-building						
Receiving	Only gifts of minimal value (not exceeding £15) may be accepted from public officials						
Family Members/Friends							
No gifts, whatever the value, <ul style="list-style-type: none"> ▪ shall be offered to the family members (or other third parties connected to them) of clients, or prospective clients ▪ shall be accepted on behalf of your family members (or connected persons) from suppliers, or prospective suppliers, under any circumstances 							
Live Tender/Bidding process							
No gifts, whatever the value, <ul style="list-style-type: none"> ▪ shall be offered to clients or prospective clients, during a 'live' tender process, or where a tender process may be about to commence ▪ shall be accepted from suppliers or prospective supplier, during a 'live' tender process, or where a tender process may be about to commence 							
Enabling Department / Business Unit Managing Director / Statutory Board Members							
Please refer to <i>Appendix 2. Accompanying notes in relation to Appendix 1</i> of the policy for authorisation levels and approval procedures							
Important - The giving and receiving of <u>cash</u> (including gift vouchers, cards) is not permitted, however small the value							

A1.2 Hospitality authorisation levels and approval procedures

Hospitality							
Private Sector							
Category	Value	Authorisation levels	Advanced email approval	G&H Register	G&H Form	Client Confirmation	Approval Procedures
Per head	<£100	Business Unit Managing Director discretion (BU MD)	No	No	No	No	Follow local Business Unit approval processes
Per head	£100 to £250	Business Unit Managing Director (BU MD)	Yes	Yes	Yes	No	Business Unit Managing Director will either approve, reject or request additional information, by email
Per head	£250 to £500	Chief Operating Officer (COO)	Yes	Yes	Yes	Yes	COO will either approve, reject or request additional information, by email. Confirm the requirement for the invitee(s) to be in compliance with their employer's own compliance procedures
Per head	>£500	ISG's Group CEO or CFO	Yes	Yes	Yes	Yes	The ISG's Group CEO or CFO will either approve, reject or request additional information, by email. Confirm the requirement for the invitee(s) to be in compliance with their employer's own compliance procedures
Total event value	<£1000	Business Unit Managing Director discretion (BU MD)	No	No	No	No	Follow local Business Unit approval processes
Total event value	£1000 to £3000	Business Unit Managing Director (BU MD)	Yes	Yes	Yes	No	Business Unit Managing Director will either approve, reject or request additional information, by email
Total event value	£3000 to £5000	Chief Operating Officer (COO)	Yes	Yes	Yes	No	COO will either approve, reject or request additional information, by email
Total event value	>£5000	ISG's Group CEO or CFO	Yes	Yes	Yes	No	The ISG's Group CEO or CFO will either approve, reject or request additional information, by email
Public Officials							
Any hospitality offered, given to, or accepted from, public officials must not exceed £25 in value and must be pre-approved in writing by ISG's Chief Financial Officer (see section 6 of the policy)							
Family Members/Friends							
ISG does not extend invites of hospitality to the family members/friends of client contacts. However there may be exceptions but before pre-approval from COO/Managing Director a clear business justification must be given, regardless of the value, and a specific written confirmation must be obtained from the client (see section 3.5 of the policy)							
Live Tender/Bidding process							
Hospitality offered during a tender process should be acceptable and proportionate and not more than £100 per head and £1000 (see section 3.4 of the policy)							
Enabling Department / Business Unit Managing Director / Statutory Board Members							
Please refer to <i>Appendix 2. Accompanying notes in relation to Appendix 1</i> of the policy for authorisation levels and approval procedures							
Important - All values should be calculated to include VAT, any services charges and associated accommodation/transport to/from a venue, regardless which individual(s) incurring the expense							

Appendix 2. Accompanying notes in relation to Appendix 1

- i) For employees working within **the Enabling Departments** of the group's London Head Office or other UK regional offices, they should seek approval from their Head of Department/Line Manager (rather than a Managing Director). Approval limits for these employees will be to the same values as shown in Appendix 1. Details to be recorded on the Central Gifts and Hospitality Register.
- ii) Gifts and/or hospitality given or received to/by the **Business Unit Managing Directors** should be approved by their line manager. Approval limits for these employees will be the same values as shown in Appendix 1. Details to be recorded on the BU Gifts and Hospitality Register.
- iii) Gifts and/or hospitality given or received to/by **the Statutory Board Members** should be approved by ISG's Group CEO for all gifts above £250 and hospitality above £250 per head, or total event value of >£3,000. Details to be recorded on the Central Gifts and Hospitality Register.
- iv) Gifts and/or hospitality given or received to/by **ISG's Group CEO** should be approved by the ISG Group CFO for all gifts above £500 and hospitality above £500 per head, or total event value of >£5,000. Details to be recorded on the Central Gifts and Hospitality Register.
- v) When calculating the value of gifts, VAT/tax should also be included.
- vi) The per head value of hospitality should be calculated by dividing the gross estimated TOTAL value of the event (i.e. to include any deposit paid in advance, VAT/tax, tips/service charges, hotels and other costs such as travel to/from the venue) by the total number of attendees (to include ISG representatives). This will give a true value of the hospitality to the intended recipient, to show what it may have cost them if purchasing it individually themselves.
- vii) In some instances, it may be difficult to predict the actual spend in advance. If the actual total value of the hospitality is +/-10% of the estimated total value declared on the approved Gifts and hospitality form, additional approval will be required via the relevant person (even though the expenditure will already have been incurred). The relevant Gifts and hospitality register will also need to be updated accordingly to ensure that the correct values are stated.
- viii) It may not always be possible to confirm on the initial Gifts and hospitality form who the exact attendees are to be invited to a hospitality event, or the number of attendees may change as the date of the event draws closer. It is important to ensure that these details are accurately recorded on the relevant Gifts and hospitality register once a final attendee list and guest numbers have been finalised. Re-approval should be sought where attendees materially change, as this may affect the business justification for the event.
- ix) The higher of the 'per head value' and 'total event value' shall take precedence when considering the authorisation requirements stated in Appendix 1. For example, an event may be <£1,000 in total value but still cross the >£100 per head value threshold. Conversely, an event may be <£100 per head but cross the >£1,000 total event value threshold. In both these examples, approval would still be required from the Business Unit Managing Director, or COO
- x) Adding disclosure wording into the relevant correspondence will provide compliance with the invitee(s) own policy for accepting/receiving gifts/hospitality.

"By accepting the gift/hospitality that ISG is offering, you confirm that by doing so you are complying with your own employer's gifts and hospitality policy, and that details of the event will be declared/recorded as necessary, in accordance with any procedures that may operate within the business you work for".

Appendix 3. How to assess what is 'acceptable and proportionate'

When authorising persons are assessing whether a gift or hospitality request is 'acceptable and proportionate' it can sometimes be difficult to understand what this means in practice. The list below provides some useful tips that should be considered when making these important decisions.

- **The value and nature of the gift/hospitality**
The per head value of the hospitality is important, as it confirms how much the recipient may have had to pay out of their own pocket had they booked to attend the event themselves. The higher the per head value the more potential there could be for ISG (or the ISG employees involved) to be accused of trying to influence the decision-making processes of the client, or potential client. The higher the value per head, the more detailed the business justification needs to be. Certain kinds of gifts or hospitality should never be offered or accepted regardless of value – for example, anything that may raise concerns as to ethics or general appropriateness, such as anything of a sexual nature, or anything that may be or be seen as culturally insensitive, politicised or discriminatory.
- **The intended recipient or offeror**
It is important to consider who the recipient of the gift or hospitality will be, to ascertain if the value per head of hospitality can be classed as 'acceptable and proportionate'. For example, it may be considered appropriate for ISG to offer hospitality at a higher value per head when the invitation is to a senior Director of a global business. The same value per head may not be appropriate if the invited client representatives are lower down the management chain, where a large hospitality event may be perceived to be inappropriate and trying to influence the decision-making process. Consider whether the gift or hospitality would be perceived to be proportionate to the recipient's position/job title.
- **What other gifts or hospitality have been offered to the same recipient/client organisation**
Ensure that accurate records are kept and regularly reviewed at Business Unit level to ensure that consideration can be given to what other gifts or hospitality may have been received by the intended recipient before the offer is made. Always make sure that you check the gifts and hospitality register before offering or approving a gift or hospitality. If the cumulative value offered to certain individuals, or client companies as a whole, becomes excessive there is a risk that the cumulative impact of all the advantages added together might be, or appear to be, improperly motivated. See section 8 of the policy for further details.
- **The timing of the offer**
Consideration will need to be given to where ISG is in the business cycle with the recipient's employer. It is inappropriate to offer gifts or hospitality to client representatives if a tender process is 'live', or about to start. The same principles would apply if ISG employees were to be offered gifts or hospitality from a supplier who is currently involved (or about to be) in a 'live' supply chain tender. These situations should be avoided to prevent any conflict of interest between the giver and receiver. See section 3.3 and 3.4 of the policy for more information.
- **The transparency of the offer**
To ensure that you do not breach the terms of this policy, or that of any legal contract that ISG may have agreed with its clients, suppliers or other business associates, the authorisation processes stated in this policy should always be followed. If there are specific contractual clauses in contracts specifying the treatment relating to the offering of gifts or hospitality, have these been followed by ISG. See also sections 3.3, 5.1 and 6.1 of the policy to check that recipients are permitted under their own policies to accept the gift/hospitality. Ensure that relevant customer confirmations have been obtained.
- **Whose idea was it to purchase the gift or hospitality**
In some situations, you might receive a request from a client or potential client suggesting they would like to attend/receive a certain event, meal, or gift. Such requests are inappropriate. Extreme caution should be applied here as the request could be seen as trying to ask for certain benefits in return or as a reward for other business favours, such as favourable contract terms or contract awards. In instances where you do get approached in this way, refer the matter immediately to the Managing Director of your Business Unit, or the Company Secretary, or the Business Assurance Manager.
- **What is the stated business justification/commercial rationale?**
As referenced in this policy, there are often good business justifications for offering gifts or hospitality. Examples of this could include a 'site completion celebration meal with client representatives', or entertainment to 'maintain good working relations part-way through a project'. However, offering to take a potential new client to a high-profile sporting event (that attracts a large value per head) because you know they have a few high value contract tenders coming up shortly would not be considered to be 'acceptable and proportionate'.
- **Past business practice is no justification for continuing to provide gifts and/or hospitality**
When assessing what might be acceptable and proportionate it is not a defence to base future activity on past business practices. For example, just because certain clients may have been invited to a sporting event for the past few years does not make the offer of such hospitality acceptable and proportionate.

Appendix 4. Gifts and Hospitality approval form

Gifts & Hospitality Approval Form			ISG
ID Number			
Country			
Details of person providing/receiving Gifts/Hospitality			
Name			
Position			
Business Unit			
Details of person approving Gifts/Hospitality			
Name			
Position			
Business Unit			
Details of person submitting request			
Name			
Position			
Business Unit			
Gifts/Hospitality event details			
Event Name/Location			
Request date			
Event/Gifts date			
Reason for submitting this form			
Type of client entertainment			
Details of hospitality/gifts to be provided/received			
Value of hospitality/gifts (including VAT/GST)	Gift Total value £'s		
	Hospitality Total event value £'s		
	Hospitality Value per head £'s	--	
Attendee(s) number			
Additional information			
Business justification/commercial rationale for giving or receiving the hospitality/gifts/sponsorship			
What is ratio of client/other recipients to ISG (see paragraph 3.6)	:		
Is hospitality/gifts being offered to the family members/friends of client contacts or family members/friends of ISG employees? (see paragraph 3.5)	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
	If yes, please provide a full business justification:		
Is hospitality/gift being offered or received by ISG during tender process? (see paragraph 3.3)	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
	If yes, please provide a full business justification:		
Is hospitality/gift being offered/being accepted to/from public officials? (see section 6)	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
	If yes, please provide a full business justification:		
Is hospitality/gift offered/received in compliance with the project/client contract and their policies? (see paragraph 5.1)	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
	If no, please provide a full business justification:		
Is gift/hospitality being considered as "acceptable" and "proportionate"? (see paragraph 9 and Appendix 3)	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
	If no, please provide a full business justification:		

Appendix 6. Charity and Sponsorship authorisation levels and approval procedures

Charity & Sponsorship						
Private Sector						
Category	Value	Authorisation levels	Advanced email approval	Charity Register	Charity & Sponsorship form	Approval Procedures
Charity & Sponsorship	<£50	Business Unit Managing Director discretion (BU MD)	No	No	No	Follow local Business Unit approval processes
Charity & Sponsorship	£50 to £250	Business Unit Managing Director (BU MD)	Yes	Yes	Yes	Business Unit Managing Director will either approve, reject or request additional information, by email
Charity & Sponsorship	£250 to £500	Chief Operating Officer (COO)	Yes	Yes	Yes	COO will either approve, reject or request additional information, by email
Charity & Sponsorship	>£500	ISG's Group CEO or CFO	Yes	Yes	Yes	The ISG's Group CEO or CFO will either approve, reject or request additional information, by email
Public Officials						
The giving or receiving of charity donations to/from the Public Officials is never permitted, regardless of value. No approval can or will be given for this						
Charity & Sponsorship and Hospitality costs						
Any hospitality costs associated with sponsorship of tables at charitable, industry or trade gatherings (separate to the actual sponsorship cost of hiring the table) should be approved in-line with Appendix 1						
Important - In no circumstances should any employee, agent or contractor of ISG make any political donations on behalf of the Company						