

## **BT 'GIFTS and HOSPITALITY' Supplier Guidance**

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to influence our choice of suppliers. For the purposes of these guidelines, the term BT Employee includes permanent employees, contractors, agency staff and anyone retained to act on behalf of BT.

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### **Gifts and hospitality offered to or by BT employees<sup>1</sup>**

*The standard gifts and hospitality guidelines specified below are subject to supplementary instructions for individuals with an involvement in procurement activities namely:*

- *Any involvement in decision making during the period of procurement adjudication when decisions are being taken by BT to choose a supplier. These supplemental instructions are set out in **Appendix 1** to this policy.*

#### **A. Gifts offered to BT employees**

No gift from a person or company that does business or seeks to do business with BT should be offered, given, provided or accepted by any BT employee, family member of an employee, or agent unless it complies with the rules below.

#### **B. Gifts offered by BT employees**

No gift to any customer, potential customer, supplier, or any other person shall be offered, given, or provided by a BT employee unless it complies with the rules below.

#### **C. Rules for gifts offered to or by BT employees**

1. The gift must not be a gift of cash or securities
2. The gift must be within the value limit specified for each country (see Appendix 2). If no specific limit is listed for your country, then receipt of the gift must meet the general criteria set out in these guidelines
3. The gift must be a one off or occasional gift and not form part of a regular pattern of gift giving
4. The gift must not be able to be construed as a bribe or payoff and must not be given with the intent of influencing any decision

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<sup>1</sup> Note that the term BT Employee includes Permanent employees, contractor, agency staff and anyone retained to act on behalf of BT

5. The gift must not violate any laws or regulations.

#### D. Hospitality or business entertainment<sup>2</sup>

The value limit for gifts referred to in Appendix 2 does not include **reasonable** business entertainment which is provided to BT employees or provided by BT.

Reasonable business entertainment such as an occasional meal, ticket to the theatre or sporting event that is social in nature, are permitted only if:

1. the host is present
2. the purpose is to hold a bona fide business discussion or to develop better business relations, not to create any form of obligation
3. the entertainment was openly offered and not solicited
4. such entertainment is neither so frequent nor extensive to raise questions of impropriety.

If the host is not present then the business entertainment must be considered a gift and will be subject to the gifts value referred to in Appendix 2.

#### E. Sponsorship

If a BT employee wishes to approach a supplier or customer for sponsorship of BT events/ individuals, or is approached for BT to sponsor supplier or customer events, guidance should be sought from the BT Group Brand and Sponsorship team - tel: 0800 435 403 (UK); +44 20 7242 05 (international). Alternatively, e-mail: [btbrandhelpdesk@btinternet.com](mailto:btbrandhelpdesk@btinternet.com).

#### F. Charitable and political donations

BT does not make political donations and no commercial sponsorship of political party activity can be undertaken by BT employees<sup>3</sup>.

The giving of charitable donations is governed by BT's Charity Programme Team and all charitable donations must be approved against BT's CSR strategy.

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<sup>3</sup> The definition of political donations in the UK Companies Act 2006 is very wide covering activities such as making MPs aware of key industry issues. Shareholder approval for expenditure of this kind is sought at the Annual General Meeting each year. A specific record of expenditure of this kind should be kept as the total annual expenditure is disclosed in the Annual Report.

## **Appendix 1:**

### **Gifts and hospitality offered to BT employees during a procurement adjudication period**

The following supplementary instructions apply only during the period of procurement adjudication and should be used by the adjudication team.

These instructions apply to all contacts with the suppliers, including any 'business as usual' situations as it is the overall relationship with the supplier that is at scrutiny.

**The adjudication team includes anyone who has direct influence on the decision making and selection process.**

- Supplier gifts should not be accepted at all
- Hospitality should be refused, the only exception being a 'working lunch' where a day long site assessment visit is being held. Any hospitality should be recorded on a hospitality register and notified to the project or procurement lead for the activity.
- The adjudication team must pay its own accommodation and travel costs for visits to supplier premises.
- These instructions are to be followed until the contract is formally awarded and declines are issued to unsuccessful suppliers.
- Post contract award, BT's standard gifts and hospitality policy requirements should apply but individuals must not allow a position to arise where any gift or hospitality might be deemed by others to be a 'reward' for the business decision to award a contract to the supplier.
- Specific country value limits and guidance provided in Appendix 2 should also be referred to.

## Appendix 2: value limits for gifts offered to or by BT employees

If no specific value limit or additional guidance is specified below, for the country from which the gift is to be given/received then the guidance outlined above is to be followed.

COUNTRY	SPECIFIC VALUE LIMIT
UK	£125 per incident of gift, hospitality or entertainment not to exceed £250 per year, per recipient is permitted. In the case of sporting events this value is determined by the face value on the ticket.
European Union member states (excluding UK)	€ 150 per incident of gift, hospitality or entertainment, not to exceed € 300 per year, per recipient is permitted.
U.S.A	\$150 USD per gift not to exceed \$300 USD per year, per recipient is permitted.
Russian Federation	<p>Gifts to be given to/received from, any of the following must NOT exceed 500 RUR (approx \$20 USD):</p> <ul style="list-style-type: none"> <li>- to state and municipal officials in connection with their positions or performance of their official duties;</li> <li>- in relations between commercial organizations (company to company);</li> <li>- in relations between individual entrepreneurs; or</li> <li>- in relations between commercial organization and individual entrepreneur</li> </ul> <p>There is no limit on the gift value when companies are giving gifts to their employees or to individual employees of other companies so long as those gifts do not violate the terms of BT's anti-corruption and bribery policy or the rules in this gifts &amp; hospitality policy.</p>
United Arab Emirates	<p>In relationships between BT and counterparties to a contract:</p> <p>Pre-contact (RFP, negotiation or adjudication periods):</p> <ul style="list-style-type: none"> <li>• gifts should not be accepted or offered</li> <li>• the value of working lunches should not exceed Dhs 300 (100 USD).</li> </ul> <p>Post contract:</p> <ul style="list-style-type: none"> <li>• mementoes of the closed deal may be presented or received up to a maximum value of Dhs 300 (100 USD).</li> <li>• hospitality in the form of a celebratory contract signing dinner but</li> </ul>

	<p>hospitality must not exceed Dhs 750 (200 USD) per head.</p> <ul style="list-style-type: none"> <li>• Entertainment offered or received should be of a suitable nature (eg suitable for families or sporting events) and the cost should not exceed Dhs 1000 (250 USD) per head.</li> </ul>
Japan	<p>Gifts up to 10,000 Yen per quarter, per recipient are permitted</p> <p>EXCEPT in the following instances:</p> <ul style="list-style-type: none"> <li>▪ Gifts given to a Public Officer may not exceed 5,000 Yen per quarter;</li> <li>▪ Gifts, hospitality or entertainment accepted or given in the course of a widely known customary ritual are permitted, regardless of the value exceeding this section.</li> </ul>
China	<p>200 RMB per gift, not to exceed 800 RMB per recipient, per year is permitted.</p>
India	<p>Giving or accepting gifts, hospitality or entertainment to/from private parties without a justifiable and legitimate business purpose is not permitted. For BT employees, this means not accepting personal favours or entertainment such as trips or dinners for employees and/or their families.</p> <p>Gifts, hospitality or entertainments of up to 2500 INR per recipient are permitted.</p> <p>If there is a legitimate business purpose, giving or accepting these gifts, hospitality or entertainments from private parties must not be repetitive in nature.</p>