



Pearson

Business Partner

# Code of Conduct





Image by Mansour Bethoney

# Pearson Business Partner Code of Conduct

## Purpose and Scope

At Pearson, we are committed to our mission - to help people make progress in their lives through learning. We also care deeply about our values - to be brave, imaginative, decent and accountable. Our mission and values help guide how we interact with learners, customers and our partners and we strongly believe that acting ethically and responsibly is essential to helping us achieve our mission.

Business Partners are essential contributors to our success. Our *Business Partner Code of Conduct* ("**Code**") clarifies the responsibilities and expectations for ethical and responsible business practices for our Business Partners. This Code sets forth the principles and high ethical standards that we hold ourselves to, and that we expect our Business Partners to comply with, throughout the course of our business relationship.

### Who must follow this Code

**Business Partners** include joint venture partners, vendors, franchisees, distributors, suppliers, contractors, consultants and agents.

This Business Partner Code of Conduct shall be incorporated by reference or otherwise apply to any agreement between Pearson, its affiliates and subsidiaries, and any Business Partner. This Code applies to all Pearson Business Partners, including their employees, when providing goods or services or otherwise doing work with, at or on behalf of, Pearson.

It is the responsibility of Business Partners to ensure that subcontractors doing work for or on behalf of Pearson meet the same high standards of ethics and compliance required for Business Partners in this Code.

### Laws and regulations

All Pearson Business Partners must operate in full compliance with the laws, rules, and regulations of the jurisdictions in which they operate and where they provide goods or services to Pearson. Where this Code sets higher standards than the law, Business Partners are expected to adhere to the standards of this Code.

## Accountability

Pearson will consider a Business Partner's compliance with this Code when making business relationship and procurement decisions.

Pearson may require corrective and remedial actions from Business Partners and also reserves the right to terminate our relationship for breaches of this Code.

Business Partners are expected to have in place a system of ethics and compliance-related controls and management oversight consistent with industry standards that are appropriate for their size, complexity, and exposure to ethics and compliance risks. The system should be designed to manage compliance with the provisions of this Code and any other ethics and compliance risk area that may be identified over the course of the relationship with Pearson.

Business Partners may be requested by Pearson to undergo a due diligence process. Pearson reserves the right to suspend or terminate the relationship with any Business Partner that fails the due diligence process, whether by refusing to promptly and adequately cooperate during the process, as the result of Pearson discovering adverse information about the Business Partner which makes a relationship with the Business Partner untenable, or by failing to carry out any remedial steps required by Pearson.

Pearson reserves the right to review or audit Business Partners' compliance with this Code and the organization's system of ethics and compliance controls and management oversight.

Business Partners must retain sufficient documentation to demonstrate compliance with this Code.

Business Partners are to promptly respond to requests for information from Pearson, or a third party working on Pearson's behalf, regarding matters covered by this Code.



Image by Christof van der Walt



## Reporting ethics or compliance concerns

Business Partners must communicate the provisions of the Code to their employees or contractors. Business Partners are encouraged to work with their employees to resolve internal ethical concerns.

Business Partners should promptly report violations of this Code or any unethical behavior by a Pearson employee to a Pearson manager. If this is not feasible, Business Partners may confidentially report concerns by contacting the Pearson Compliance Office at **compliance@pearson.com** or by using **PearsonEthics.com**, an independent resource that is available 24 hours a day, 7 days a week.



Image by Niya Aleksandrova

# Business Conduct Standards for Our Business Partners

## Health and Safety

Everyone – employees, learners, customers, visitors and Business Partners to our facilities – have a right to expect a safe and healthy environment. At Pearson, we aim to eliminate or control foreseeable risks related to activities that take place in our premises or on our behalf.

For this reason, Business Partners are required to maintain policies and procedures to implement and enforce health and safety requirements and when performing services for or on Pearson's behalf, Business Partners are expected to comply with applicable Pearson Health & Safety policy requirements and on-site rules. Moreover, Business Partners must conform to all applicable local health and safety laws and regulations, as well as applicable industry codes and good practice.

## Safeguarding

### Protecting the well-being of our learners

The well-being of learners, in particular children, young people, and vulnerable adults, is of special importance to Pearson. At all times, we expect Business Partners who work with our learners to remain focused on the best interests of our learners, and contribute to providing safe, supportive and age-appropriate learning environments.

When working with schools and campuses, Business Partners must have an applicable safeguarding policy - which meets or exceeds Pearson's or adopt Pearson's. At a minimum, where there is direct contact with learners, staff

of our Business Partners should:

- Know how and when to report suspected or actual abuse of learners;
- Receive safeguarding training; and
- Pass appropriate background checks.

Report concerns to a Pearson manager and to protection agencies when necessary. If after reporting a concern you do not think appropriate action has been taken, escalate your concern by contacting [PearsonEthics.com](https://www.pearsonethics.com).

## Business integrity and anti-corruption

All forms of illegal or inappropriate activity, including, but not limited to, corruption, fraud, tax evasion, misrepresentation and bribery are strictly prohibited.

We comply with all applicable anti-bribery, corruption, and tax evasion laws and regulations, and Pearson requires our Business Partners to do the same, including but not limited to, the UK Bribery Act 2010, and the US Foreign Corrupt Practices Act 1977, and any local anti-corruption legislation. Reasonable suspected or actual breach of this clause shall be considered an irremediable material breach of any Agreement and entitle termination by Pearson without any further liability.

Furthermore, Business Partners must conduct business with integrity and demonstrate the highest form of business ethics. Business Partners must not engage in bribery or corruption whether in dealings

with government officials or individuals in the private sector. This includes, directly or indirectly, paying, giving, offering, promising or authorizing money or anything of value to anyone, including government officials, to seek to gain an undue or improper advantage to obtain or retain business. Consistent with the UK Bribery Act and U.S. Foreign Corrupt Practices Act, Business Partners shall establish appropriate internal controls and keep accurate books and records.



## Gifts and entertainment

Business Partners are expected to compete based on the merit of their products and services, and the highest standards of integrity are to be upheld in all business interactions.

Business Partners must never provide gifts or entertainment intended to improperly influence any Pearson employee's business judgment or that might create the appearance of undue influence; nor should Business Partners provide gifts or entertainment that could embarrass Pearson or harm its reputation.

Pearson's policy only permits the giving of business gifts of nominal value that are customary and appropriate business courtesies and are reasonable in value and frequency.

## Gifts and entertainment to government officials

Business Partners dealing with governments and government officials on Pearson's behalf carry additional risk and are expected to be especially vigilant in this area. Business Partners should prohibit any and all forms of bribery, corruption and extortion. Business Partners must conduct all business dealings transparently and maintain accurate books and records.

When dealing with government officials, Business Partners shall not give or offer, either directly or indirectly, any gift, gratuity, favor, hospitality, entertainment, loan or anything of monetary value to any government official except as may be permitted by all applicable laws. Business Partners are expected to seek advance written approval from Pearson prior to providing any gifts or hospitality to or from government institutions or officials.

## Conflict of interest

Business Partners should avoid any situation that might conflict or appear to conflict with the best interests of Pearson. For purposes of this policy, a potential conflict of interest occurs when a Business Partners' outside interests interfere with Pearson's interests.

For that reason, Business Partners must inform Pearson if a Business Partner's worker, investor or other affiliated person, or his or her family member, has a relationship with a Pearson employee who can make decisions which may affect Business Partner's business, or if an employee of Pearson has any interest of any kind in business partner's business. Ownership of less than 1% of a public company's outstanding shares need not be disclosed unless it might influence judgment or decisions.

## Business records and disclosures

Business Partners are expected to record information regarding business activities, labor, health and safety and environmental practices. These records must be accurate, truthful and complete and must be disclosed, without falsification or misrepresentation, to all appropriate parties. Business records must conform to generally accepted accounting principles.



## Pearson property and information technology

Business Partners must exercise care when using Pearson property, including our buildings, equipment, computers, office, mobile devices, faxes, files, documents, inventory and supplies. Personal use of Pearson property is not allowed except in special, limited circumstances.

Business Partners must ensure that their use of Pearson's information technology and systems does not expose Pearson to the risk of security or confidentiality breaches, legal claims, sabotage, viruses or similar problems. In particular, Business Partners must:

- Protect and not disclose passwords, user IDs, PINs or other access credentials;
- Use only approved, authorized and properly licensed software and access methods when interfacing with Pearson systems;
- Never attempt to circumvent security controls used in connection with Pearson's information systems; and
- Immediately terminate system access for any Business Partner employee whose position is discontinued.

## Data protection and privacy

At Pearson, we respect and protect the rights of all individuals who entrust us with their personal information and we expect our Business Partners

to do the same. This includes protecting the personal information of learners, their parents and guardians, our customers, employees and third parties. We require this not only to meet our legal and customer contract obligations, but also because it is a matter of trust and reflects our Pearson values of "decency" and "accountability".

We recognize our, and our Business Partners', responsibility to keep this personal information safe and secure, and require there to be systems, processes and expert staff devoted to implementing such security controls, and safeguarding personal data, across our business and that of our Business Partners.

## Confidential information and intellectual property

Business Partners who have access to our confidential information and intellectual property must comply with our policy requirements pertaining to confidentiality and all relevant contractual provisions and are required to respect all Pearson patents, trademarks, copyrights, proprietary information and trade secrets, as well as the confidentiality of others with whom they do business on our behalf.

## Gathering business intelligence

When collecting business intelligence, Business Partners working on our behalf must always abide by the highest ethical standards. They must never engage in fraud, misrepresentation or deception

to obtain information or use invasive technology to “spy” on others.

Business Partners should be careful when accepting information from other third parties. Business Partners must know and trust sources and be sure that the information provided to Pearson is not protected by trade secret laws or non-disclosure or confidentiality agreements.

## Insider trading

Pearson Business Partners must ensure that any non-public information obtained as a consequence of a relationship with Pearson is not used for the personal benefit of the Business Partner, their employees, or other persons.

## Fair competition and anti-trust

When operating on Pearson’s behalf, Business Partners are expected to comply with all fair trade practices and applicable fair competition and anti-trust laws.

Fair competition or anti-trust laws are very complex and the risks of non-compliance can be severe. But, as a general rule, Business Partners should never engage in improper practices that may limit competition through illegal or unfair means, nor should they work in concert with Pearson employees to circumvent Pearson’s fair competition policies or the law. For example, Business Partners should not pass information to a Pearson competitor on behalf of Pearson if Pearson would be prohibited from sharing the information directly.

## Business resilience

Business Partners working on our behalf or those who supply goods or services which are critical for Pearson’s delivery of goods and services to our customers will maintain adequate procedures, policies, and infrastructure to ensure continuity to Pearson and our customers. We may expect and request to see annually evidence of resilience in the form of business continuity or disaster recovery plans and their associated exercise records that address four main impacts: loss of location, loss of network, loss of staff, and loss of supply chain.

## Corporate security

As part of managing security risks faced by Pearson and our employees, a select group of providers are called upon for specific services and advice. Such services range from intelligence reporting to security details in higher risk locations, to the design, supply, installation, and commissioning of physical security measures in a given facility. As part of such relationships, Corporate Security will review on an operational basis such services, advice and support to ensure they are legal, ethical and fit for purpose. The review of providers will include audits of their services and on-the-ground teams and the ability to implement improvements as necessary to the changeable risks that Pearson and its staff may face.

## Global trade

There are many relevant laws and regulations that govern the conduct of trade across borders, including those that prohibit money laundering, trade boycotts and that regulate imports and exports. Pearson expects its Business Partners to comply with all applicable trade laws and regulations. Our Business Partners are expected to:

- Maintain appropriate import, export and customs records, and hold appropriate licenses;
- Ensure that transfers of information, technology, products or software across borders comply with laws governing imports and exports; and
- Consult with appropriate resources when doing business involving countries or individuals to which sanctions apply.

## Human rights

Pearson respects the human rights and dignity of people and Pearson strives to do business with Business Partners who share our commitments to human rights.

As a founding signatory of the UN Global Compact, we have made a series of commitments relating to the *Universal Declaration of Human Rights* and the *International Labour Organisation's Declaration on Fundamental Principles and Rights at Work*. We support universal human rights (including equal employment, freedom of speech and of association, and cultural, economic and social well-being), good labor practices and decent working conditions. We oppose discriminatory, illegal or inhumane labor practices including slavery and human trafficking and expect our Business Partners to comply with the same standards. Business Partners should only source goods and services from and work with third parties who uphold the same human rights standards.

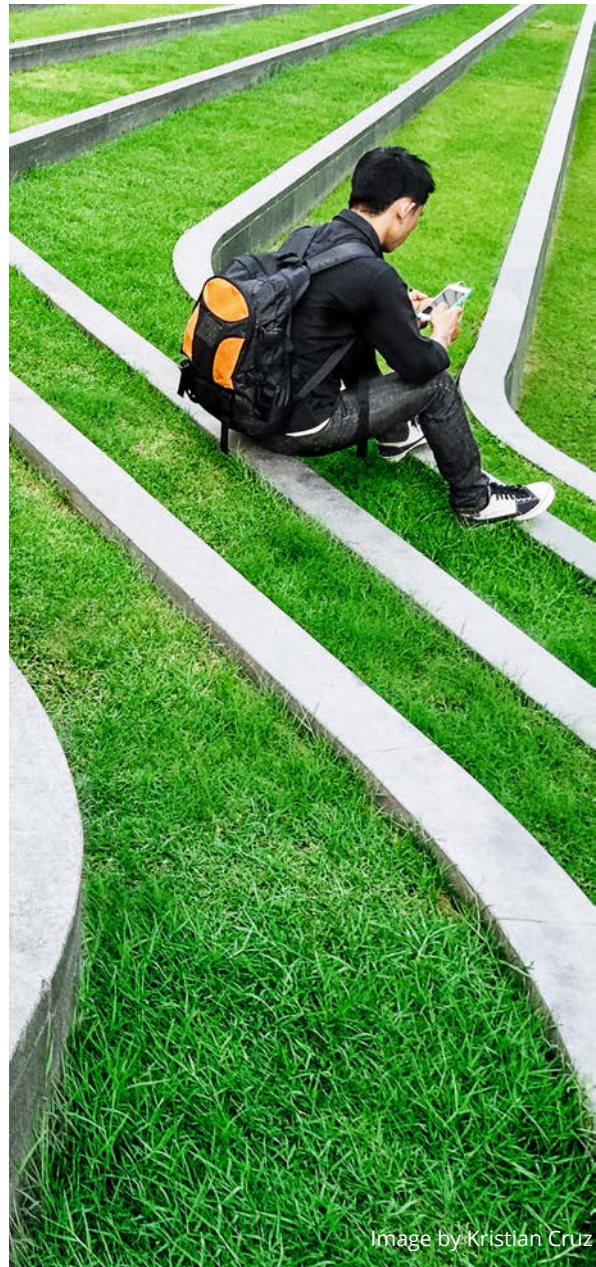
## Environmental stewardship

Pearson believes that we all have a responsibility to take proper care and to manage and minimize our impact on the environment. We look beyond compliance with environmental laws by integrating environmental stewardship into our Business Partner relationships.

Pearson expects its Business Partners to demonstrate a commitment to responsible environmental stewardship, including:

- At a minimum, complying with relevant environmental laws and regulations,
- Considering environmental responsibility as a factor in business decision making, and
- Working with Pearson to ensure that environmental objectives are met.

NOTE: Pearson policies referenced in this Business Partners Code are available on [www.pearson.com/corporate](http://www.pearson.com/corporate) and available upon request.





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