



Pearson

**Global Government
Relations Policy**

Updated 3 August 2018

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Introduction

Pearson's mission is to help people make progress in their lives through learning. This document ensures that the Pearson Global Government Relations team's [lobbying](#) and [political activities](#) are aligned with this mission, and with Pearson's values to be brave, imaginative, decent and accountable. This policy adheres to and must be read in conjunction with Pearson's global policies, which dictate many of the requirements in this document. These are:

- Anti- Bribery and Corruption (ABC) policy
- Pearson Code of Conduct
- Gifts and Hospitality Policy
- Business Partner Code of Conduct

What is the purpose of this policy?

This document outlines the Global Government Relations team policies and procedures. It also provides general guidance for government relations staff to avoid potential conflicts and ensures their work meets Pearson's high standards of integrity, transparency and honesty in regards to [political activities](#) and [lobbying](#).

Who does this policy apply to?

This policy applies to all Pearson personnel who carry out [political activities](#) as part of the Global Government Relations function within Pearson. This includes [business partners](#) used by the Government Relations team to carry out [political activities](#).

Political activities and lobbying

[Political activities](#) carried out by the Global Government Relations team must be done so in accordance with Pearson's global policies and standards in any market where these activities occur. As per our global policies listed above, the Global Government Relations team must meet the following obligations when conducting political activities:

- Consultation as appropriate with [Local Compliance Officers](#) or the Global Compliance Office when dealing with Government entities and officials
- Compliance with all applicable laws and regulations, globally, relating to [political activities](#) and [lobbying](#)
- A prohibition from engaging in any form of bribery
- A prohibition on [lobbying](#) where there may be a [conflict of interest](#) on either side
- As per our Code of Conduct, meeting the highest standards of honesty, integrity and ethical conduct

- Acting in a transparent manner, reporting on risks and issues on which the team lobbies, alongside raising any concerns in terms of conduct in relation to [political activities](#)
- All [representatives](#) and [business partners](#) contracted by the Global Government Relations team for [political activities](#) and [lobbying](#) must comply with Pearson's standards and procedures outlined in this policy and Pearson's global policies. Specifically, they are expected to comply with Pearson's Business Partners Code of Conduct
- The Global Government Relations team's [lobbying](#) activities must be aligned with Pearson's mission to help people progress in their lives through learning

Membership organisations

The Global Government Relations team manages key [membership organisation](#) relationships. These organisations represent a range of views and positions, some of which correspond to our business objectives and concerns and are normally related to furthering education.

The Global Government Relations team must always carry out due diligence when engaging a membership organisation. The team will closely monitor trade association's activities, and regularly meet with and review these organisations to ensure that they reflect Pearson's values and principles.

In the case of new memberships undertaken by the Global Government Relations team and colleagues, a standing membership list owned by the Global Government Relations team will be updated accordingly.

Political contributions

Globally, Pearson prohibits the use of Company funds for the purpose of making [contributions](#) to political campaigns and political parties. Pearson does not have a Political Action Committee (PAC), and [contributions](#) to PACs are prohibited.

Expenditure on political activities

Any expenditure on [political activities](#) must be pre-approved and managed by the Global Government Relations team in Corporate Affairs. Expenditure is tracked via a set annual budget, to which all staff must adhere, and which the relevant leads will manage.

[Gifts](#) or [Hospitality](#) for [Government Officials](#), regardless of value, requires advance, written approval from a [Local Compliance Officer](#). Please refer to our ABC Policy, Gifts and Hospitality Policy and Business Partner Code of Conduct for more details.

Conflicts of interest

Pearson complies with national and local legislation regarding [conflicts of interest](#). To live up to our values, we must make sure that our dealings with Pearson, each other, the public and third parties are conducted in an honest, transparent and neutral way which takes into account the best interests of Pearson and avoids even the appearance of a conflict with our personal interests or gain.

Staff must never use, hire or compensate a current or a former [Government Official](#) without prior approval. Human resources and the hiring manager should consult with their [Local Compliance Officer](#) and the Global Corporate Affairs department before hiring and retaining a current or former [Government Official](#) for any purpose.

Staff and [business partners](#) must observe 'cooling off' restrictions to ensure against conflicts with their former roles as this relates to political activities.

A key example where these rules must be observed is for contracts and bidding, to ensure that government contracts are awarded fairly.

A global Conflicts of Interest Policy will be published by Pearson in 2018, and this document will be updated as necessary to align with the Policy.

Compliance

Pearson complies with all applicable national and local laws and regulations concerning political activities, plus Pearson's global policies. Pearson's Compliance team, in conjunction with the Global Compliance Office and [Local Compliance Officers](#), will regularly consult with financial, legal, and the Global Government Relations team and professionals inside and outside Pearson to design and monitor the company's [political activity](#) compliance program.

Further, an essential part of Pearson's compliance program is training. In addition to an annual company-wide certification of the Code of Conduct, Pearson's Compliance team provides customized [gift and hospitality](#) policy training as well as and specific information prior to engaging with a new government relations consultant. Finally, Internal Audit and Compliance teams work to identify and address areas where non-compliance could take place. Pearson's Compliance team's visibility into risk areas allows them to provide precise, timely, and thorough training to specific business units.

If non-compliant behaviour occurs, it can be quickly identified and steps will be taken to correct it. This can include additional training, employee sanctions, and self-disclosure where appropriate.

In conjunction with the Global Government Relations team, Pearson's Compliance team works to ensure that rules and regulations are strictly adhered to with regards to [political activity](#). The team conducts due diligence on any lobbyist firms and [business partners](#) before engaging with them. The team also carefully monitors all interactions with [Government Officials](#) and files required reports to meet national or local requirements around the world. The Compliance team comprehensively manages all [gifts](#) and [hospitality](#) with [Government Officials](#), reporting those as well when required.

Governance

Political activities are overseen through Pearson's corporate governance structures. Pearson's Reputation and Responsibility Committee, which reports to the Board, provides corporate oversight of our lobbying activities. Chuck Melley, Vice President for the Global Government Relations and Policy team, will regularly report to the Committee via the Pearson Executive Management team.

Procedures for lobbying in the USA

Almost all of Pearson's contracted **lobbying** through third parties takes place in the United States. The Government Relations staff based in the USA must therefore carry out specific procedures in relation to lobbying, including:

- Retaining new state lobbyist representation and approval procedures
- On-boarding of new lobbyists
- Performance and review of all state lobbyists, including an Annual Review
- Registration filings
- Record-keeping for government contacts
- Tracking and review of all relevant legislation to inform lobbyist work and priorities

Staff should refer to Neo for detail on these procedures.

Related policies, documents and forms

You may visit the Pearson Global Policies page [here](#) for a listing of global policies. Applicable global policies include the following:

1. Business Partners' Code of Conduct
2. Pearson Code of Conduct
3. Anti-Bribery and Corruption Policy
4. Gifts & Hospitality Policy

Definitions

Business partners include joint ventures, vendors, franchisees, distributors, consultants, contractors, agents and suppliers.

Conflicts of interest may occur when interests or activities affect the ability to make objective decisions for Pearson. There are three main types of conflicts of interest: actual conflicts of interest (a real and existing conflict); potential conflicts of interest (a situation that may result in a conflict); and perceived conflicts of interest (a situation that may appear to be a conflict, even if this is not the case).

Gifts include any tangible item given to an individual or organisation (such as flowers, gift bags, chocolates, a bottle of wine, or a holiday present), given or received.

Government Officials is often a term defined in local laws, but the definition may include:

- Anyone who holds a legislative, administrative, or judicial position at any level of government;
- Any member of a political party, party official, and candidates for political office;
- Any member of a royal family who may lack formal authority but who may otherwise be influential, including by owning or managing state-owned or controlled companies;
- Any officer or employee of a government department, board, commission, or agency, including immigration and customs employees;
- Officers and employees of entities owned or controlled by a government (including any public schools or universities);
- Officers and employees of public international organisations (for example, the World Bank or United Nations);
- Private citizens acting as representatives or in an official capacity of any government, state-owned or controlled entity, or public international organisation; and
- Former Government Officials who retain some form of quasi-official role.

Hospitality includes the giving or receiving of an item of entertainment, meal, or similar engagement.

Lobbying is any indirect or direct communication with government officials, political decision makers or representatives for the purposes of influencing public decision making.

Local Compliance Officers are members of the Compliance or Legal Department, assigned to each Pearson Geography, Line of Business, and in some cases, a smaller Pearson business unit, who is responsible to his/her respective business to implement the requirements specified in the ABC Policy and other related policies.

Membership organisations are known as trade bodies or industry associations that will represent the collective interests of a particular industry.

Political activities are the ways in which a company participates in a political process. This can include but is not limited to activities such as indirect political expenditure, lobbying or advocacy through membership organizations.

Political Contributions include any use of corporate resources, including cash, for the purpose of assisting in any political campaign or to promote a political candidate.

Representatives are Business Partners, including consultants and agents, who interact with government entities or Government Officials or customers on Pearson's behalf.

