



**Pearson**

**Anti-Bribery & Corruption  
Policy**

Effective Date: 1 January 2016



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## Introduction

In accordance with Pearson's Code of Conduct, Pearson is committed to conducting its business fairly, honestly, and lawfully with whomever and wherever we do business. As part of this commitment, Pearson has a zero-tolerance Policy towards [Bribery](#) and corruption of any kind. This includes compliance with all applicable anti-bribery and corruption (ABC) laws, including the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act 2010 (UKBA). We are also committed to working and partnering only with those who share this commitment.

## What is the purpose of Pearson's ABC Policy?

- Establish a consistent set of expectations and requirements regarding ABC for all [Pearson Personnel](#) and [Business Partners](#) to adhere to;
- Avoid potential [Bribery](#) and corruption at the source by helping you identify when something may be prohibited, regulated, or otherwise illegal; and
- Provide you with resources and guidance to consult if you are unsure about whether there is a problem, if you need to report a concern, or if you need further advice and guidance.

## Who does Pearson's ABC Policy apply to?

Pearson's [ABC Policy](#) applies to its Directors and [Pearson Personnel](#), which includes officers, employees (full and part time), and temporary workers (such as consultants and short-term or fixed-term workers), of any Pearson company, subsidiary, or affiliate worldwide.

## What is Bribery?

[Bribery](#) is offering, promising, or giving anything of value to any person or entity with the intention of inducing or rewarding that person to corruptly or improperly obtain or retain a business advantage. Corruption is any form of abuse of entrusted power for private gain. Corruption includes, but is not limited to, [Bribery](#).

### Examples of Bribery

- **Offering a bribe**

You offer a customer a trip to an exclusive education conference on the condition that the customer agrees to extend its contract with Pearson for another term.

*This violates our Policy because you are making the offer to influence an improper performance of the customer's impartiality towards Pearson. It may also be an offence for the customer to accept your offer, particularly if the customer is a [Government Official](#).*

- **Receiving a bribe**

A supplier offers you a ticket to watch your favourite football team and makes it clear that it could be a regular occurrence if Pearson continues to do business with the supplier.

*Accepting the offer violates our Policy because it is an attempt to improperly influence the performance of your impartiality and good faith towards our suppliers.*

- **Bribing a Government Official**

You offer a [Government Official](#) to pay for his/her travel to Pearson's London office if he agrees to successfully recommend Pearson's product to the government entity's procurement committee.

*You violate the Policy as soon as the [Gift or Hospitality](#) is offered or provided to the [Government Official](#).*

## What are some of the forms of Bribery?

- Money (or cash equivalent);
- [Gifts](#), entertainment, or [Hospitality](#);
- Provision of travel;
- Kickbacks;
- Unwarranted rebates or excessive commissions (for example, to sales agents or marketing agents);
- [Facilitation Payments](#);
- [Political Contributions](#) or [Charitable Donations](#);
- Uncompensated use of [Company](#) services or facilities; or
- Anything else of value.

***If any of the above is provided with a corrupt or wrongful intent, this is [Bribery](#).***

## How do I know if something is a bribe?

In most circumstances, common sense will determine when a bribe is being offered. However, here are some questions you should ask yourself when in doubt:

<b>If your answer to any of the following is <i>yes</i>, then there is a potential Bribery issue.</b>	<b>If your answer to any of the following is <i>no</i>, then there is a potential Bribery issue.</b>
Am I being asked to pay something or provide any other benefit above the cost of the services being performed - for example, an excessive commission, a lavish gift, a kickback, or to contribute to a charity or political organisation?	Have I verified whether the recipient is entitled to receive this benefit under the laws of his or her home country or employer/institution?
Would my conduct embarrass Pearson if the <a href="#">Gifts</a> or <a href="#">Hospitality</a> I gave or received were made public?	Am I sure that the <a href="#">Gifts</a> or <a href="#">Hospitality</a> cannot easily be converted to cash?
When a payment or other benefit is being offered or received, do I suspect it is to induce or reward favourable treatment, to undermine an important decision making process, or to persuade someone to do something that would not be in the performance of their job?	Would an objective and reasonable person consider the <a href="#">Gifts</a> or <a href="#">Hospitality</a> reasonable and proportionate for your business?

## Guiding Principles, Policies, and Procedures

### General Prohibition

[Pearson Personnel](#) and [Business Partners](#) are prohibited from committing or engaging in [Bribery](#) of any kind.

Pearson also prohibits [Pearson Personnel](#) and any [Business Partner](#) from soliciting, requesting, or accepting a bribe from anyone under any circumstances.

## What are examples of what is not acceptable?

It is not acceptable for you (or someone on your behalf) to:

- Give, promise to give, or offer a payment, a [Gift](#), or [Hospitality](#) with the intent to receive an improper business advantage or to reward a corrupt business advantage already given. But note, you may continue to provide and receive tickets to sporting events, business meals, and offer or receive other [Gifts](#) or [Hospitality](#) as a reflection of your good relations with our customers or [Business Partner\(s\)](#) subject to the requirements of this [ABC Policy](#);
- Provide money or anything of value to a [Government Official](#) and his/her family for the purposes of wrongfully or corruptly influencing him in his official capacity;
- Give, promise to give, or offer a payment, a [Gift](#) or [Hospitality](#) to a [Government Official](#), agent, or representative in order to “facilitate” or expedite a routine procedure. Payments made to protect against loss of life, limb, or liberty are exceptions;
- Accept a [Gift](#) or [Hospitality](#) from a [Business Partner](#) if you know or suspect that it is offered or provided with an expectation to induce or reward an improper business advantage;
- Threaten or retaliate against a [Pearson Personnel](#) or [Representative](#) who has refused to commit [Bribery](#) or who has raised concerns under this [ABC Policy](#); or
- Engage in any activity that might lead to a breach of this [ABC Policy](#).

## Dealings with Government Entities and Officials

Although this Policy applies to both the public and private sectors, dealing with [Government Officials](#) poses a particularly high risk in relation to [Bribery](#) due to the FCPA, UKBA, as well as strict rules and regulations in many countries.

In order to know, understand, and comply with the laws, rules, and regulations that govern Pearson’s business dealings with [Government Officials](#) around the world, [Pearson Personnel](#) are expected to consult with their [Local Compliance Officers](#) or the [Global Compliance Office](#) to learn and comply with all rules that apply to government contracting and interactions with [Government Officials](#). You can find a list of [Local Compliance Officers](#) and [Global Compliance Office](#) [here](#), as well as by searching for it on the ABC Neo Page.

## Gifts & Hospitality

Giving or receiving [Gifts](#) or [Hospitality](#) is often an important part of maintaining and developing a business relationship. However, all [Gifts](#) and [Hospitality](#) should be for a genuine purpose, reasonable, given in the ordinary course of business, and in compliance with the Company’s [Gifts & Hospitality Policy](#).

- Examples of [Gifts](#) include flowers, gift bags, chocolates, bottles of wine, a holiday present, or other tangible items given as a gratuity or a token of appreciation.
- Examples of [Hospitality](#) include business meals, entertainment events (such as tickets to the theatre or a sports event), or other events hosted by the business for our customers.

[Gifts](#) and [Hospitality](#) to non-government employees above [Nominal Values](#) must be pre-approved, in writing, by an employee's [Local Compliance Officer](#). In general, [Gifts](#) or [Hospitality](#) should only be given on an occasional basis and limited to twelve (12) or fewer [Gifts](#) or [Hospitality](#) per non-government employee in a calendar year. [Nominal Values](#) are adjusted for each country in which Pearson operates using a cost of living adjustment index. You can find the list of [Nominal Values](#) [here](#), as well as by searching for it on the ABC Neo page.

[Gifts](#) or [Hospitality](#) to [Government Officials](#), regardless of value, must be pre-approved, in writing, by the employee's [Local Compliance Officer](#). [Gifts](#) and [Hospitality](#) given to [Government Officials](#) should be infrequent (limited to less than six (6) [Gifts](#) or [Hospitality](#) (combined) in a calendar year), reasonable, proportionate, and provided openly and transparently.

Exceptions to the [Gifts and Hospitality](#) provision of this [ABC Policy](#) must be approved by the [Global Compliance Office](#).

## Third Party Travel Expenses

Travel expenses may only be provided to customers or [Business Partners](#) in compliance with the [Company's Global Travel & Expense Policy](#), along with any other applicable Pearson policies, procedures, or guidelines. The [Company's Gifts & Hospitality Policy](#) requires that travel expenses incurred on behalf of a [Business Partner](#), above the [Nominal Value](#), be pre-approved by your [Local Compliance Officer](#).

## Sponsorships, Charitable Donations, and Political Contributions

A [Sponsorship](#) or [Charitable Donation](#) may only be provided in compliance with applicable Pearson policies, procedures, and guidelines, including the [Sponsorship Policy](#) and [Charitable Donation Policy](#). These policies require that [Pearson Personnel](#) seek and obtain advance, written approval from the employee's [Local Compliance Officer](#) before making



payments for a [Sponsorship](#) or [Charitable Donation](#). Additionally, all [Charitable Donations](#) require approval from Corporate Affairs.

Pearson prohibits the use of [Company](#) funds for the purpose of making [Political Contributions](#).

## Facilitation Payments

[Facilitation Payments](#) are illegal under many laws and are against Pearson Policies. However, your safety is our primary concern and we understand that there may be circumstances in which you have no alternative but to make a [Facilitation Payment](#) in order to protect against loss of life, limb or liberty. In such circumstances, if a [Facilitation Payment](#) was made, after the imminent threat is over, your [Local Compliance Officer](#) must be notified as soon as possible. All payments under this provision must be documented and accurately recorded in Pearson's books and records.

## Business Partners

Pearson is committed to promoting compliance with ABC laws and ABC policies with its [Business Partners](#), who are strictly prohibited from engaging in or committing [Bribery](#). It is critical that all engagements with Business Partners comply with the [Third Party ABC Policy, Including ABC Due Diligence](#) as required. Please refer to that policy for additional information.

As such, all Pearson [Business Partner](#)(s) are expected to comply with the terms of our Business Partners' Code of Conduct. All arrangements with a [Business Partner](#) should be subject to clear contractual terms including specific provisions requiring them to comply with minimum standards and procedures in relation to [Bribery](#) and corruption. Pearson's [Local Compliance Officers](#) or [Global Compliance Office](#) can assist you with ensuring that adequate measures are implemented in contractual or legal agreements with a [Business Partner](#), and that in all other respects you are complying with the [Third Party ABC Policy](#).

## Due Diligence

It is critical that the [Company](#) takes special care to engage a [Business Partner](#) that is committed to conducting business ethically and in compliance with ABC laws. Pearson has established policies, procedures, and guidelines related to selecting, retaining, contracting, paying, and monitoring [Business Partner](#)(s) and can be found in the [Company's](#) Business Partners' Code of Conduct and [Third Party ABC Policy, including Due Diligence](#).



## Books & Records and Internal Controls

It is imperative that Pearson makes and keeps accurate books and records and to maintain and devise a system of internal controls. It is important that all transactions are transparent, fully documented, and coded to accounts that accurately reflect their nature. Pearson maintains a system of internal accounting controls to ensure its books and records have reasonable detail and accuracy. This includes the approval, representation, and documentation of all transactions in a fair and accurate manner.

**NOTE:** It is a violation of the FCPA to fail to (i) keep accurate books and records or (ii) maintain effective internal accounting controls. Violations of these accounting provisions are significant and may form the basis of an action against a company under the FCPA separate and apart from the anti-bribery provisions.

## Risk Assessments

Types and degree of risks under ABC laws and this **ABC Policy** can vary greatly across different business units, sales models, and regions of the world. To understand the risks and develop adequate procedures to address the risks, each Geography and, in some cases a smaller business unit should periodically assess its ABC risks in accordance with Pearson's [ABC Risk Assessment Procedure](#).

## Auditing

All local systems, processes, policies, and controls implemented to ensure compliance with and enforcement of this **ABC Policy** are subject to periodic audits. Such audits may include general assessment and evaluation, including their adequacy of local systems, processes, policies, guidelines, and practices.

# Compliance with the Policy

## Roles and Responsibilities

- **Global Compliance Office**  
The Global Compliance Office is responsible for developing and implementing the program that supports compliance with this **ABC Policy**.
- **Pearson Executive Member**  
Pearson Executive Members (PEM), or their designees, of each Geography, Line of Business, and Enabling Function are responsible for implementing and ensuring adherence to this Policy within their respective organisations.



- **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, whose roles and responsibilities with respect to this **ABC Policy** include:
  - o Communication and training of this **ABC Policy** and its requirements;
  - o Responding to inquiries, issues, and providing guidance and counsel;
  - o Reviewing, approving, and logging requests for **Gifts, Hospitality, Charitable Donations, Sponsorship, and Third Party Travel Expenses**;
  - o Providing counsel and guidance on Third Party Due Diligence and **ABC Risk Assessment** policies and procedures; and
  - o Participating in investigations related to reports and allegations of violations.

## Training

Appropriate and adequate training on the **ABC Policy** and applicable ABC laws shall be provided to **Pearson Personnel** using a risk-based approach.

## Consequences of violations

Companies that violate ABC laws can face serious criminal and civil penalties as well as face reputational damage for its association with corrupt activities. Companies can also incur significant costs associated with investigations of allegations of corrupt activities, be debarred from government contracting, as well as be subject to civil suits by shareholders, customers, and competitors.

**Pearson Personnel** who violate this **ABC Policy** will be subject to disciplinary action up to and including termination of employment. In addition, **Pearson Personnel** may be held personally liable for engaging in **Bribery** or for violating the ABC laws. Pearson may refer suspected violations to the appropriate law enforcement or regulatory authorities, which could lead to penalties, fines, and/or imprisonment for **Pearson Personnel** found liable for violating the law.

If Pearson determines that a **Business Partner** has not complied with the provisions of this **ABC Policy**, the **Company** will take appropriate action, which may include termination of the **Business Partner's** contract, initiating proper legal action, and/or notifying the proper authorities regarding the violation.

## How do I raise concerns and seek out help or guidance?

If you have any questions or are unsure about your obligations under this **ABC Policy**, you should contact the following people or use the below resources for help.

- Contact your manager, as appropriate, making sure to be as detailed and specific as possible so that your manager can route your concern appropriately;



- Contact your [Local Compliance Officer](#);
- Contact the [Global Compliance Office](#) at [compliance@pearson.com](mailto:compliance@pearson.com);
- Go to [PearsonEthics.com](http://PearsonEthics.com), to ask a question or submit a report. You have the option to anonymously (in countries where hotlines are permitted) ask a question or report a known or suspected concern online or by phone.

## Additional Information

- See Appendix A for Glossary
- See Appendix B for Frequently Asked Questions

## Related Policies, Documents and Forms

You may visit the Pearson Global Policies page on Neo [here](#), for a listing of applicable global policies including the following:

1. Business Partners' Code of Conduct
2. Charitable Donations Policy
3. Pearson Code of Conduct
4. Gifts & Hospitality Policy
5. Risk Assessment Policy
6. Sponsorship Policy
7. Third Party ABC Policy, Including ABC Due Diligence

## Policy Governance

**Policy Owner:** Matt Kettel, SVP Audit, Risk and Compliance

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**Languages:** English, Latin American Spanish, Simplified Chinese, Brazilian Portuguese, French Canadian

## APPENDIX A: GLOSSARY

- **ABC Policy** is this Policy, its appendices, and any of its implementing procedures or guidelines.
- **ABC Risk Assessment** is an analysis within each Pearson Geography, Line of Business, and in some cases, a smaller Pearson business unit, as needed to regularly and thoroughly evaluate the group's ABC risks and to recommend actions to appropriately address those risks.
- **Bribery** is offering, promising, or giving anything of value to any person or entity with the intention of inducing or rewarding that person to corruptly or improperly obtain or retain a business advantage.
- **Business Partner(s)** include joint venture partners, vendors, franchisees, distributors, consultants, contractors, agents, and suppliers.
- **Charitable Donations** include anything of value given to an entity recognised as a charitable organisation under local law, or that is otherwise qualified to receive a charitable donation (such as a government entity in the U.S.), for which the purpose is for Pearson to obtain goodwill and not otherwise to obtain a commercial advantage.
- **Company** (or Pearson) includes Pearson plc along with all of its subsidiaries, affiliates, and majority-owned operating companies around the world.
- **Facilitation Payments** are payments made to a public entity or **Government Official** to facilitate routine governmental actions, like obtaining a license, permit, or visa, to which the payer is legally entitled without making such a payment.
- **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** includes:
  - 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;

- o Any officer or employee of a government department, board, commission, or agency, including immigration and customs employees;
  - o Officers and employees of entities owned or controlled by a government (including any public schools or universities);
  - o Officers and employees of public international organisations (for example, the World Bank or United Nations);
  - o Private citizens acting as representatives or in an official capacity of any government, state-owned or controlled entity, or public international organisation; and
  - o 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.
  - [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.
  - [Nominal Values](#) vary by country. You can find the list of Nominal Values [here](#), as well as by searching for it on the ABC Neo page under Compliance and Risk Assurance. Any [Gift](#) or [Hospitality](#) above Nominal Values require prior, written approval from an employee's [Local Compliance Officer](#).
  - [Pearson Personnel](#) includes all officers, employees (full and part time), and temporary workers (such as consultants and short-term or fixed-term workers) of any Pearson company, subsidiary, or affiliate worldwide.
  - [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.
  - [Sponsorship](#) is a [Company](#) payment made to an organisation for the purpose of promoting Pearson, its products, brand, or services.
  - [Third Party Travel Expenses](#) are Pearson payments for travel-related expenses (such as airfare or other transportation, hotel or other lodging, and other incidental travel-related costs) for anyone other than for [Pearson Personnel](#).

## APPENDIX B: FREQUENTLY ASKED QUESTIONS

### 1. What is the FCPA?

The FCPA is a U.S. federal law passed in 1977 that prohibits [Bribery](#) of non-U.S. [Government Officials](#) for the purpose of retaining business. Under the FCPA the U.S. government may find companies liable for [Bribery](#) and corruption committed outside the U.S.

### 2. What is the UKBA?

The UK Bribery Act is a U.K. law passed in 2010 that prohibits offering, promising, providing, requesting and receiving a bribe whether to a private person or a [Government Official](#).

### 3. How does the UKBA differ from the FCPA?

Some of the major differences include:

- The UKBA is not limited to prohibiting corruption or bribery against [Government Officials](#);
- The UKBA creates an offence for failure to prevent [Bribery](#);
- The FCPA makes [Facilitation Payments](#) an affirmative defence; the UKBA does not.

### 4. Can I go to jail if I violate the FCPA or UKBA?

Yes. Individuals can face up to 5 years imprisonment (and up to \$250,000 in fines) under the FCPA and up to 10 years imprisonment (and face unlimited fines) under the UKBA.

### 5. Who are considered Government Officials in the education industry?

Specifically, in the education field, government employees can include:

- Officials, employees, and representatives of education-related government agencies  
(for example, *Ministry of Education, Department of Education, Commission of National Education, and Higher Education Funding*)
- Employees of government controlled schools and universities  
(for example, *University of Oxford, Imperial College of London, University of California, National University of Singapore, University of Tokyo*)

- Private educators who hold positions on government boards or agencies
- Any person categorised as a [Government Official](#) under local law

#### **6. Where can I find a list of Local and Global Compliance Officers?**

You can find a list of Local and Global Compliance Officers [here](#), as well by searching for it on the ABC Neo page.

#### **7. What types of requests require pre-approval?**

- [Charitable Donations](#);
- [Sponsorship](#);
- All [Gifts](#) or [Hospitality](#) (including travel) to a [Government Official](#);
- [Gifts of Hospitality](#) (including travel), to a non-[Government Official](#), above the [Nominal Value](#); and
- All [Third Party Travel Expenses](#) above the [Nominal Value](#).

#### **8. Can Pearson pay for a customer's travel expenses?**

Yes, under limited circumstances, for a legitimate business purpose, and in compliance with the [Global Travel & Expense Policy](#) and [Gifts & Hospitality Policy](#).

#### **9. Where can I find a list of Nominal Values by country?**

You can find the list of Pearson's approved [Nominal Values](#) [here](#), as well as by searching for it on the ABC Neo page under Compliance and Risk Assurance.

**10. What is the difference between a Sponsorship, Gift, Hospitality and Charitable Donation?**

<p><b><u>Sponsorship</u></b>          Providing anything of value to a charitable or non-charitable organisation for the purpose of promoting Pearson, its product, or its brand, generally with the expectation of a <b>commercial return</b>.</p>	<p><b><u>Gift</u></b>          Any tangible item provided to an individual or organisation given or received without payment.</p>	<p><b><u>Hospitality</u></b>          Provision of a business meal, entertainment, transportation, accommodation, or other hosting activities.</p>	<p><b><u>Charitable Donation</u></b>          Any contribution that Pearson makes to a qualified organisation without the expectation of commercial return.</p>
<p><b><u>Examples</u></b>          Providing funds to an organisation to host an event, conference, or other opportunity that Pearson customers may attend.</p>	<p><b><u>Examples</u></b>          Cakes, chocolates, bereavement gifts, and fruit baskets.</p>	<p><b><u>Examples</u></b>          Airfare, hotel accommodations, business meals, or sporting event tickets.</p>	<p><b><u>Examples</u></b>          Providing funds to a charitable organisation for the purpose of making sustainable advances in the level of global literacy with no expectation of receiving a commercial return.</p>

**11. Can a donation to a charitable or non-profit organisation be considered Bribery?**

Yes, if the payment was made with a corrupt or improper intent, which includes linking the donation to obtain a business advantage.

**12. Can I donate a tablet or other digital devices and equipment to help demonstrate and market our digital products?**

Yes, if it's not offered to an individual (a teacher, principal) for personal use and not offered or provided to induce or reward the school to corruptly or improperly obtain or retain a business advantage. In other words, it's not Bribery. Moreover, this [Gift](#) or [Sponsorship](#) should be approved by the [Local Compliance Officer](#) who, if approves, can incorporate this transfer in a written agreement or understanding.