

# MACMILLAN CODE OF CONDUCT





---

*"If a large tree grows from this small seed, we shall be grateful."* - Daniel Macmillan, 1843

We have come a long way since those words were uttered. Almost two centuries later, Macmillan has grown into one of the world's most highly regarded publishers.

As such, we have a great responsibility to not only publish great books by great authors and support education and literacy with outstanding content, tools, and services, but also to continuously adapt to meet the challenges and opportunities presented by rapidly changing markets.

We aim to have a positive impact in all areas of our business, but we never want to lose sight of our additional responsibility as corporate citizens of an ever-changing world.

To that end, the spread of knowledge; creating a more diverse, equitable, and inclusive environment; and the pursuit of more sustainable business practices are all part of our central mission. We also understand our overarching responsibility to conduct our business dealings with honesty and integrity.

To reinforce our commitment to these beliefs, we present to you Macmillan's Code of Conduct, which outlines the basic principles meant to serve as the frame of reference for our professional activities as employees.

The Code is meant as a guide to the standards of behavior we expect from employees, regardless of seniority, location, or audience. We realise that no document can anticipate every situation, but have done our best to provide clear guidance on resolving ethical issues you may confront. For anything left unaddressed, please consult with your manager or one of the contacts in the appendix.

A large tree has grown from the seed that brothers Daniel and Alexander Macmillan first planted all those years ago, and embracing this Code of Conduct is akin to watering that tree. To continue to flourish, every employee will be asked to formally acknowledge reading, understanding, and agreeing to abide by Macmillan's Code. Thank you in advance for your partnership and efforts to best support and reflect Macmillan as we continue to grow.

A handwritten signature in black ink, reading 'Don Weisberg'.

Don Weisberg  
CEO, Macmillan Publishers

A handwritten signature in black ink, reading 'Susan Winslow'.

Susan Winslow  
President, Macmillan Learning

A handwritten signature in black ink, reading 'Andre Weber'.

Andre Weber  
Global COO, Macmillan

## TAKING OUR RESPONSIBILITIES SERIOUSLY

- 1 Implementing the Code
- 1 Duties of managers to reinforce the Code
- 2 Recognising potential misconduct
- 3 How to report potential misconduct
- 3 Retaliation against anyone reporting potential misconduct is strictly prohibited

## MACMILLAN'S RESPONSIBILITIES TO YOU

- 4 Maintaining a fair workplace
- 4 Workplace health and safety
- 5 Employee information
- 5 Work/life balance

## USING ASSETS AND INFORMATION

- 6 Physical property and security
- 6 Using assets appropriately
- 6 Intellectual property – ours and others'
- 7 Accurate records and information
- 7 Maintaining the confidentiality of nonpublic and proprietary information

## FAIR COMPETITION

- 8 Representing our products accurately
- 8 Dealing fairly with our business partners and competitors
- 8-9 Areas of competition/antitrust risk

## OPERATING WITH INTEGRITY

- 10 Avoiding bribery and corruption risk
- 10-11 Gift giving, entertainment and hospitality
- 11 Dealing with public officials
- 11 Prohibiting facilitation payments
- 12 Avoiding coercive, fraudulent and obstructive practices

## CONFLICTS OF INTEREST

- 13 Making business decisions in the Company's interest
- 13-14 Outside employment or business activity
- 14 Receiving business courtesies
- 14 Choosing appropriate third-party representatives
- 15 Working with friends and relatives

## RESPECT FOR THE WORLD IN WHICH WE OPERATE

- 16 Handling international business appropriately
- 16 Committing to sustainability and environmental stewardship
- 16 Being good citizens

## COMMITTING TO UPHOLD THE CODE

- 17-18 Resources of help and contacts
- 18 Urgent enquiries

## TAKING OUR RESPONSIBILITIES SERIOUSLY

All employees of Macmillan (Macmillan Publishers International Ltd, Pan Macmillan, Priddy Books, MDL, Macmillan Publishers, Macmillan Learning, Pan Macmillan Australia, Pan Macmillan India and Pan Macmillan South Africa) are accountable for their actions and required to conduct business with integrity. If in doubt regarding appropriate behaviour or a particular course of action, you should seek guidance from others in the organisation including managers, department heads, compliance staff and the Human Resources or Legal departments.

Each of us is expected to be familiar with and follow the policies, laws and regulations that apply to our jobs; conduct our business according to the highest ethical and legal standards; and, if we ever become concerned that Macmillan or our coworkers are falling short of these standards, to voice our concerns.

The Macmillan Code of Conduct represents guiding principles only – it cannot anticipate all circumstances and situations that employees may encounter. The exercise of good judgement is still expected from employees at all times. The Code helps each of us to know what is expected of us and where to go for advice or help if necessary.

All Macmillan employees are expected to:

- Understand the details of the internal rules, policies and procedures that apply to their areas of responsibility and make themselves available to be trained on these subjects.
- Contact a manager, department head, compliance staff or the Human Resources or Legal departments with any questions about the meaning or interpretation of an internal rule, policy or procedure.
- Report promptly any concern about actual or potential wrongdoing to a manager, department head, compliance staff or the Human Resources or Legal departments or through our Anonymous Option Reporting Website: <http://speakup.macmillan.com>.
- Cooperate fully and honestly with any investigation.

### DUTIES OF MANAGERS TO REINFORCE THE CODE

Ethical behaviour does not simply happen as a consequence of hiring good people, it is the product of clear and direct communication of expectations of behaviour, demonstrated by example by managers at all levels. Managers are expected to reinforce the Code, ensure that employees understand their obligations and create a positive environment in which employees feel comfortable raising questions or concerns and reporting any known or suspected ethical or legal misconduct.

Specifically, directors, officers and managers are required to:

- Ensure that they have an understanding of the major legal and reputational risks in their areas of responsibility.
- Contribute to Macmillan's risk assessment and risk management processes as required.
- Create an atmosphere supportive of Macmillan's internal rules, policies and procedures, encouraging employees to ask questions about the rules, policies and procedures and report suspected misconduct.
- Make sure that employees who report to them are aware of, trained in and understand Macmillan's internal rules, policies and procedures.
- Consider an employee's willingness to comply with Macmillan's policies and procedures when assessing performance and/or considering promotion.
- Ensure that employees understand that Macmillan will not tolerate retaliation of any kind against those who report potential misconduct.
- Report any allegation or concern of fraud, illegality, misconduct or noncompliance to compliance staff or the Human Resources or Legal departments immediately.

## RECOGNISING POTENTIAL MISCONDUCT

In deciding whether a violation of the Code has occurred or is about to occur you should ask yourself:

- Could this conduct be viewed as dishonest, unethical or unlawful?
- Could this conduct hurt Macmillan – e.g., could it cause us to lose credibility with customers or business partners?
- Could this conduct hurt other people – e.g., other employees or customers?
- Would I be embarrassed to see this conduct reported in the newspaper?
- Does it feel wrong?

If the answers to any of these questions is “Yes” or “Maybe”, a potential issue exists that needs to be reported (see below).

Employees may not violate the Code or Company policy, even if a manager or other senior individual instructs them to do so. Failure to comply with any provision of the Code or Company policy may result in disciplinary action up to and including termination of employment. It may also expose an employee and Macmillan to civil or criminal penalties. These consequences may apply not only to the individuals who commit misconduct or violate, breach, disregard or contravene our internal policies, but also to any person who condones misconduct or fails to report or take reasonable steps to prevent or address it.

## HOW TO REPORT POTENTIAL MISCONDUCT

Employees who become aware of a business practice that may be corrupt or involve wrongdoing need to report the activity immediately. You may choose any of the avenues below to report possible wrongdoing or a violation of the Code, but a report must be made to at least one of the following:

- 1) Immediate manager
- 2) Department head
- 3) Compliance staff
- 4) Human Resources
- 5) Legal Department; or
- 6) Anonymous Option Reporting Website at: <http://speakup.macmillan.com>.

Macmillan's Anonymous Option Reporting Website is available for employees who prefer not to discuss their concerns about any Company practice with management or wish to be anonymous for any reason.

## RETALIATION AGAINST ANYONE REPORTING POTENTIAL MISCONDUCT IS STRICTLY PROHIBITED

Any employee or agent who, in good faith, raises a concern or reports misconduct is following the Code and is doing the right thing – whether the concern is well founded or the conduct is in fact wrong. No one who makes a report of possible improper conduct in good faith – whether the report is made in writing, in person or online – may be retaliated against by anyone in the Company for making such a report.

## MACMILLAN'S RESPONSIBILITIES TO YOU

As a company, Macmillan promotes the entrepreneurial vision of its employees within a decentralised structure of individual companies and imprints. Macmillan aims to offer employees opportunities to be creative and increasingly responsible in their professional lives.

### MAINTAINING A FAIR WORKPLACE

Employees deserve to work in an environment where they are treated with dignity and respect. Macmillan endeavours to maintain a supportive environment where employees are encouraged to reach their fullest potential.

Macmillan is an equal opportunity employer and recognises that a diverse workforce better enables us to compete globally and to attract and retain talented employees. Macmillan will not tolerate unlawful discrimination on the basis of race, colour, religion, gender, age, national origin, disability, marital status, sexual orientation, gender identity, genetic information, gender expression, citizenship status (where not required or permitted by law), veteran status or any other attribute protected by applicable federal, state or local law.

All employees are expected to help us maintain a respectful workplace culture free of any kind of discrimination, harassment, intimidation or bias.

Our employee handbooks and policies, including our equal employment policies and our policies against harassment, provide more detailed information about how we should conduct ourselves at work. Any employee who feels harassed or discriminated against should report the incident to a manager or department head or to a member of the Legal or Human Resources departments or through the Anonymous Option Reporting Website at <http://speakup.macmillan.com>. A manager or supervisor who becomes aware of possible harassment or discrimination is required to report it to Human Resources.

### WORKPLACE HEALTH AND SAFETY

Macmillan is committed to creating a safe and healthy workplace and complying with environmental and workplace health and safety rules applicable to our businesses. If you believe that safety or health may have been compromised you should notify a manager or department head, the Legal or Human Resources departments or use the Anonymous Option Reporting Website: <http://speakup.macmillan.com>.

Macmillan maintains a drug-free workplace in order to ensure a safe, healthy and productive work environment, prevent accidents and comply with governmental health and safety regulations. If alcohol is served at a Macmillan or other business-related event, you are expected to exercise good judgement and required to avoid inappropriate, unsafe or illegal behaviour.

Acts or threats of violence – even those made in jest – will not be tolerated. If you witness any behaviour of this kind you should report it immediately to a manager, department head or the Human Resources or Legal departments.

## EMPLOYEE INFORMATION

Macmillan has in place processes to safeguard medical, financial and other personal employee information that is obtained by Macmillan for various purposes. Sensitive employee information should not be accessed in the absence of a business-related need and should not be disclosed to anyone inside or outside Macmillan except as necessary to perform our work or as required by law or legal process. Macmillan employees who have routine access to this type of sensitive data are required to take special care to use this information only to the extent necessary to perform their jobs. Some employees, such as those who handle HIPAA-protected medical information or other legally sensitive information, are also required to participate in additional privacy protection training.

If you encounter sensitive data inadvertently you should not disclose any such information except to Human Resources.

## WORK/LIFE BALANCE

Macmillan understands and supports the need to find a healthy work/life balance. Where appropriate and consistent with business needs, our employees have the opportunity to work part time, work from home and/or plan their work days in a way that accommodates their family and private lives.



## USING ASSETS AND INFORMATION

Employees are expected to take care with Company property and assets, which include information, intellectual property and the Company's electronic systems and related devices. You are expected to prepare accurate records, retain records in keeping with Macmillan's policies and protect the confidentiality of nonproprietary and nonpublic information.

### PHYSICAL PROPERTY AND SECURITY

You are expected to take care with your own property while at work and to take reasonable steps to protect Macmillan's assets from damage, loss, misuse and theft. This includes being responsible for the security of your surroundings and never sharing security codes, passwords or building passes with others except as consistent with business needs. Personal belongings should be secured while in the office or on business. Strangers should not be permitted to follow employees through an office door.

### USING ASSETS APPROPRIATELY

Macmillan's physical assets and electronic systems should be used only for legitimate business purposes and not for activities that are inappropriate, improper, unethical or illegal. Our policies against harassment, and our policies concerning electronic systems, data protection, computer security, email, internet and social networking use provide more detailed information about appropriate use of our electronic systems and employees are expected to familiarise themselves with those policies. They can be found in our employee handbooks and obtained in hardcopy from Human Resources.

Acts of theft, fraud, embezzlement and misappropriation or unauthorised use of Company funds, assets, facilities or equipment are prohibited. Actions such as seeking reimbursement for costs that are not legitimate business expenses through expense accounts or other channels fall under this prohibition, as does unauthorised use of Company equipment, computers, proprietary information and trade secrets. Questions about the proper use of Company assets and resources should be directed to your manager, department head or the Human Resources or Legal departments.

### INTELLECTUAL PROPERTY – OURS AND OTHERS'

Macmillan's intellectual property is among its most valuable assets. We respect the copyright, trademark and patent laws that protect intellectual property – including the laws governing fair use and other permissible uses of protected material. Employees are expected to protect the Company's intellectual property rights and to respect the intellectual property rights of third parties. Appropriate licences and permissions are required for any software that we use. Questions about licences and permissible usage should be directed to the Legal Department.

Digital piracy of books has become a major problem for all publishers, including Macmillan. Employees are required to take particular care with digital copies of our books and other digitised material, prevent external access to unprotected files except where approved by management and keep themselves updated on Macmillan's digital protection measures.

## ACCURATE RECORDS AND INFORMATION

Macmillan aims to meet the highest standard of accuracy and accountability in all its financial dealings, including the maintenance of accurate books, records and financial reporting within all Macmillan business units. Our books, records and overall financial reporting must be transparent and accurately reflect each of the underlying transactions. No employee may knowingly take part in any arrangement that would produce an incorrect accounting entry or cause a misleading manipulation of Macmillan's accounts or records.

## MAINTAINING THE CONFIDENTIALITY OF NONPUBLIC AND PROPRIETARY INFORMATION

Employees should not disclose nonpublic information with respect to Macmillan, its business operations, plans, or financial condition without a valid business purpose and proper authorisation, whether in one-on-one or small discussions, meetings, presentations, proposals or after an individual's employment with Macmillan ends.

You should never share or discuss confidential information when it might be overheard and should exercise caution and good judgement when in public places such as in elevators, on public transportation and in hallways or on mobile/cellular phones.

## FAIR COMPETITION

Macmillan is committed to competing fairly and respecting laws that promote free competition in open markets. Our competitive advantage comes from superior products and performance, not from illegal or unethical business practices.

### REPRESENTING OUR PRODUCTS ACCURATELY

Truthful and accurate communication of information about our products and services is essential to meeting our commitments to our customers. Employees must be accurate in marketing, in preparing bid proposals based on properly estimated cost and pricing data and in negotiating contracts.

### DEALING FAIRLY WITH OUR BUSINESS PARTNERS AND COMPETITORS

Each of us is expected to deal fairly with customers, suppliers, service providers and competitors. We will hire suppliers, agents or their intermediaries only after fair review. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any unfair practice. We are required to make business decisions in the best interests of the Company, independent of any understanding or agreement with a competitor.

### AREAS OF COMPETITION/ANTITRUST RISK

Competition/antitrust laws seek to preserve a free competitive economy. As a general rule, competitors may not enter into agreements or understandings with one another as to the price or other terms of sale, licensing or distribution of their products, the price or other terms on which they purchase goods or services or obtain licences of rights or to fix wages or other terms of employment. Agreements to boycott specific suppliers or customers, or to allocate customers or sales territories between or among competitors, are also prohibited.

The Company and its employees are expected to avoid any conduct that violates or might appear to violate competition/antitrust laws. Employees should therefore avoid even discussing pricing or other sensitive information with competitors.

Competition/antitrust laws, though straightforward in concept, are often unclear in terms of applicability to any given conduct. Whether or not a competition/antitrust violation occurs depends on the specific conduct and facts involved in each instance. Notwithstanding the complex nature of the competition/antitrust laws, penalties for violating them – both civil and criminal – are severe. Employees should consult a member of the Legal Department if they have any questions about these rules.

It is not possible to provide an exhaustive list of activities that could create a potential or actual competition/antitrust violation. There are areas of risk, however, where close attention should be paid, including any communications with competitors regarding the following:

- Controlling or influencing current or future prices charged to consumers, controlling or influencing price increases or decreases, or stabilisation or standardisation of prices.
- Discussion or sharing of information about price or non-price terms and conditions with distributors.
- What constitutes a “fair” profit level.
- Procedures for establishing selling prices, cash discounts, or credit terms.
- Control of sales levels.
- Agreements to refuse to deal with or boycott any entity or entities.
- Whether or not the pricing practices of any competitor/industry member are unethical, or constitute an unfair trade practice.
- Agreements limiting or restricting advertising.
- Discussions of salary levels, salary increases, bonus amounts or value of benefits for specific jobs.

In some circumstances, discussions relating to the matters identified above may not amount to a competition/antitrust violation. However, discussions relating to them are almost always risky and require thorough prior competition/antitrust analysis and guidance. Employees should contact the Legal Department to obtain such guidance.

Competition/antitrust laws also restrict certain agreements with customers or suppliers concerning the resale price of goods as well as certain agreements with licensors or licensees concerning the price at which the licensed products can be sold. In addition, depending on the circumstances, competition/antitrust laws may restrict discrimination in the amount we charge different customers for the same products. These additional restrictions are complex and incorporate exceptions that are also complex.

If you are involved in any arrangements that may be affected by these restrictions you should contact the Legal Department.

## OPERATING WITH INTEGRITY

It is Macmillan's policy to conduct business in an honest way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

### AVOIDING BRIBERY AND CORRUPTION RISK

Macmillan is committed to ensuring adherence to high legal and ethical standards in every aspect of the way in which we operate our business. This is not just a cultural commitment on the part of the organisation; it is a legal requirement. Bribery is a criminal offence in most countries in which Macmillan operates, and corrupt acts expose us and our employees to the risk of prosecution, fines and imprisonment, as well as endangering Macmillan's reputation. Our position against bribery and corruption is global and has been adopted by Macmillan worldwide. For further details see our Anti-bribery and Corruption policy.

### GIFT GIVING, ENTERTAINMENT AND HOSPITALITY

Gifts, entertainment and hospitality, including the receipt or offer of gifts, meals or tokens of appreciation and gratitude, and invitations to events, functions or other social gatherings, can be, when used appropriately, an important part of building solid business relationships. Our employees are expected to use good judgement in extending and accepting these types of business courtesies. Gifts and entertainment should be modest in price and uncommon in frequency. Employees may not offer or accept any gift that could possibly be seen as a bribe or an attempt to improperly influence a business relationship. Cash payments are never acceptable.

Employees should only host or accept invitations to events held at venues that are appropriate for our business in terms of atmosphere and content. Hosting or attending functions such as business dinners, parties, trade meetings, speaking engagements, sponsorships or other interactions which may include a social context are acceptable if the primary purpose is business related and the activity is one that is customary in our industry.

General guidance on acceptable costs for entertaining are included in the Travel and Entertainment Policy applicable to your business unit. The gifts, entertainment and hospitality guidelines applicable to your business unit offer guidance for employees on giving and accepting gifts and entertainment. Employees are expected to read the Policy and Guidelines applicable to their business units and act in accordance with them.

Transparency is key. Every employee who extends a gift or courtesy valued at more than \$150.00 or £100 (or equivalent in local currency), or receives a gift or hospitality that exceeds that value, needs to: 1) receive prior approval from the

employee's department head, compliance staff or the Human Resources or Legal departments and 2) document it in the online Macmillan Gift Register at <http://giftregister.macmillan.com>. If an employee is not sure of the precise value of a gift, entertainment or other courtesy, the employee should use a reasonable estimate and err on the side of obtaining approval and reporting.

## DEALING WITH PUBLIC OFFICIALS

As a general rule, Macmillan employees and third-party representatives should not provide gifts or hospitality to, or receive them from, public officials. Public officials include: a) government officials, whether foreign or domestic; b) political candidates or party officials; c) representatives of a government-owned/majority-controlled company or organisation; d) employees of a federal, state or local agency or entity, e.g., a state university, public library or the National Institutes of Health; or e) employees of a public international organisation, e.g., the World Bank or the IMF.

Prior to giving a gift as a business courtesy to any public official, whether local, state, federal or foreign, first check whether it is allowed. Although in some circumstances such gifts may be permissible, there are many laws and regulations that prohibit offering anything of value to local, state, federal or foreign government employees, including, in some instances, paying for meals or making political or charitable donations. Employees who wish to offer a modest gift or hospitality (including even an inexpensive meal) to a public official should consult with compliance staff or the Legal Department to determine if it is permissible.

## PROHIBITING FACILITATION PAYMENTS

Macmillan does not permit “facilitation,” “grease” or “expediting” payments, even though in some countries it is customary business practice to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process, even if that is “how business is done”. If you are asked to provide a facilitation payment in any circumstance, you should contact the Legal Department immediately.

## **AVOIDING COERCIVE, FRAUDULENT AND OBSTRUCTIVE PRACTICES**

Coercive, fraudulent and obstructive practices are strictly prohibited. Coercive practices are those that impair or harm (or threaten to impair or harm), directly or indirectly, participants in procurement or selection or contract execution or their property with the aim of improperly influencing their actions. Fraudulent practices involve any acts or omissions, including misrepresentations that mislead, whether unknowingly, recklessly or intentionally, any person, including a public official, aimed at obtaining a financial or other benefit or avoiding meeting an obligation in the procurement, selection or contract execution process. Obstructive practices involve: (i) deliberately destroying, falsifying, altering or concealing evidence material to an investigation or making misleading statements to investigators in order to obstruct an investigation – including an internal government investigation or by any public international organisation; (ii) threatening, harassing or intimidating any party to prevent him or her from cooperating with an investigation or from pursuing an investigation; or (iii) acts intended to materially impede the contractual rights of a party, including a government or public international organisation, to audit or access information.

## CONFLICTS OF INTEREST

Macmillan employees are expected to avoid financial, business or other relationships or activities that might be opposed to the interests of Macmillan, impair the performance of their duties or result in activities that would compete with Macmillan's business. A conflict of interest may exist when personal interests interfere with an employee's duty to perform his or her job effectively or objectively. Before entering into a business relationship or undertaking an activity that has the potential to create a conflict, or the appearance of a conflict, you are required to review the issue with your department head and the Ethics & Compliance team, the Human Resources or Legal departments and obtain approval.

### MAKING BUSINESS DECISIONS IN THE COMPANY'S INTEREST

If you participate in, or otherwise attempt to influence, a transaction or decision that could potentially affect in a material way your financial interests or those of your family or anyone else with whom you have a close relationship, a potential conflict of interest exists. A financial interest could include an investment in a private business or an investment in publicly traded stock in an amount that is large enough to be significant to you. Stock held through an indirect method, such as a mutual fund, is excluded.

You need to disclose to your department head and the Ethics and Compliance team, the Human Resources or Legal departments if you: a) own, serve on the board of, or have a substantial interest in, a Macmillan customer, competitor, supplier or contractor; b) have a significant personal interest or potential gain in any Macmillan business transaction; c) have the opportunity to place Company business with a firm owned or controlled by you or another Macmillan employee or your/or his or her family; or d) intend to take advantage of a business opportunity discovered in the course of your employment by Macmillan or that is in conflict with Macmillan's interest.

The department head and member of Ethics and Compliance, Human Resources or Legal departments will document the discussion and determine if additional measures, such as excluding you from the transaction or decision making, requiring additional approval from an uninvolved employee or implementing additional checks and balances, are required.

### OUTSIDE EMPLOYMENT OR BUSINESS ACTIVITY

Employees who freelance, consult, work part-time for or engage in other employment activity for a non-Macmillan company or organisation may not accept other employment that creates a conflict of interest. This could include taking other employment that might impair their ability to perform their job, spending Company time on outside activities or accepting work from a competitor while they are employed by Macmillan. Before accepting outside employment, an employee should consult their department head about whether the proposed activity is permissible or constitutes a conflict.

Employees should not accept employment or fees from a supplier, customer or partner of Macmillan if the employee has the ability to influence that party's relationship with the Company.



Employees must ensure that neither outside employment nor discussion about potential opportunities will create the appearance of impropriety or imply that that company's dealings with Macmillan might be affected by the result of those discussions. You may not use inside knowledge of Macmillan in pursuit of or in the course of performing any outside activities. Business opportunities discovered in the course of your work belong to Macmillan.

## RECEIVING BUSINESS COURTESIES

Just as an employee should be careful in offering gifts or business courtesies, employees need to be cautious in accepting them. If a gift is not excessive, will not create the appearance of impropriety and is within accepted industry practice, it is acceptable. Any gift that might actually influence or appear to influence an employee's ability to make decisions in Macmillan's best interest is never permissible. An employee should never ask one of our vendors, suppliers or partners for a gift or business courtesy. In some cases, significant gifts such as travel accommodation or tickets to a major sporting event may be appropriate, if they are customary in the industry, given without any expectation or realisation of special advantage, approved in advance and properly recorded in the Macmillan Gift Register.

Before accepting a gift, entertainment or hospitality valued at more than \$150.00 or £100 (or the equivalent in local currency), ensure that you have: 1) obtained the approval of your department head or other senior manager and 2) documented receipt of the gift or hospitality in the Macmillan Gift Register at <http://giftregister.macmillan.com>

## CHOOSING APPROPRIATE THIRD-PARTY REPRESENTATIVES

Macmillan often works with third parties to conduct its business. The definition of a third-party representative is broad and includes third-party sales representatives and sales or licensing agents, distributors, consultants and joint venture partners. Third parties who act on Macmillan's behalf are expected to operate at all times in accordance with the standards set out in the Macmillan Code of Ethics for Business Partners. In choosing third parties to work with, remember that Macmillan will bear serious risks if any third party does anything on our behalf that would violate Macmillan's Code of Conduct if we were to do it ourselves. As a result, employees should evaluate the background, experience and reputation of the third party to be engaged; understand the compensation to the third party and the extent to which it might incentivise improper behaviour; take reasonable steps to monitor the transactions of the third party; and ensure that the third party understands and agrees to comply with the standards provided to it.

## WORKING WITH FRIENDS AND RELATIVES

Business arrangements with friends and relatives can create a conflict of interest if the relationship impairs an employee's ability to act fairly, objectively and in Macmillan's best interest. The employment of a close relative or the use of a company to which a relative or friend is connected is not prohibited; however, the employee is likely to be removed from hiring decisions and direct supervision of an employee, supplier or contractor to whom the employee is related. An employee is required to disclose to a manager, department head or Human Resources if they are closely related to a candidate for employment or other business opportunity at Macmillan.

## RESPECT FOR THE WORLD IN WHICH WE OPERATE

Macmillan takes seriously the impact its business operation has on the state of the world.

### HANDLING INTERNATIONAL BUSINESS APPROPRIATELY

All Macmillan companies must abide by the laws, rules and regulations of the countries in which we do business. If an employee's job, or the jobs of anyone an employee supervises, involves business in another country the employee is expected to be familiar with the laws that impact his or her work or the work for which he or she is responsible. Employees involved in business in another country are also expected to be aware of cultural differences, local customs, import/export controls and areas and territories subject to economic sanctions and embargoes.

If you are involved in a project, unit, group or any other activity locating in or moving to a new territory or entering into a new joint venture or appointing a sales representative in a country in which you have not done business before - contact the Legal Department in advance to discuss the rules, policies or laws that apply.

### COMMITTING TO SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

We believe by changing our corporate behaviour we can influence other companies to take responsibility for their use of resources and energy and together we can lessen any harm we do.

Macmillan is committed to minimising our environmental impact and engaging in practices that will improve our stewardship of natural resources. At a minimum, we aim to comply with the laws, rules and regulations that pertain to the environment, but we expect that we will often exceed legally mandated standards. Our goal as a company is to reduce our carbon usage significantly, which will require active participation by all employees. This means using existing resources wisely and looking for ways to lessen our usage or find sustainable alternatives. We will evaluate vendors based on cost, services offered and their commitment to sustainable business practices. If you believe that any company practice is not in keeping with these goals or have any suggestions on how we can improve our use of resources, let your manager, department head or the Human Resources Department know.

### BEING GOOD CITIZENS

Macmillan employees are free to support and participate in political activities in their own time. It is against Company policy to do so during business hours, on company property or by using company assets. Macmillan does not contribute to political campaigns, candidates or parties.

Macmillan participates in a wide range of charitable activities on a global basis.

## COMMITTING TO UPHOLD THE CODE

All Macmillan employees are expected to follow both the letter and the spirit of the Code of Conduct. You are asked to confirm your commitment to the Code and are actively encouraged to voice any concerns about how the Code is being applied.

Thank you for your continued dedication to Macmillan and your commitment to the principles and practices embodied in our Code.

## RESOURCES AND CONTACTS

Macmillan encourages you to consult your manager about any issues you face in connection with the subjects covered in the Macmillan Code of Conduct. You may also consult Human Resources, the Legal Department or an Ethics & Compliance Contact:

### GROUP ETHICS & COMPLIANCE

#### DIRECTOR OF LEGAL AFFAIRS FOR EMPLOYMENT: JAMES McLAUGHLIN

+1 646 307 5207

james.mclaughlin@macmillan.com

#### MANAGER, ETHICS & COMPLIANCE: ANNA MIKAYELIAN

+44 782 735 8398

anna.mikayelian@macmillan.com

### HUMAN RESOURCES

#### SVP, HUMAN RESOURCES, TRADE: GRACIE MERCADO

+1 917 331 4489

gracie.mercado@macmillan.com



#### , HUMAN RESOURCES, MACMILLAN LEARNING: KRISTIN PEIKERT

+1 512 691 9074

kristin.peikert@macmillan.com



#### MANAGER, HUMAN RESOURCES, MPS: WILSON STEPPE

+1 540 672 7628

wsteppe@mpsvirginia.com

#### HEAD OF HUMAN RESOURCES, PAN MACMILLAN AND PRIDDY BOOKS: RINA GULRAJANI

+44 207 014 6121

r.gulrajani@macmillan.co.uk

**HEAD OF HUMAN RESOURCES, MDL: RUTH BARCLAY**

+44 179 288 6724

ruth.barclay@macmillan.com

**LEGAL****US SENIOR VP, GENERAL COUNSEL: PAUL SLEVEN**

+1 646 307 5202

paul.sleven@macmillan.com

**HEAD OF LEGAL, MPIL: LYNDON BRANFIELD**

+44 746 498 2583

lyndon.branfield@macmillan.com

**CORPORATE COUNSEL, MACMILLAN PUBLISHERS AUSTRALIA: TRACY BROOK**

+61 2 9285 9100

tracy.brook@macmillan.com.au

**LOCAL ETHICS & COMPLIANCE RESOURCES****MANAGING DIRECTOR, PAN MACMILLAN SOUTH AFRICA: TERRY MORRIS**

+27 11 731 3440

terry@panmacmillan.co.za

**CORPORATE COUNSEL, MACMILLAN PUBLISHERS AUSTRALIA: TRACY BROOK**

+61 2 9285 9100

tracy.brook@macmillan.com.au

**SENIOR VICE PRESIDENT, PAN MACMILLAN INDIA: RAJDEEP MUKHERJEE**

+91 981 012 8134

rajdeep.mukherjee@macmillan.co.in

**ALTERNATIVE CONTACT****ANONYMOUS OPTION REPORTING WEBSITE:**

<http://speakup.macmillan.com>