

# MACMILLAN CODE OF ETHICS FOR BUSINESS PARTNERS





Macmillan and its affiliated entities are committed to conducting business ethically, honestly and with integrity. We expect each of our vendors, suppliers, agents and other business partners (“Business Partners”) to adhere to this same standard. This Code of Ethics for Business Partners (“Code”) sets out the basic requirements Business Partners must meet in order to do business with Macmillan Publishers International Ltd., Macmillan Distribution (MDL), Macmillan Publishers US, Macmillan Learning and Pan Macmillan Australia, India and South Africa worldwide. Compliance with this Code is in addition to and not in lieu of any obligations set out in agreements with us.

You are a highly valued Business Partner – it is important that you understand how the issues set out in this Code impact you in your business with Macmillan. If you have any questions regarding this Code please speak to your usual Macmillan business contact or alternatively one of the contacts set out on the last page of this Code. You can also reach us by using our anonymous reporting “speak-up” website which is at <http://speakup.macmillan.com>

You are required to comply with all applicable laws and regulations and encouraged to exceed them in the areas of human rights, labour conditions, health and safety, anti-corruption and environmental protection. Where local laws are less restrictive than this Code you must comply with the Code even if the conduct would otherwise be legal. If local law is more restrictive than this Code you must, at a minimum, comply with the applicable law. Business Partners are also expected to take steps to ensure compliance with these standards within their own supply chains.

If you use subcontractors to conduct business on our behalf must ensure that those subcontractors are provided with copies of and adhere to this Code. Where we have rights to audit in our agreement with you, you must ensure that this right is included in your agreements with subcontractors.

## WORKING CONDITIONS

Business Partners must treat all workers with dignity and respect and provide them with a safe and healthy working environment. You must comply with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk prevention and electrical, mechanical and structural safety. In addition, you must meet the following standards:

### FAIR PAY AND WORKING HOURS

Our Business Partners will pay wages at a minimum in line with local laws and regulations, including those relating to minimum wages, piece rates and other elements of compensation. Our Business Partners will strive to pay wages that meet 'basic' needs, where legal standards do not do so. You are required to comply with all applicable laws and regulations. Where local laws are less restrictive than this Code you must comply with the Code even if the conduct would otherwise be legal. If local law is more restrictive than this Code you must, at a minimum, comply with the applicable law.

### EMPLOYING CHILDREN AND PREVENTING OF FORCED LABOUR

Our Business Partners will only employ people who are: 1) 15 years of age; or 2) the minimum legal age for employment if that is 15 or older; or 3) employed in a developing country listed under ILO Convention 138 where the minimum age is 14 years. You are expected to take active steps to ensure that children under the relevant compulsory school age are not employed in your supply chain. You may not permit children under 18 years of age to perform work likely to be hazardous to their health or allow such employment in your supply chain.

You must not use any form of slavery, servitude, forced, compulsory, indentured or bonded labour and/or engage in human trafficking in your organisation or supply chain. Violence or coercion against labourers is prohibited. Workers may not be required to entrust "deposits" or their identity papers or to pay any kind of fee or take a loan against which wages will be deducted as a condition of employment with the employer and must be free to leave after their shifts or after giving their employer reasonable notice.

### FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

Macmillan recognises the importance of open communication and engagement between workers and managers regarding working conditions. We expect our Business Partners to respect the rights of their employees to freely associate, organise and bargain collectively without fear of harassment, intimidation, penalty or reprisal.

### DIVERSITY, DISCRIMINATION AND HARASSMENT

Macmillan values diversity in its employees, customers and Business Partners. We expect our Business Partners to promote equal opportunities and equal treatment across all employment processes including recruitment, hiring, compensation, access to training, promotion, termination or retirement and to provide a workplace free from any form of unlawful discrimination or harassment. Our Business Partners will not tolerate discrimination regarding gender, age, religion, race, caste, social background, disability, ethnic or national origin, nationality, membership in workers' organisations including unions, sexual orientation, family responsibilities, marital status or any other protected characteristics.

## ANTI-BRIBERY AND CORRUPTION

Macmillan's policy is to conduct business in an honest and ethical way, without the use of corrupt practices or acts of bribery to obtain an unfair advantage and we require our Business Partners to adhere to the same standard. You may not engage in conduct on our behalf that we would not engage in directly. Bribery is a criminal offence in most of the countries in which we and our Business Partners operate and corrupt acts may expose all of us to the risk of prosecution, fines and imprisonment

and reputational harm. Macmillan's position against bribery and corruption has been adopted globally and policies against bribery and corruption have been adopted by Macmillan entities worldwide. All Business Partners must act consistently with our Gifts, Entertainment and Anti-Bribery Policy.

### **FACILITATION PAYMENTS**

Macmillan does not permit our Business Partners to offer "facilitation, "grease" or "expedition" payments, even though in some countries it is customary business practise to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process. You may not offer any facilitation payments while conducting business on our behalf, even if that is "how business is done" and even if it is legal in the country in question to do so.

### **DEALING WITH GOVERNMENTS**

Business Partners must strictly observe the laws, rules and regulations that govern the acquisition of goods and services by any governmental entity of any country in which they operate. Activities that may be appropriate when dealing with non-governmental entities may be improper and illegal when dealing with governments. If you deal with any governmental entity, you are responsible for learning and complying with all rules that apply to government contracting and interactions with government officials and employees.

### **BUSINESS COURTESIES**

Business Partners may not provide, attempt to provide, offer or solicit anything of value, directly or indirectly, to obtain or reward favourable treatment in connection with any transaction on our behalf. You must ensure that any business courtesies, tokens of appreciation, meals, invitations to entertainment activities or gifts offered or received cannot reasonably be construed as an attempt to secure unfair preferential treatment.

Neither Macmillan Business Partners nor Macmillan employees may offer or accept any gift that could possibly be seen as a bribe or an attempt to improperly influence a business relationship. Entertainment activities and gifts should be modest in price and uncommon in frequency. Gifts of cash or cash substitutes are never acceptable. As a general guideline for evaluating whether a business courtesy is appropriate you should consider whether public disclosure would be embarrassing to you personally, your organisation, to Macmillan or any third party. For more information, consult your agreement with Macmillan and our Gifts, Entertainment and Anti-Bribery Policy.

### **KICKBACKS**

Business Partners must not offer, promise or provide any Macmillan employee, or any member of their family, with any personal benefit - kickback, favour, cash, gratuity, entertainment or anything else of value - in order to obtain favourable treatment from us.

### **POLITICAL OR CHARITABLE DONATIONS**

Business Partners are not authorised to make any type of political contribution or charitable donation on behalf of Macmillan.

## **INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION**

Business Partners are expected to protect Macmillan's intellectual property rights and our proprietary and confidential information. You must maintain the confidentiality of our trade secrets and other proprietary information and keep confidential the information entrusted to you by Macmillan according to this Code and your individual agreements with us, except when disclosure is authorised by Macmillan or mandated by law. You must respect our intellectual property, and you may not reproduce or distribute copyrighted materials except according to the terms of your agreement with us.

Business Partners are expected to further safeguard Macmillan information by refraining from transferring, using or publishing

it other than is necessary in the ordinary course of business. You must observe applicable data privacy standards. Consult your agreement with us for more restrictions and detail.

## FINANCIAL INTEGRITY AND RECORD KEEPING

Business Partners must record and report information accurately, honestly and objectively. You must keep accurate financial and business records, submit proper invoices and maintain books and record in accordance with all applicable laws and regulations. You may not make any false or inaccurate entries in any books and records related to dealings with Macmillan.

## CONFLICTS OF INTEREST

Business Partners may not enter into a financial or other relationship with a Macmillan employee that creates any actual, potential or perceived conflict of interest. A conflict of interest arises when the personal interests of a Macmillan employee are inconsistent with the responsibilities of his or her position with our company.

Even the appearance of a conflict of interest can be damaging to Macmillan, to you and to the employee and must be disclosed and approved in advance. You must contact us if you become aware of a potential conflict of interest.

## ENVIRONMENTAL

We are committed to conducting our business in an environmentally responsible manner and minimising our environmental impact. We take seriously the impact our business operations have on the state of the world and hope to influence other companies to take responsibility for their own use of resources and energy. You are encouraged to exceed legally mandated standards. At a minimum, Business Partners must comply with all laws, rules and regulations that pertain to the environment. We will evaluate our Business Partners, in part, on their commitment to sustainable business practices.

## RAISING CONCERNS

Business Partners and their employees should report to Macmillan any conduct, including the conduct of any Macmillan employees, that they believe in good faith to be an actual or potential violation of this Code.

We encourage any Business Partner encountering questionable activities to immediately bring them to our attention through your Macmillan business contact or alternatively the contacts set out at the back of this Code. You can also use our anonymous reporting “speak-up” website which is at <http://speakup.macmillan.com>

Promptly reporting issues is in the best interest of everyone. If you have any questions related to business conduct and ethics please contact us.

## THANK YOU FOR YOUR SUPPORT

Thank you to all of our Business Partners for their attention to these important issues. We look forward to a mutually beneficial relationship with you based on the highest level of ethical behaviour.

## SOURCES OF INFORMATION AND CONTACTS

### GROUP COMPLIANCE CONTACT:

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