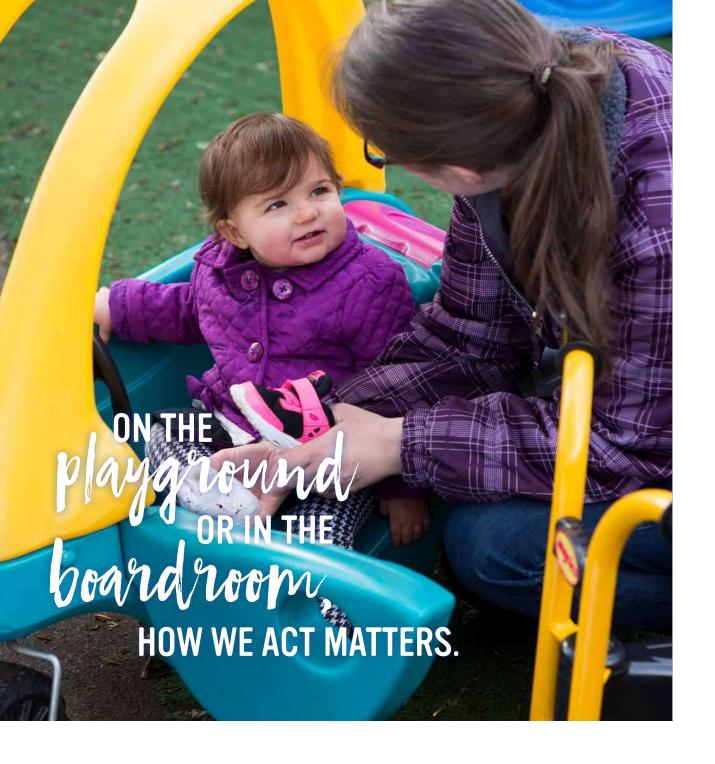


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Ethics AT KCE

When it comes to ethics, we know that it's the small decisions we make and little actions we take every day that define KCE's culture. Speak up if something is wrong. Act honestly and respectfully. Do business with integrity.

These concepts are not difficult on their own, but ethics dilemmas certainly can be. Your own conscience and instincts are the best tools you have for navigating ethics decisions, but this guide and KCE leadership are here to support you. We trust you will actively contribute to building an ethical company, one choice at a time.

ON OUR BEST BEHAVIOR:

Expectations

At KinderCare Education (KCE), we are role models for the children in our care. Through our actions, we teach children how to navigate the world with honesty and integrity.

KCE has high ethical standards for each and every person in the company. We expect you to act according to the laws and regulations that govern our industry and your location. We also expect you to do what is just and fair. Together, we uphold these expectations to create an environment where honesty and integrity are evident in everything we do.

HOW TO USE THIS GUIDE

You face ethical choices every day in your work and personal life. Do you return the \$20 bill you saw someone drop or call it finders keepers? Do you speak up when you see a coworker alter child supervision records or decide it isn't your place to tell on your coworkers?

This guide is meant to help you make choices that are in line with KCE's values and uphold our legal obligations when you face these dilemmas at work. It isn't possible to cover every situation that you may encounter. With these principles as a guide, along with your other ethics resources, you have the tools to make decisions that best support KCE families, employees, and the company.



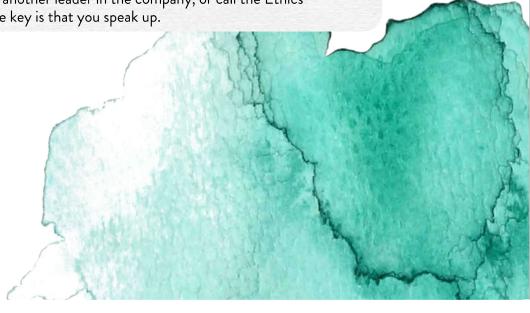


SPEAKING UP KEEPS KCE STRONG.

You are required to report ethics concerns—anything that is illegal or goes against the principles in this guide. This is true even if the person you're reporting is a manager, director, or executive.

KCE will not retaliate against any employee who makes a good faith report of ethics concerns or suspected harassment or discrimination. KCE believes that employees feeling free to report these issues keeps our company healthy. Reporting ethics concerns means the issues can be addressed and resolved. If no one speaks up, ethics problems can undermine our company's purpose.

Honesty helps us to create a work environment we can all be proud of. KCE has an Ethics Hotline for just this purpose, and you can remain completely anonymous if you want to. If you witness something questionable or suspect an ethics issue, talk to your manager or another leader in the company, or call the Ethics Hotline. The key is that you speak up.





RECOGNIZING ETHICS PROBLEMS

When you hear phrases like these, you should take a step back and consider whether there is an ethical problem.

- "No one will ever know."
- "Everybody does it."
- "No one will get hurt."
- "We didn't have this conversation."
- "I could get in big trouble for this."
- "Shred it fast."

RESPONDING TO ETHICS CONCERNS

If you suspect an ethics problem:

- Do a gut check. Ask yourself: Is this right? Would I want my actions shown on the evening news? What would I tell my child to do?
- Use your resources, including your manager, another leader in the company, or the Ethics Hotline for guidance.
- Use good judgment and your own conscience to guide your behavior.



SPEAKING UP IN ACTION

You've seen a coworker clocking in for his friend who is always running behind. His friend is usually just a couple of minutes late, and your manager doesn't seem to notice. Your gut tells you it's not right or fair, even though no one else has spoken up.

ACTION

Trust your gut. Falsifying time punches, even by just a few minutes, is not okay. Bring it up to your manager. She might not know what is going on, or how it is impacting his coworkers. If for some reason you don't feel comfortable talking to your manager, speak with another leader or call the Ethics Hotline.



You are an administrative assistant for your department head, and you reconcile her P-Card statements each month. This month she spent money on a car rental and eating out, which is normal for her position. However, you notice that the dates coincide with her vacation time. When you asked her about the transactions she tells you, "Just mark those as part of the trip from the week before. There must have been a problem with the card and the transactions didn't go through right away." This explanation doesn't seem quite right to you.

ACTION

You can start by telling your manager you need clarification on the transactions to accurately reconcile the statement. If further discussion doesn't resolve the issue or you don't feel that you can ask for more information, bring your concern to another manager or your Human Resources Business Partner, or call the Ethics Hotline.





PROTECTING CHILDREN IN ACTION

You are walking four-year-old Jenny to the bus and notice a red mark on her arm. You ask what happened and she says, "Teacher Kate grabbed me and dragged me away when I was playing bears with Stephen today, and it hurt. I think she was mad."

ACTION

Ideally, you report the incident to your manager right away and call CPS together. Your manager will contact the family, call KCE Incident Reporting, and address the issue with Teacher Kate. If for some reason you don't feel comfortable reporting the incident to your manager, you still must call CPS and the Ethics Hotline.

You're a manager and your toddler teacher mentioned that Sammy has come to school in the same dirty clothes four days this week. She said she has talked to his family about it before. Last week you lent a hand in the classroom at snack time and noticed that Sammy seemed overly hungry. His teacher also said that he has come to school with a dirty diaper often enough that she's noticed it. These incidents combined make you think that Sammy might not be getting the care he needs at home.

ACTION

Report your concerns to CPS and tell your manager or call the Ethics Hotline. CPS will evaluate whether Sammy is being neglected at home.



SPEAK AND ACT TRUTHFULLY AND EXPECT THE SAME FROM OTHERS.

Honesty builds trust, an essential component of our work. Families trust us to care for and educate their children. When children trust their teachers, they feel comfortable exploring new things. Coworkers who are open and honest can help each other succeed and share great ideas.

ACCURATE RECORDS

From punching in and taking name-to-face attendance throughout the day, to recording tuition payments, preparing purchase orders, producing financial reports, and tracking medications given, there's a lot to keep track of every day at KCE. Keeping accurate records is essential to creating a safe environment for kids and building a thriving business.

WHY DO WE KEEP ACCURATE RECORDS?

- It keeps children safe. Attendance, medicine, food, care routines, behavior issues, and more are carefully tracked to create a safe environment for children.
- It's the law. Much of what we record is required by federal, state, or local regulations.
- It strengthens our business. To run a business effectively and communicate with families, licensing agents, clients, and supporting departments, a manager needs accurate information.



WHAT DO ACCURATE RECORDS LOOK LIKE?

Accurate records:

- Are honest. Honest records are more important than flattering records. Do not falsify records for any reason.
- Are clear. Data is useless if it's not understandable. Be straightforward and clear in all required reports.
- Are timely. It is difficult to get accurate, honest, and clear records if you put off
 your reporting and try to fill in information from memory. Track information as
 you go.
- Adhere to industry standards. For instance, we follow Generally Accepted Accounting Principles (GAAP) for all accounting procedures.





CONFLICTS OF INTEREST

If you think an outside activity or relationship may interfere with your commitment to KCE, there may be a conflict of interest. The best way to avoid conflicts of interest is to be open and honest about relationships and financial interests that might impact your professional life. Possible conflicts of interest include:

Outside Employment

If you have a second job, choose a company that is not a competitor.
 Make sure the type of work you choose is in keeping with the image
 that KCE represents and allows you to fully devote the time you
 need to do your job at KCE.

Receiving Gifts

- It is okay to accept small tokens of appreciation from families like a coffee store gift card or holiday basket, but you need to politely decline cash or gifts of significant size or value.
- Similarly, vendors with whom we have a business relationship may occasionally invite you to an event or to share a meal—for example, attending a vendor-hosted reception at the NAEYC conference. You may accept gifts of insignificant value or be entertained by potential or actual vendors if such entertainment is reasonable, consistent with KCE's usual business practices and ethical standards, does not violate any law, and would never embarrass KCE. However, these gestures cannot influence our buying decisions, and all business must be awarded based on cost and overall value to KCE.

Outside Business Interests

 If a KCE employee's family member wants to sell goods or services to KCE, that decision must be made, and the work must be managed, by someone who is not related to the vendor.

EMBRACING HONESTY IN ACTION

You sent an email to a vendor you work with by accident. The email included financial data that should not have been shared with anyone outside the company.

ACTION

Acknowledge your mistake. Tell your manager right away that you have accidentally shared sensitive information so it can be properly addressed.

It's mid-December and holiday gifts are going around. One parent sent you a tin of cookies, another gave you a coffee card, and a third put cash in a card.

ACTION

While it's okay to accept the cookies and gift card, tell the third family that you can't accept cash, but you appreciate the gesture. Let your manager know about the conversation.

Last month the flu was going around and you spent a lot of time helping in classrooms, which put you behind on paperwork. You meant to update your subsidy records to reflect actual attendance, but didn't get to it. The reports are due and you want to get them in on time.

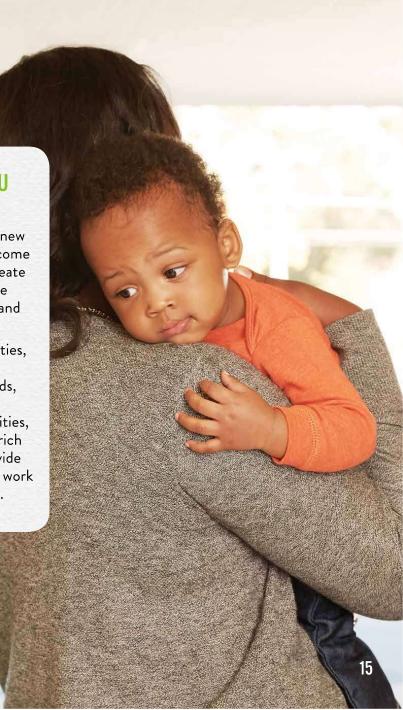
ACTION

If you submit the incorrect numbers, you will receive overpayment for the days children were out sick. This is not honest. Take the time to make the corrections before submitting your report. PEOPLE

TREAT OTHERS HOW YOU WANT TO BE TREATED

KCE grows stronger with each new person and perspective we welcome into the company. When we create an environment where everyone can thrive, we build a dynamic and strong company.

A diversity of talents, personalities, passions, beliefs, cultures, lifestyles, economic backgrounds, races, religions, genders, sexual orientations, ages, physical abilities, and more all contribute to the rich educational experience we provide for children and the supportive work environment we create at KCE.







A child who uses a wheelchair will be joining your class next week. You're not sure how to make the classroom work best for his needs or how to answer questions the other children may have. You want to be prepared for his first day.

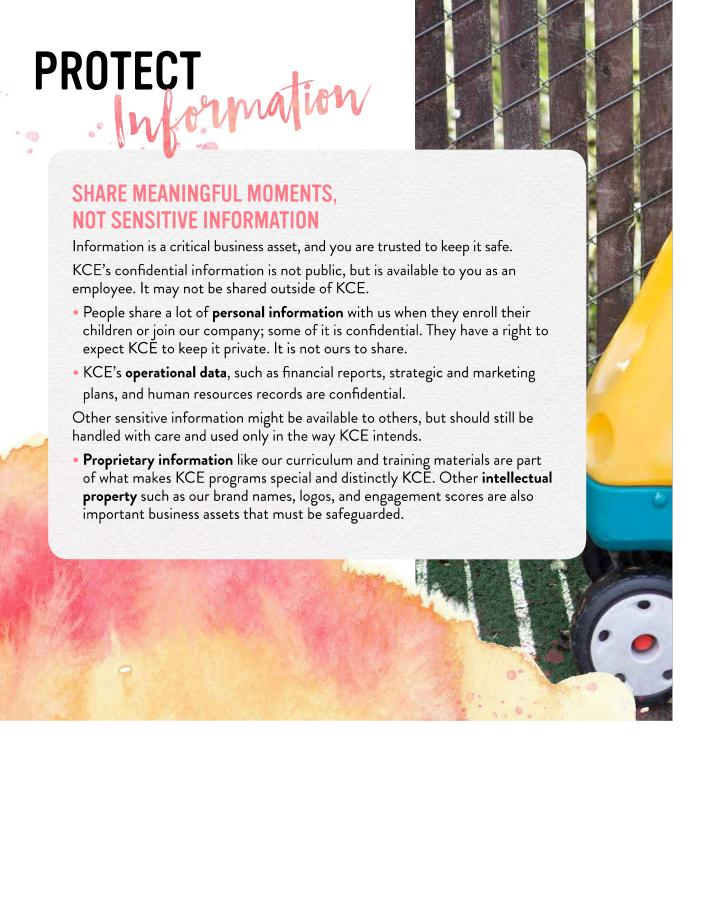
ACTION

Talk with his parents about how to meet his individual needs. Connect with your manager to talk through a plan for making the child and family feel welcome on his first day. If you want more help, reach out to Inclusion Services.

A woman applied for an open position as a teacher. She came to the interview wearing a hijab. She is highly qualified, and her interview went very well. You want to hire her, but you're concerned that it may affect your family retention rate. One parent made jokes about terrorism after he saw the woman come in for her interview. Another parent asked whether you planned to interview anyone else or "just the one with the head scarf." You think some families will have a negative reaction to the new teacher.

ACTION

KCE does not discriminate on the basis of religion and does not make hiring decision based on characteristics protected by law. Talk to your District Manager or call the Ethics Hotline. They can help you respond to any parent concerns when you hire her.







PROTECTING INFORMATION IN ACTION

A parent asks you for another parent's phone number so he can set up a play date for their children. You know the children are friends and don't think the other parent would mind, but you should not share that information.

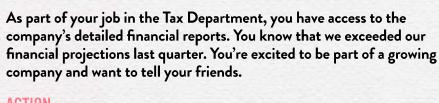
ACTION

Try connecting the parents at pick-up time or have him write a note to the friend's parent that you can put in the child's cubby.

You were talking to a coworker in the parking lot about one of the children in your program. A parent overheard private information about the child's medical condition.

ACTION

Be honest about the mistake and tell your manager what happened. In the future, be more careful about where you have business discussions.



ACTION

Share your excitement, but not the details.





Children know what happens when someone changes the rules in the middle of a game or just plain cheats—no one wants to play with them anymore. Business is not much different. Business is regulated through laws designed to keep businesses honest, and KCE abides by those rules.

Giving Gifts to Government Employees

As part of our work, we have ongoing relationships with government employees. Most are subject to their own rules about receiving gifts, just as KCE employees are, and we respect those limitations at all times.

Truth in Advertising

Marketing and advertising may not make false or misleading claims about the company or its competitors.

Respect Others' Intellectual Property

Just as we are careful to protect our own intellectual property (IP), it is important to respect the IP rights of others.



COMPETING FAIRLY IN ACTION

You want to place an ad in a local magazine to draw new families into your Pre-K program. You plan to say, "If you enroll your child in KinderCare's Pre-K program, she will start kindergarten at the top of her class."

ACTION

This statement makes a claim that may be misleading. Instead, you could write the ad to say, "KinderCare's research-based curriculum provides an enriching Pre-K experience for children entering Kindergarten."

A family comes in to tour your center and asks you how your center compares to the competitor down the street. You've heard the center down the street may lose its accreditation.

ACTION

We can't share rumors about competitors. Instead, focus on the strengths of your program, like our research-based curriculum, your program's accreditation, and your talented teachers. If you're certain that the neighboring center has lost its accreditation, you can point that out.

As an Area Manager, you want to establish a relationship with the new principal of an elementary school in your area. You want some time to learn about her vision for the school and introduce her to KCE's programs. You think a nice meal would be a good way to open the discussion, but you know that government employees are often subject to restrictions about accepting gifts and hospitality. You don't want to put her in a tough spot.

ACTION

Tell the principal that you'd like to talk over lunch and ask whether her school district's rules allow this type of meeting. If it is not allowed, ask if you could meet at her office. It is your responsibility to inquire about, understand, and follow the limits of her position.





IT'S EASY TO TAKE ACTION-YOU HAVE SUPPORT

Talk to Someone

If you're facing an ethics issue, the first action you can take is to ask for help. From your manager to the Ethics Hotline, we're here for you. Reach out through a conversation, phone call, or email if you need guidance.

WHO CAN YOU TALK TO?

Your Manager

Human Resources Business Partner

Ethics Hotline 888-525-2472 Inclusion Services

800-633-1488 Extension

1440

Audit Team

kceaudit@kc-education.com

