



Our impact on society 2009

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A message from the chief executive



Marjorie Scardino Chief executive

Pearson's goal is simple: To help people make progress in their lives and to thrive in a brain-based economy through learning. We have our commercial and financial goals too, of course, and we believe we've been successful in meeting them, because, at our heart, is that social purpose: to make a positive impact on society by helping people learn. **We're reaching for a wide definition of 'learning', though: one not constrained by age or circumstance or confined to a classroom. We think learning never stops; it's happening all the time, all around us. And we're setting out to prove it and improve it.**

Our basic strategy to achieve our grand goal is pursued by all Pearson's businesses in some shape or form and has four fundamental parts:

- 1. To develop compelling, trustworthy content** that customers deem worth paying for;
- 2. To serve it up not just naked, but with services, mostly technology,** to make it more useful, more personal;
- 3. To work in markets that are growing** and have strong demand for our services;
- 4. To fuel our investment in that work through steady efficiency gains.**

We learned a lot about ourselves as a company in 2009. We started the year facing a ragged array of challenges. Though the previous year's threat of a full financial meltdown looked less seismic,

the aftershocks of recession were rippling out to just about every one of our markets. At the same time, the gathering pace of disruptive change was testing the strategy and imagination of every media company including ours.

So... we reviewed the lessons we'd learned in previous years – keep our eyes on the goal; keep investing; keep people working; change, change, change.

We saw an opportunity, not to ease off the gas, but to accelerate. To invest both money and imagination in the fast-growing digital, services and international markets that have given us our impetus. We reckoned that in the short term we could pull further away from our competitors, and that in the long term we simply could not afford to pause for rest on the journey from publisher to digital and services company that we've been making for some years now.

In 2009, about a third of our sales came from digital products and our services. Over the past five years, our digital revenues have grown at an average annual rate of 19%. Seven years ago, our testing and qualifications businesses (a good example of our providing education services, rather than 'products') had sales of less than £200m. This past year they were five times that.

Our strong performance – both financial and competitive – is largely the result of our having had a consistent strategy and invested consistently in it over the long term.

We believe that strategy (though the playbook keeps changing) and investment will help us remain the innovator and the scale player in our industries, and remain both a durable company and a long-term growth company. But, we know that will happen only if we keep changing.

That's why this 160-year old company tries always to be learning. Like many students, we're finding that the learning itself can be as stimulating as the results. And all the time, that's making us stronger and stronger, too.

Marjorie Scardino Chief executive

This is an edited extract from Marjorie's statement in our annual report. [Click here](#) to read the full version.

Our strategy



Robin Freestone

At the end of 2009, Sir David Bell retired as Pearson's director for people and also as the board director with oversight of corporate responsibility. In his 39 years at the company David did a huge amount to define what corporate responsibility means for Pearson and I am very pleased to take on the role and to try to continue David's work in this field. **It has always struck me that the idea of being a responsible business – one that makes a positive contribution to society through effective learning, great books and powerful journalism – is in many ways the essence of Pearson.**

It starts with being a values-based organisation (in our words, one that is 'brave, imaginative and decent'). It is not about what we say but about how we behave across our large, complex and diverse organisation. The kinds of businesses that we're in and the products that we make depend on our earning (and constantly re-earning) the trust of our readers, teachers and students for quality, accuracy and independence. We are proud of Pearson's long history as a responsible business, but we always feel that there is much more for us to do.

Pearson will continue to be that values-led company, placing enormous importance on the impact we have on the world through our products and services. We are as determined to enhance the learning experiences of our students (of all ages and walks of life) as we are to reduce our impact on the environment. Our goal remains simple: to be a socially responsible company that has a positive impact on society. We focus our impact on four key areas:

Our strategy: Four key areas

- | | |
|-----------------------------------|--|
| 1 Product quality and impact ☺ | |
| 2 Valuing our people ☺ | |
| 3 Sustainable business practice ☺ | |
| 4 Active citizenship ☺ | |

We report each year in conjunction with our annual financial results, so that our people and other stakeholders can review our activity across the company and all over the world. You'll find a table of last year's targets and the new ones for 2010 at the end of this report, and some examples of the ways in which we've been publicly recognised for our efforts in 2009 in the next section. We harbour big ambitions for what we can achieve and we welcome your comments and suggestions as to what and how you think we can do better – please feel free to send an email to me at robin.freestone@pearson.com ① to share your thoughts.

Robin Freestone Chief financial officer

Board member responsible
for corporate responsibility

Recognition and awards

Highlights from Pearson

We maintained our position as **Global Leader in our sector** (Media) in the Dow Jones Sustainability Indices for the third year running.

In the US, Pearson was included on the **100 Best Companies for Working Mothers' list** for the ninth time in ten years, assessed on factors such as benefits, women's issues and advancement, child care, flexible work and company culture.



We were again honoured – for the second time in three years – with the Cause Marketing Forum's Halo Award for **Best Cause Marketing Event 2009**, recognition of Jumpstart's 2008 Read for the Record campaign.



IN PARTNERSHIP WITH



October 8, 2009

We were awarded the Opportunity Now FTSE Executive Women Award 2009 for **employing the most female executives**. Opportunity Now, part of Business in the Community, is the foremost UK benchmark for gender equality, diversity and inclusion. Pearson also claimed **top place in a landmark study on gender balance and equal opportunities** in the FTSE 350 index, commissioned by *The Observer*, a major UK Sunday newspaper.



We have been included in the FTSE4Good indices since their inception.



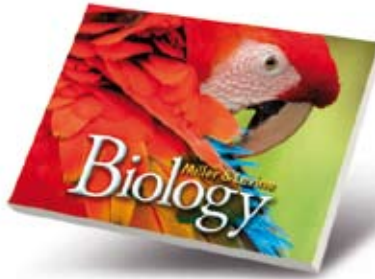
FTSE4Good

Recognition and awards continued

Snapshots from our business

Association of Educational Publishers Awards

The new edition of *Miller and Levine Biology*, the world's bestselling high school biology book, took top honours at the 2009 AEPs for its innovative digital path and overall high school science curriculum.



Webby Awards FT Alphaville landed the People's Voice award for best business blog at the prestigious annual Webby Awards in 2009.



BESSIE Awards Pearson Longman's Teacher Development Interactive, an online, video-based professional development programme for English Language Teachers, won a 2009 Best Educational Software Award (BESSIE) from the ComputED Learning Center.

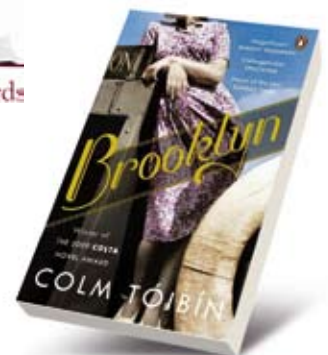


First Women Awards

The FT Group won Business of the Year at the 2009 First Women Awards, with judges citing the high proportion of women on the management team: 'With such a group of women at its helm, how could it be anything but daring, imaginative and counter-intuitive'.



Costa Book Awards Penguin author Colm Tóibín won the Costa Book of the Year Award 2009 for his novel, *Brooklyn*, and was longlisted for the Man Booker Prize.




Nautilus Book Awards

Tarcher/Penguin won a record 14 out of 23 categorical awards in the 2009 Nautilus Book Awards, the highest number of Nautilus Silver Awards ever won by a single publisher.

1 Product quality and impact



We aim to be brave, decent and imaginative¹ in everything we do and have a longstanding commitment to high standards of product quality. We want the people who buy our books, newspapers and services to have multiple ways to access to the best education and information we can provide, and we work hard to achieve that aim. **We want each ingredient used in each stage of our products and services to be in the best possible shape it can be – and that means employing the best, most creative minds as well as using the most responsibly sourced supplies available.²**

In Education, Pearson continues to put a lot of work into verifying the measurable impacts of our learning products, helping to improve the results – and in many cases, life chances – of millions of learners. The leader page of the *Financial Times* is published under the motto ‘without fear or favour’, reflecting its editorial integrity and independence in providing business people with up to the minute, reliable news from Karachi to Kansas. Penguin, home to some of the best loved brands in publishing, has its own rich history of finding innovative, challenging authors and designs to engage and stimulate our readers. We adhere to external codes like those upheld by the Press Complaints Commission, supplemented by our own internal standards, and we have our own [code of conduct](#) , whistle-blowing and detailed standards policies.

Fast fact: Promoting indigenous literature and language

Pearson Southern Africa is the only company that runs literary competitions with workshops to train new authors, hosts literary awards, then publishes the winners in the 11 official languages of South Africa to help promote indigenous literature and language.



Education

Noting the impact the skills of a nation's workforce can have on the future of its economy³, we have a deep responsibility to play a part in helping to improve life opportunities for students wherever our educational services are being used. Our continued investment – both in bolt-on acquisitions (Maskew Miller Longman, Longman Nigeria and Fronter in 2008 and Wall Street English in 2009) and in content, services and technologies (we invested over \$800m in product development in 2009) – puts Pearson in a strong position to fulfil that responsibility. Our education business has continued to expand this year, consolidating our strong roots in China, India and across southern Africa, while extending our leading position in our largest market, North America. We have been working to connect our products and services to provide integrated learning platforms that make teaching more efficient and learning more personal. Our research⁴ – both in-house and independently conducted – provides evidence that our products are helping to enhance student learning; by bringing some of these together, we are able to offer students and educators highly effective tools to support education.



¹ See also: [Our way](#) on our website.

² See also [Sustainable business practice](#), p17.

³ See [The High Cost of Low Educational Development](#) from the Organisation for Economic Cooperation and Development.

⁴ See Pearson's listing of [independent research studies](#).

Product quality and impact

Education

Education Snapshots from 2009

Project Tapestry ① This is the first connected learning environment built specifically for the US school market, the product of Pearson's collaboration with over 500 key education partners. Have a look at the 'Focus on...' feature in **this section** ① for more on integrated learning platforms.

We launched **Prevent** in the US, a software programme which aggregates the most relevant and predictive student information data to pinpoint which students are most likely to drop out of school. This early warning system helps teachers determine where best to prioritise their time to prevent students leaving school without a qualification.

Reading street ①

Results of a new independent study⁵ show that students are **jumping two grade levels** in their vocabulary, reading comprehension and overall reading achievement with Pearson School's highly successful Reading Street⁶ programme.



Pearson Education South Africa's longitudinal study to determine the impact of **MyMathLab** at the University of Witwatersrand found that the Pearson service has improved the results of 7,000 students from 35% average in the first semester to 65% in the second.

Students using **Connected Mathematics Project 2** (CMP2) in the US demonstrated significantly greater gains in problem-solving, maths communication and maths reasoning strategies than their peers using other maths programmes, as seen from their performance on the Balanced Assessment of Mathematics. An independent efficacy study also showed that CMP2 students demonstrated significant improvement from pre-test to post-test in the areas of concepts and problems, estimations, and computations.

Pearson Student Advisory Board

2009 saw the launch of the Pearson Student Advisory Board⁷ (PSAB) in the UK, as the US PSAB moved into its third successful year of enabling our company leaders to receive guidance and input from students about existing and future products and services they feel will help other students to succeed. The PSABs are made up of 8 to 10 top students of a wide range of talents and backgrounds at different universities across their respective countries, each of whom has been paired with a Pearson executive for mentoring and support.



Pearson Custom Learning ② The US Pearson Student Advisory Board went out to university campuses last autumn to find out how their peers feel about customised textbooks and bring the results back to Pearson.



⁵ See the full [independent report](#) from Claremont Graduate University

⁶ Learn more about Reading Street [here](#).

⁷ Go to the Pearson Student Advisory Board [US](#) or [UK](#) websites for more information.

Product quality and impact

Education continued

Focus on: The Pearson Foundation Research Program

This research programme was established in 2009 to complement the research we already conduct into the effectiveness of our education services. The Program will focus on the ingredients of personalised learning across the globe, including learning technology, language learning, innovative assessment and teacher quality. **It will support three to six research projects each year in these areas and others, in addition to ten annual graduate fellows at major international universities.**

Existing partnerships include:

Oxford University Centre for Educational Assessment ①

We have funded an endowment for the Centre and the Pearson Chair for Educational Assessment for the past three years, which now becomes part of the Pearson Foundation Research Program. The Centre is a leading university partner with Pearson, undertaking research and international development work in educational assessment. The research programme covers general schools-based learning, as well as vocational, professional and higher education. It also supports Priorities in Educational Assessment, the move to lifelong learning, alongside the needs of multinational employers and an increasingly global workforce.

Project Red (Revolutionising Education) ①

In September, we agreed to join a small group, including Apple, Intel and eChalk, to sponsor a study conducted by the Hayes Connection, The Greaves Group and the One-to-One Institute. The survey-based study will address the impact of technology on improving student achievement and evaluate the total financial impact of technology on state budgets in the US.

University of Western Australia's Pearson Psychometric Laboratory ①

Pearson funded an endowment for the Laboratory and the Pearson Chair in Psychometrics at UWA to undertake research and development for application to the broad area of measurement and assessment in education and the social sciences including psychology, health and marketing. This endowment will be kept up by the Program until 2011.

Partnership for 21st Century Skills ① The mission statement of this national multi-business initiative is 'To serve as a catalyst to position 21st century readiness at the center of US K12 education by building collaborative partnerships among education, business, community and government leaders.' In 2009, the Partnership held the **Cyber Summit on 21st Century Skills** ①, a two-week online conference giving thousands of education, policy, civic, community and business leaders the opportunity to interact with one another and discuss important education reform initiatives. Pearson's Kathy Hurley was elected to chair the Strategic Council in September last year.



Product quality and impact

Business information

Business information

The *Financial Times* newspaper has a long tradition of high standards on independence, quality and responsible journalism. We believe this is fundamental to its integrity, reputation and commercial success. Alongside its prime responsibility to provide accurate and reliable news and analysis, the FT also lends its editorial weight to discussion of key contemporary issues affecting global business, finance, politics and society. The FT's regular special reports include recent surveys on climate change and sustainable investment, for example, and its **annual seasonal appeal** ① gives FT readers the opportunity to learn in depth about a specific charity and the issues it seeks to address. The FT has worked hard to maintain its status as a trusted source on the most important, relevant global stories for its niche but influential and international audience. That audience has continued to grow: the newspaper is now printed at 23 print sites across the globe, has a daily circulation of 390,315 (ABC figures January 2009) and a readership of 1.3 million people worldwide in print and online. The FT Group as a whole has sought to further embrace the shift to digital rather than paper-based media. In 2000, around two-thirds of the FT Group's revenues were print-based. In 2009, digital revenues represented over 73%.



Business information Snapshots from 2009

Award-winning journalism ① The FT won 23 awards in 2009, including Best Commentator and Decade of Excellence, Business Journalist of the year and six Society of Publishers in Asia Awards.

FT Sustainable Business Conference ①

In March 2009, the *Financial Times* held its first ever conference focused solely on corporate responsibility and investing, in partnership with the Social Investment Forum and social media platform Justmeans. The second will be held in New York in March 2010.



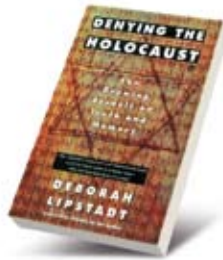
Why Journalism Matters ① As part of a Media Standards Trust series, *Financial Times* Editor Lionel Barber gave an illuminating speech to The British Academy on the changing face of journalism in the 21st century. It is also available on **YouTube** ①.

Product quality and impact

Consumer publishing

Consumer publishing

Penguin's long and proud history of championing free speech runs from our 1960's publication of D.H. Lawrence's *Lady Chatterley's Lover* right through to our more recent publication of Professor Deborah Lipstadt's *Denying the Holocaust*. In 2009, continuing this tradition, Penguin became a Silver PEN partner in the UK and was the proud premier sponsor of the 2009 PEN (poets, playwrights, essayists, editors and novelists) **World Voices** ① festival in New York, the world's oldest international literary and human rights organisation. Penguin continues to support and publish books that raise awareness of environmental themes and global crises, and to keep in step with the latest means of delivering our products to our customers. Penguin now has 14,000 eBook titles available for sale, with Penguin China and Penguin Canada joining the US and UK in this arena in 2009. The digital publishing part of our business is growing very fast, as more readers choose to access their books through devices such as the Kindle, iPhone, eReader, iPad or any other yet-to-launch devices. We continue to adhere to the highest possible standards of publishing around the world, taking care to protect the efforts of our authors and our copyright and trademarks. Our strong commitment to diversity in publishing means we support a range of initiatives in several countries aimed at promoting diversity in the book world and seek out new titles and imprints that will also appeal to particular cultures and age groups.



Consumer publishing Snapshots from 2009

QBook ①

Penguin New Zealand worked with Kiwa Media to produce the world's first touch-enabled and interactive read-along storybook, to be launched in spring 2010.



Rough Guides continues to work with Motability Operations, publishing the third edition of the **Rough Guide to Accessible Britain**, free to all Motability members. In 2009, it won an International Visual Communications Association Clarion Award – promoting Social Inclusion, Sustainable Development and Ethical Debate – for strategic communications.

Product quality and impact

Consumer publishing continued

Wemakestories.com ⓘ

Following the success of the award-winning We Tell Stories in 2008, Puffin launched one of their biggest, most exciting digital initiatives. Puffin commissioned teams of interactive designers to build a suite of tools for children, designed to inspire and encourage literacy, creativity and story-telling skills.



Penguin Books South Africa launched the **Penguin Prize for African Writing**, a new literary award for previously unpublished authors from the African continent. The prize in each of the two categories is R50,000 and a publishing contract with Penguin Books South Africa, with worldwide distribution via Penguin Group companies.



A few words from: Dan Ruffino



Marketing & Publicity Director, Penguin Group (Australia)

“The same approach goes to almost everything we do – quality is always uppermost in our minds and focus.”

When I first joined Penguin a little over nine years ago, the first thing that struck me was how handsome the books were – terrific, eye catching design, both inside and out, and very high production standards.

Despite being a publisher of a broad range of books from cheap paperbacks like our million copy-selling **Popular Penguins** ⓘ series to our high-end illustrated non-fiction imprint, **Lantern** ⓘ, there is a consistent commitment to quality and innovation. The quality of the words, illustrations and photographs are complemented and enhanced by the quality of the design and production.

There is a particular Penguin look and feel to our books. Our customers, both retail and consumers have come to expect, subconsciously or consciously, a level of quality to which we consistently adhere.

The same approach goes to almost everything we do – our point of sale, our advertising, our online presence, the systems we use, the suppliers we work with, to even the way our sales team present new books to their customers, quality is always uppermost in our minds and focus.

My favourite time of day at work is always when new books arrive from the printers and a copy is delivered to my office. I always stop whatever I'm doing to pick it up and spend a few precious minutes exploring and admiring it.

2 Valuing our people



With our strong positions in creative and technology businesses, Pearson is a company that is especially dependent on the skills and imagination of its people. **By hiring, nurturing and keeping the very best, we believe we can build a community of people with a common interest in achieving their own potential and supporting the development of the company.**

We have an array of programmes to foster this – more than 50% of our people are shareholders in Pearson through participating in our employee share plans. We have a Group level health and safety policy, with numerous awareness days and other good practice examples across our offices, and we offer a variety of programmes to enable people to find a balance between their personal and professional lives. We also know the best ideas often come from our own people, so each operating company continues to ask its people for ideas, suggestions and constructive criticism to improve the way we work. We want to be the best possible company to work for and we endeavour to provide salaries, benefits, incentive plans and opportunities that rival those offered by our competitors.

Building our community

We aim to attract, take on and promote the most talented people who're right for the job, irrespective of race, gender, age, physical ability, religion or belief, sexual orientation, marital/civil partnership status or any other criteria not specifically related to relevant aptitudes, potential, skills and abilities. Increasing our diversity is a business imperative – we believe that as an international company, a workforce where differences are valued and respected is vital to our future, and we want minds and imaginations from as broad a base as possible right across company. We know that maintaining excellent channels of communication is central to making all those voices heard, contributing in turn to the motivation, the pride and the sense of ownership people feel about their role at Pearson. It is also crucial for pulling the best potential people in and encouraging them to stay with us, so we continue to encourage our people to interact across departments and businesses using informal social networks as well as providing formal intranets, regular newsletters and annual

Fast fact: Love & Tate Skills Match

The FT takes part in the Love & Tate Skills Match programme in London, giving young people from in and around the economically diverse borough of Tower Hamlets new skills and valuable work experience: this has led to several individuals later being hired in roles across Pearson.

large presentations from senior managers to staff around the world. We want to reflect the societies in which we operate: we don't set specific targets, but our continued goal is to have diversity at the heart of everything we do, and to be the best in our industry for diversity. We have dedicated Diversity and Inclusion Teams and Councils in both the US and the UK, a senior member of staff at each Pearson company who acts as a Diversity Champion, and a widely publicised set of initiatives communicated on internal intranets and through the Diversity and Inclusion website⁸.



Watch our **'Why choose Pearson?'** video to hear a cross-section of staff at Pearson talk about what initially attracted them to Pearson, and what keeps them excited about their work.



⁸ See Pearson's [Diversity website](#).

Valuing our people continued

Building our community [Snapshots from 2009](#)

Getting into Publishing, Penguin UK's annual open day for students and recent graduates was held by the Diversity and Inclusion team in November 2009 at Pearson's London headquarters. Now in its sixth year, the day featured presentations from departments across Penguin and networking opportunities with Penguin staff for the 70 attending students. The video of the 2008 event is featured on YouTube. [▶](#)

Social media ⓘ

Our businesses can talk to each other, our customers and other external stakeholders more than ever before, with most parts of our business using several social media platforms. We are turning increasingly to such social media platforms, both internal and external, to increase the efficiency of our communications across the company and to engage customers in the design and development of our products.



The segment of our workforce from a **minority ethnic background** has increased every year to over 14% in 2008, up from 9% five years ago. In the US, that segment has grown from 15.7% in 2005 to 19.9% in 2008, with a 2% increase in minority managers, to 12% of the team. UK managers of minority backgrounds represent 11% of the team.

FTSE100 Executive Women Award ⓘ In 2009 Pearson landed this award from Opportunity Now, the foremost UK benchmark for gender equality, diversity and inclusion. This index is published annually by Cranfield International Centre for Women Leaders at Cranfield School of Management.

Pearson Rainbow Network

The Pearson Rainbow Network (UK) took part in London's Pride Festival for the first time in July 2009, celebrating lesbian, gay, bisexual and transgender culture in the city. The network, supported by the Diversity and Inclusion team, aims to support LGBT staff and raise awareness of relevant issues.



The Helen Fraser Fellowship ⓘ In December 2009, Penguin UK announced the launch of this fellowship to honour the work that Helen Fraser, the recently retired Managing Director of Penguin Books UK, had done to champion diversity within the company. The Fellowship aims to identify, encourage and train editorial talent within Britain's black and minority ethnic communities.

Global Equity Organization Judges' Award

Following the 2008 launch of our WorldWide Save for Shares plan in 63 countries and our innovative ShareStore, July 2009 saw us win a Global Equity Organization Judges' Award for our longstanding commitment to international employee share ownership. Judges were impressed by the extensive two-way communications platform Pearson established, and the fact that feedback provided by plan participants was used to tailor our programmes for greater success. Modelled on the UK Save As You Earn scheme, we have offered Save For Shares to our UK people since the 1980s and to our international staff since 1998.



Share *in* Pearson

Valuing our people continued

Balancing life and work

We feel that people are most effective at work when they have the flexibility, tools and resources to manage their personal lives. We work hard to keep our people fulfilled in their roles, giving them opportunities to increase their skills, to take on international projects and move between businesses, and to balance their professional and personal lives. We follow a set of global principles to guide how we reward our people that go beyond the issue of salary. These principles include providing compelling health, welfare and retirement benefits for all our staff to help them make the right choices for themselves and their families, providing locally competitive pay that recognises the relevant recruitment market, business sector and geographic region; using incentives to drive performance; and recognising the contribution of all our people. Each of our people has unique needs and we offer a variety of programmes and initiatives to complement these. Examples include flexible work arrangements, telework assignments, employee assistance programmes, back-up care for children and adult dependants, personal planning advice for elder care, sabbaticals, summer hours and convenience services. We know that our people are more likely to stay with our company if their role can evolve alongside any changes in their personal circumstances, and we will go out of our way to protect our most important assets.

Balancing life and work [Snapshots from 2009](#)

100 Best Companies for Working Mothers

Pearson was included in the 100 Best Companies for Working Mothers list for the ninth time in ten years in 2009. This annual programme assesses companies on workforce profile, benefits, women's issues and advancement, child care, flexible work, parental leave and company culture: Pearson was commended for flexibility, our comprehensive resource and referral programme, and our Backup Care Connection programme, which covers dependent adults as well as children.

**WORKING
MOTHER**

Focus on: **Health and well-being**

Our People departments have focused particularly on the health and well-being of Pearson people this year, with several businesses highlighting Pearson-subsidised promotions and opportunities available to staff. **We encourage our people to stay fit, eat well and balance their professional and personal lives.**

Pearson Benefits ① in the US sponsored National Employee Health and Fitness Day in May 2009. All US facilities with 50 or more people participated in onsite biometric screenings. The results were available immediately and over 2,300 staff had an opportunity to participate and discuss their numbers with onsite nurse educators.

WeightWatchers ① At Pearson in the UK, additional benefits will be in place for 2010 including a WeightWatchers programme in the workplace, health assessments and two online health management programmes to help anyone seeking to reduce high blood pressure, combat raised cholesterol or manage their health more effectively. 600 staff in the US already take part in our WeightWatchers at work programme.



Penguin UK's Learning and Development team ran dedicated work-life balance **workshops** as part of their training and workshop schedule. Penguin Australia included a 'Personal Effectiveness' workshop in its Training and Development suite, designed to increase effectiveness in all aspects of life – personal and professional.

Valuing our people continued

Balancing life and work [Snapshots from 2009](#)

Morning/lunchtime walking

At Pearson Southern Africa, the newly formed Health and Wellness committee instigated a morning/lunchtime walking programme with the aim of encouraging a daily or weekly outside walk nearby the office for a variety of routes and distances to suit all.



Penguin UK has invested significant resources in **creating an ergonomic, attractive workspace for our people**, including sharing of river views, break out and common spaces, to produce a layout and furniture that is fit for purpose (including customising where appropriate). We also have controllable heating and lighting, surrounding aesthetics such as artwork and plants, regular upgrades of IT kit.

Developing our talent

The people we hire are passionate about education, journalism and publishing, and they tend to have ambition and aspirations to progress through or across the businesses. We have a lot of talented people at every level of our company and we strive to identify, nurture and promote them in a number of ways. We encourage people to have regular career discussions with their manager, we conduct annual performance reviews, we support internal and external training opportunities, and we promote mentoring, in addition to our own cross-Pearson initiatives to prepare future leaders and keep the current senior team fresh and switched on. In total, we ran 589 personal days of leadership development in 2009. Our talent management programme highlights where it may be beneficial to move people because of their job or skills, and we have the in-house expertise to help the transition go as smoothly as possible. Of our senior management group, over 20% have experience in at least two Pearson operating companies.

Developing our talent [Snapshots from 2009](#)

Penguin scholarship ⓘ Penguin UK chose the School of Printing and Publishing and the London College of Communication (LCC) to provide our very first publishing bursary. Awarded for the academic year 2009-10, the bursary was for £3,000 and given on a competitive basis to a student on the Book and Journal pathway of the MA in Publishing course at LCC.

We launched our **Emerging Leaders Programme** in 2009, bringing together people from different businesses within one region to address organisational and team challenges. 72 Pearson people completed this programme in London, New York, Hong Kong and Minnesota.

Valuing our people continued

Design training for new DK staff in Delhi

In the UK, a mixture of 12 Dorling Kindersley design and editorial managers are either already running or booked to run full time training courses for new staff in Delhi. These courses will run for between two to four months. In 2010, more junior designers and editors will be going out to do 'on the job' training for four to eight weeks each.



Forum Our annual Forum brought together 120 of our most high potential managers from all over the world for a three-day session with the Pearson Management Committee and other senior managers.

Penguin Group International determined what topics staff were most interested in and set up **Brown Bag/Lunch and Learn sessions** – covering areas such as eBooks, online sales and marketing strategies and women in publishing – with attendance for these sessions hitting an all-time high.

A few words from:

Francine Rosado-Cruz



“At Pearson, we believe that our success comes from the inclusion of viewpoints as different as the audience we serve.”

Diversity & Inclusion Manager, Pearson inc.

I joined Pearson as Penguin Group (USA)'s diversity manager in April 2004, so I've been fortunate to be able to work across our diverse businesses. I've partnered with colleagues at Pearson Education North America and the Financial Times, as well as with Pearson people around the world.

What struck me initially and still impresses me today is that no matter where you work across the globe, Pearson's values of being brave, imaginative and decent prevail in both the work we do and our corporate culture.

At Pearson, we believe that our success comes from the inclusion of viewpoints as different as the audience we serve. We encourage everyone to bring their very best skills to work by supporting work/life integration and effectiveness, as well promoting the health and well-being of our people.

3 Sustainable business practice



We know that many of our stakeholders – young people, educators, business people and everyday citizens – are **passionate about sustainability**, as are many of the people that work at Pearson. We have been included in the FTSE4Good⁹ indices since their inception and place great importance on not compromising our standards of quality or causing harm to suppliers and their workers, wherever they may be in the world.

We are a founder signatory of the UN Global Compact⁹ – which sets out ten principles on labour standards, human rights, the environment and anti-corruption – and we have written to our key suppliers to advise them of our **commitments** to the Compact and our code of business conduct¹⁰. Our chief financial officer now has board responsibility for matters relating to corporate responsibility and chairs our Environmental Executive Committee to guide our **policy** and activity in this area. He chairs a corporate responsibility steering group comprised of colleagues around the business and the globe, to help keep our CR strategy in line with current and future overall business strategy.



Climate neutrality and beyond

Globally, Pearson emits about 200,000 metric tonnes of carbon dioxide each year, about 70% of which is produced by our businesses in US. In early 2007, we made a commitment to achieving climate neutrality for our existing businesses by the end of 2009. We have reached our target through a series of direct actions, including: reducing our emissions through investment in our buildings, communications and transport, and in encouraging our people to change their behaviour; renewable energy purchase and usage; and in the purchase of offset activity related to trees, the main raw material for our books and newspapers. We signed up to the **Copenhagen Communiqué** in 2009, pledging to continue reducing our environmental impact while lobbying governments to create an effective international climate framework.



In this year's global analysis of corporate sustainability leadership by investment company Sustainability Asset Management, Pearson was rated as the lead company of the Media supersector for the third year running as part of the Dow Jones Sustainability World Index. We were also classified as one of 100 Brand Emissions Leaders out of 600 brands surveyed by Environmental Data Services magazine, citing our ambitious carbon reduction targets and strong disclosure. We will post a detailed environmental review online in the Responsibility section of our corporate website later this year.



Fast fact: Pearson headquarters' recycling scheme

In 2009, the whole Pearson headquarters building at 80 Strand, including the floors used by our external tenants, turned to a more environmentally robust recycling scheme. All rubbish is now separated by using communal waste bins for paper, recyclable material, wet waste/non-recyclable material and organic waste. Composting bins are collected by a company called **Juniper**, which then produces compost for farmers in Kent, UK. This scheme is now in place throughout all Pearson buildings in the UK, with various composting companies.

⁹ See [Global Compact Network UK website](#) for further information

¹⁰ Cf. 'Product quality and impact', p6

Sustainable business practice continued

Climate neutrality and beyond [Snapshots from 2009](#)

As part of our commitment to environmental responsibility, we were successfully accredited to **ISO 14001**¹¹ – an environmental management system that enables us to address the delicate balance between maintaining our profitability and minimising our environmental impact – for all operating businesses in the UK, and our businesses in Australia aim to achieve this certification in 2010.

Our **global server virtualisation** project launched in 2006, covering the FT, Pearson Australia, Pearson Shared Services UK and our education business has now reduced our carbon footprint by approximately 7,000 metric tonnes of CO₂, up from over 3,500 metric tonnes in 2008.

At Old Tappan, New Jersey – our first **onsite renewable energy** project for Pearson worldwide – the installation of solar panels is expected to reduce our electricity used at Old Tappan by 295,000 kWh each year, the equivalent of planting about 125,000 trees over the 25-year life of the panels. We are currently assessing other renewable energy projects for other locations in the US.

Our Green Fund sponsored the installation of 11 high-definition **video-conferencing systems** throughout North America in 2009 and we aim to keep expanding our international use of video-conferencing; we are currently undertaking a network feasibility study and cost analysis for Hong Kong and Spain, and various Pearson Southern Africa companies are trialling meetings via telecom, video-conferencing, WebEx, Skype and Yuuguu to establish the most suitable platforms for use.

Developing our emerging markets

By sharing best practice across Pearson, we can be more effective in our actions as a good corporate citizen in our developing markets. The continuing growth and consolidation of our businesses in India, Africa, Latin America and Asia offers a unique opportunity to implement the internal infrastructure and external relationships inherent to a healthy business relationship with the local community. Penguin India, for example, is forming an association with other companies in the community in Panchsheel to lobby government bodies to resolve issues such as poor parking facilities, faulty drainage and generators adding to the pollution and health and safety concerns in the area. The formation of Pearson Southern Africa – bringing together our education businesses in the region – means our company is now active in 12 developing countries in the area and employs, trains and develops local staff in each. By underpinning our educational and commercial imperative with respect for the African environment, we can use our position as market leader to promote education in local cultures and languages to maintain a sustainable, socially responsible business.

Developing our emerging markets

[Snapshots from 2009](#)

Pearson Professional Development Program

The Pearson Professional Development Program, launched in 2008, has produced a three-pronged program of teacher training in best practice, focusing on literacy, numeracy, early childhood development and technology in 2009. This partnership between Pearson Southern Africa and the Pearson Foundation has resulted in 'how-to' videos to enable teachers in South Africa, Kenya and Nigeria to facilitate their own professional development initiatives in their schools for colleagues.



¹¹ See the [International Organisation for Standardisation website](#) for further information

Sustainable business practice continued

Penguin India has taken a number of **freight initiatives** which have saved a significant amount of fuel expenditure, increasing the number of books printed in India on behalf of Penguin UK, Penguin USA, Sterling and Bloomsbury to avoid the carbon emissions from moving 95 tonnes of books from the UK/USA to India.

Ladybird is working with Pearson's New and Emerging Technologies team on the trial of a **mobile phone initiative**. Paired with **Mobile Xcetera** ①, Ladybird is exploring how to deliver material digitally via mobile devices, seeking to use the **Key Words Reading Scheme** ① to deliver content to mobile users in Nigeria, especially schoolchildren aged 5+ learning English. Twelve schools in Lagos were involved in the initial trial in 2009, and the initiative will be launched across the rest of the country from 2010.

The shift to digital

Our continued investment in digital products and services businesses is part of Pearson's strategy for making our content more useful, personal and valuable to the people who buy it, and we have seen a considerable rise in demand in this area. In 2009, digital products and services accounted for £1.7bn in revenues – close to one-third of Pearson's total sales and more than double the total five years ago. These products and services have a different climate footprint from our print-based products; as our digital output becomes an even more significant part of our business, this will have an impact on reducing our use of our traditional raw materials such as paper, water and the energy involved in storing paper products. Our MyLab digital learning, homework and assessment programmes were used internationally by more than 470,000 students last year, up almost 60% on 2008, and are now sold in more than 200 countries worldwide. Unique visitors to **Poptropica** ① shot up more than 100% in 2009 to make it one of the largest virtual worlds for young children in the US. Digital products and services accounted for 73% of FT Group revenues, up from 28% in 2000, while Penguin sold four times more eBooks in 2009 than the previous year, with 14,000 titles now available to our customers. As we consider the future development of our businesses, we do so aware of the need to give our audience the choice to



access products and services however they wish to, wherever they are – whether that is a printed newspaper on a subway train, a digital book on a remote beach or a blended print and online learning system in a classroom. We are funding research into the impact that digital technology can have on learning for young children and finding more ways for people to work and learn remotely.

The shift to digital Snapshots from 2009

Personalized learning ① We published one of four issue papers on key learning topics, Personalized Learning: The Nexus of 21st Century Learning and Educational Technologies, to set out the advantages of personalised learning when coupled with the power of technology.

Following Penguin India's 2008 **partnership with Mobifusion Inc** – a global developer, publisher and distributor of mobile technologies and value-added services – a wide range of content from Penguin's books has been made available in 2009 to mobile customers in India through SMS subscription services. The partnership is initially focused on the Indian consumer base, but will expand to include Penguin's global brand in due course.

FT iPhone app ①

This new, free application has already received more than 200,000 downloads and follows the same access model as FT.com. First time users get three free articles per month as well as unrestricted access to the markets data sections and currency converter. Registered users can view ten free articles per month, have access to their FT.com portfolio and have unrestricted access to markets data and the currency converter. Standard and premium subscribers have unlimited access to news, access to their FT.com portfolio and full access to the markets data and currency converter sections; premium subscribers have the additional bonus of access to Lex content.



Sustainable business practice continued

FT Press launched a new e-publishing imprint, **FTPress Delivers** ⓘ, providing essentials, short insights and full books from some of its leading business authors.

Penguin UK iPhone app ⓘ

Penguin UK geared up to produce its first ever iPhone app at the beginning of January 2010, developed and marketed in-house by our people. Paul Hoffman's *The Left Hand of God* hit the top stop in the iTunes 'free books apps' chart within its first week after being downloaded by over 10,000 users in just five days.



PearsonContinuity.com ⓘ We launched this website to offer print and online resources for students, parents and teachers to continue education if schools had to be closed due to a virus outbreak or some other crisis. Solutions available on the site include Pearson's data management systems, digital and print-based educational content, plus additional teacher, parent and student support resources.

A few words from:

Fathima Dada



CEO, Pearson Southern Africa

“Our approach to business is always developmental: we have local staff, offices and infrastructure in all of our markets and regions and invest in their improvement.”

We publish in over 50 languages in Africa, ensuring that children have the opportunity to learn in their mother tongues. In almost all schools across the regions in which we work, one in two books on every desk is a Pearson book.

Our approach to business is always developmental: we have local staff, offices and infrastructure in all of our markets and regions and invest in their improvement. We have partnered with the Angolan government to ensure that their six indigenous languages are saved from extinction and that Angolan children can read stories in their own languages for the first time. We run thousands of support and training workshops for teachers every year through our businesses in 11 countries from South Africa to Kenya.

We really do believe that we should put something back into the communities in which we work. The Maskew Miller Longman and Pearson Foundations have over the past two years achieved incredible wins in education development work in marginalised and poor communities: we've run gender workshops for 400 girls, digital arts programmes for 600 secondary school students, school interventions and improvement programmes for 16 of the poorest schools in rural areas, sponsored three masters education students in partnership with local universities, and exposed 240 families to shared-reading methodologies at our family book nights.

Sustainable business practice continued

Focus on: Integrated learning platforms

We've been focused on finding new ways of giving students access to our products in response to the growing demand for hybrid ① and online learning solutions. By joining our services together, we are able to offer educators and students a more personalised and efficient way of teaching and learning. Our research shows that these integrated learning platforms deliver tangible improvements for learners and the rapid uptake of these services speaks to their effectiveness: demand for MyLabs and Mastering online learning programmes surpassed six million student registrations in 2009, a 40% increase over 2008.

MyMobi ① Pearson Education South Africa has created an online product to accompany their Focus Study Guides. Pre-recorded video tutorials by experienced teachers and self-marking, multiple-choice assessments in 12 different subjects can be downloaded using a computer, mobile phone or any internet-enabled mobile device.

MyMathLab ① In the US, Cleveland State Community College's Math Department redesigned its developmental course to focus on personalised learning and instruction, using only MyMathLab to administer online homework and testing. Following the redesign, student results soared; 47% more students passed their developmental maths courses prepared to progress to college-level maths; 81% of those students completed college-level maths courses, compared to 70% of other students; and teachers saw a 31% increase in course completion rates.

Platinum series Active Teach and Active Learn is a blended-publishing product from Platinum – the first printed and online course developed for the South African National Curriculum – using a platform adapted for the South African market from Pearson UK. This will be available in Mathematics and three other subjects in 2010.

The TV Teach product, recently available for English (First Additional Language), is aimed at teachers in school without access to interactive whiteboards, data projects and computers. This product allows teachers to rely solely on print components enhanced by a DVD and audio recordings to improve the classroom learning experience.

eCollege ① Pearson North America's platform for fully-online distance learning in higher education, increased online enrolments by 36%, with take-up particularly strong by not-for-profit colleges in the US. By combining the existing platforms of eCollege and the newly acquired Fronter, we produced **Pearson LearningStudio ①**, a full personalised learning environment.




4 Active citizenship



Pearson people are active citizens of any community we operate in, and keen partners of other organisations also wishing to engage in activity to promote access to education and literacy. **Across the company, we focus our charitable giving and activities on improving teacher quality and education leadership, and in support of literacy and youth engagement projects around the world.**

We get involved not only through the products and services each of our businesses provide, but also through our charitable arm, the Pearson Foundation. In 2009, Pearson's charitable giving totalled £10.5m through the Foundation and our businesses (2008: £7.7m). Many of our businesses work regularly with local partners, forging good links with the neighbourhood to achieve common goals. We also provide in-kind support such as books, advertising space and publishing expertise, as well as opportunities for staff to support their personal choice of charities through payroll giving schemes. Pearson people have proved to be fiercely devoted to volunteering their time and skills for free, and we support their efforts wherever we can through matched fundraising and volunteer programmes that encourage our people to give their time to community initiatives during the working day.

The Pearson Foundation

Founded in 2004, our [Foundation](#)  has continued to go from strength to strength in seeking out partners, creating new initiatives and touching the lives of thousands of young people, families and educators the world over. It allows us to promote literacy, learning, and great teaching internationally, bringing together other leading businesses, not-for-profit organisations and experts to share good practice, to foster innovation and try to find workable solutions to the educational disadvantage facing millions of young people and adults across the globe. Our US literacy campaign, Jumpstart's Read for the Record¹² continued to expand in 2009; Pearson people again helped set a new world record for the largest 'shared reading experience' with over 2 million participants registered across the world to read the official campaign book, Eric Carle's *The Very Hungry Caterpillar*. In conjunction with this year's campaign, we also commissioned the first Pearson Foundation Early Childhood Education Perception poll¹³, exploring Americans' perceptions surrounding the reading inequality gap that exists between children in low-income homes and their more affluent peers. We found that far too few Americans understand how essential early childhood literacy skills are to a life of sustained learning and success. Although the Foundation is based in the US, we support projects on every continent and work with colleagues at Pearson and elsewhere to research



October 8, 2009

IN PARTNERSHIP WITH



Fast fact: Penguin Group staff fundraising

Penguin Group UK staff raised more than £66,000 in 2009 (not including company matched funds), benefiting charitable groups for health (£21,000), social welfare (£15,000), education (£4,300), the arts and emergency relief. Penguin Group International staff raised more than \$122,000 (US) in 2009 (not including company matched funds).

¹² See [Read for the Record video](#)

¹³ Read the full poll results [here](#)

Active citizenship continued

and address the many issues facing the future of education, including the 72 million children who do not currently go to school at all.

The Pearson Foundation Snapshots from 2009

What we do


We produced this short summary video in 2009 to give our people a clear overview of the breadth of work undertaken by the charitable arm of Pearson.



Mobile Learning Institute Leadership Summits

Alongside Nokia, we launched new Mobile Learning Institute Leadership Summits to introduce local education leaders to innovative learning approaches that are being made possible by the latest mobile and digital technologies. In 2009, these intensive workshops took place in Cape Town, Chicago, Dar Es Salaam, Los Angeles, Mexico City, Nairobi, New York City and San Francisco.




PeaceJam: Global Call to Action  Following the 2008 launch of this challenge, a student-designed recycling project that reduced waste by 70% and energy consumption by 14% at Ponderosa High School in Colorado, US, has been named as the first winner. In recognition of their efforts, the student body received a congratulatory visit from Nobel Peace Prize winner Rigoberta Menchú Tum.

Together with the non-profit youth voter registration organisation Declare Yourself, we launched the **Pearson Foundation Declaration of Independence Tour**. Until early 2010, one of the few remaining copies of the original Declaration of Independence will be the centrepiece of civic celebrations that bring history to young people and communities in six US states: Arizona, California, Florida, Illinois, New Jersey and Texas.

Focus on: Developing the Pearson Prize

The US Pearson Student Advisory Board (PSAB) 2008 came up with an idea to enable Pearson to **give back to the communities of our student customers** – the Pearson Student Activity Fund. We piloted the fund at two universities, allocating \$2,000 per school so that student organisations could apply to receive a grant of up to \$500, before opening up the fund to 11 universities during the 2008-09 academic year. Applications were primarily submitted by students with strong social entrepreneurship. When the new cadre of the PSAB joined in 2009, the Pearson Foundation wanted to establish how we could publicly recognise students who were the driving forces of social entrepreneurship in their community. We suspended the Pearson Student Activity fund and enlisted the help of the Foundation to work with PSAB to start working on the Pearson Prize for Higher Education.

The Pearson Prize will start in 2010 as a two-year award to support up to 70 students already at university and making a difference through community service. Twenty Pearson Prize Scholars will receive \$10,000, paid over two years, while Pearson Prize Grantees will receive \$500, awarded in a single year. We will use a social media platform – the Pearson Foundation Youth Voices initiative – to connect prize recipients with other past and current Pearson Prize winners for a support network, and to inspire other young people. The official launch from the Foundation and **Pearson Students**  will take place in 2010.



Active citizenship continued

Pearson International Education Summit ①

More than 40 international education leaders gathered for the second summit in Helsinki, Finland, to focus on teacher quality and to learn from Finland's successes.



We continued our sponsorship of the **Citi-FT Financial Education Summit**¹⁴, an annual financial education conference presented by the Pearson Foundation, the FT and the Citi Foundation. The 2009 summit in Singapore gave international representatives from NGOs, businesses and civic organisations another opportunity to share best practices and explore ways in which financial literacy plays a critical role in promoting sustainable economic development around the world.

Jumpstart's Read for the Record Campaign ▶

This year's campaign raised more than \$1.5m to support Jumpstart's early education programmes in low-income communities and raise national awareness on the early education crisis.



Pearson people power

Our staff are passionate about volunteering, with many taking part in the organised reading schemes and other community programmes we offer at company level, in partnership with local organisations. This year, more than 200 Pearson UK people volunteered in schools local to our offices, reading with primary schoolchildren once a week as part of a Booktime reading scheme. In 2008/09, our Booktime volunteers gave over 4,000 hours of their time to help children enjoy reading. We held our annual Pearson Community Awards under the chairmanship of our new director for people, Robin Baliszewski, and learned of the hundreds of people across our company taking on incredible charitable endeavours in their spare time. The variety of activities included running winter clothes drives for the homeless, delivering emergency veterinary care for abandoned animals, performing as a clown in public hospitals and teaching at a community project for young refugees and migrants. We celebrated seven of those volunteers by making a donation of \$2,000 to their chosen charity and giving certificates of Special Commendation to three other volunteer groups.

Pearson people power Snapshots from 2009

Pearson Community Awards ▶

To raise internal awareness and recognition of those giving up their time to help others, we filmed the 2008 Pearson Community Award winner and will do the same for the 2009 winners in the coming months.



¹⁴ See the summit's agenda [here](#)

Active citizenship continued

Pearson Australia Group staff raised over \$44,000(AUD) for the **Black Saturday Bushfire Appeal**, which PAG then matched, resulting in over \$88,000 going to help those whose lives and livelihoods had been most affected by the disaster.

Helping Read for the Record ⓘ Pearson staff across North America were once again heavily involved in the success of the Read for the Record campaign, with over 1,500 people in more than 50 offices doing their bit to read with children.

Green Teams of volunteers are continuing to grow in size, structure and activity at various Pearson offices in India, the US, Australia, the UK and now South Africa. Several teams have also named specific Green Champions within their areas, tasking colleagues to help each other understand the small steps they can take to make a big difference to reducing the environmental impact of their department or building.

Room to Read ⓘ

Staff at the FT chose Room to Read as the charity for this year's seasonal appeal, featuring a series of articles online, in the newspaper and weekend magazine for almost two months. This raised £2.7m to support the charity in its work with local communities in the developing world to provide schools, libraries and educational scholarships for girls.



Staff at Pearson Education Asia Pacific (Hong Kong) staged a **charity show** at the end of year staff party in 2009, raising over \$1,000(US) for the Hong Kong Red Cross, Oxfam Hong Kong, The Community Chest, The Salvation Army, UNICEF and World Vision.

Corporate engagement

Centrally, we renewed Pearson's membership of the Media CSR Forum¹⁵, the Corporate Responsibility Group and Business in the Community, formed new partnerships with Justmeans¹⁶ and funded our annual corporate Christmas card through the UK charity **Crisis** ⓘ, donating £20,000 to support the homeless. In partnership with UK charity **Booktrust** ⓘ and the Department for Children, Schools and Families, Pearson gave out over 750,000 free Booktime¹⁷ book packs to every child starting school in England, Scotland and Northern Ireland this year, each containing Ed Vere's *Mr Big*. Children in England also received the *Booktime Book of Fantastic First Poems*, edited by June Crebbin. We continued our support of Book Aid International's East Africa Reading Tents Project, helping to send nearly 17,000 books for 36 tents in Uganda, Tanzania and Kenya, in which 7,326 children and 1,208 adults – including 552 teachers – participated. Each of the three business groups that constitute Pearson receive a charity budget from Pearson plc, which is usually also supplemented from their own coffers and substantial levels of staff fundraising.



¹⁵ See [Media CSR Forum website](#)

¹⁶ See [Justmeans website](#)

¹⁷ Booktime was launched by Pearson in association with independent charity Booktrust, to promote the pleasure of reading and encourage parents and carers to read aloud with their children.

Active citizenship continued

Corporate engagement Snapshots from 2009

Media Literacy Campaign ①

As a member of the Media CSR Forum, Pearson submitted case studies from the FT and Penguin on how we work with our audience and use internal procedures to ensure credible information. The launch of the campaign will be held in March 2010.



FT Rainforest

The *Financial Times* joined forces with the Pearson Foundation and Children's Tropical Forests UK (CTF) to invest in and raise funds for the purchase and protection of a substantial area of primary tropical rainforest in Guanacaste, Costa Rica. Together with CTF, we will be calling upon our readers and others to help us raise funds to expand the FT Rainforest to a target area of 100 hectares, the equivalent of 161 football pitches or 60,000 trees, protecting 30,000 metric tonnes of carbon and 130 indigenous species of plants, birds, animals and insects in perpetuity.



Ladybird's Reading Dads' Campaign ①

Ladybird invited dads to upload footage of themselves reading aloud to their children as part of a Reading Idols competition to raise awareness as to the importance of fathers getting involved in reading at home.



Building on the success of last year's UK event, the Penguin Group staged its first global **Penguin Walk**, involving over 1,000 staff members around the world to raise funds for the UN Environmental Programme's 'Plant a Billion Trees' campaign and develop our 96-acre Penguin Wood in the UK. The walkers raised over £56,000, enabling just over 55,000 trees to be planted across the world.

Active citizenship continued

Unicorn Theatre ⓘ The FT has supported the Unicorn Theatre, Britain's flagship children's theatre in London for a number of years. The theatre hosts Unicorn Access performances, pioneering ways of making theatre accessible to children with sensory impairments and profound multiple learning difficulties.

Family Book Night ⓘ

The Pearson Foundation Family Book Night programme has been introduced by Maskew Miller Longman and Longman in Southern Africa, helping to bring families together to show the importance of reading at home.



A few words from:

Tom Glover



“We take appropriate responsibility for the impact of all our business activities, whether locally or globally.”

Acting Global Director for Communications, FT Group

The FT has a role in raising global awareness of important social and environmental issues to society at large, but also in engaging with our staff, customers and broader stakeholders and partners to ensure that we take appropriate responsibility for the impact of all our business activities, whether locally or globally.

Some highlights from 2009 include FT staff selecting Room to Read as our seasonal appeal partner and the raising of a record \$4.3m through FT reader and corporate matching donations. This sum was sufficient to provide access to quality educational programmes for more than 173,000 children in the developing world, based on its average cost of \$25 for reaching a child.

We have also joined forces with the Pearson Foundation and Children's Tropical Forests UK to invest in and raise funds for the purchase and protection of a substantial area of primary tropical rainforest in Costa Rica.

Progress and plans

1 Product quality and impact



Target 2009

Continue and expand the Pearson Foundation/Council of Chief State School Officers (CCSSO) Educational Summit to include a focus on teacher quality and training, one of the key learnings of the Singapore convening.



Progress

Achieved. In September 2009, CCSSO and the Pearson Foundation welcomed more than 40 international education leaders to the second annual Pearson Foundation/CCSSO International Conference on Education in Helsinki, Finland. The aim was for the international delegation to learn from Finland's own success in preparing its K-12 and university educators to meet the demands of an increasingly inter-connected and technologically advanced workforce.

Plan 2010

Continue the summit at an event in London in 2010 to include a focus on ICT in education, a key concern for educators in the classroom and for administrators hoping to improve academic systems, assessments and reporting.

Extend the Pearson Professional Development Program for African educators to involve education leaders in a cross-country dialogue addressing key education needs and solutions.

Achieved. This programme has now run for the second year, spearheaded by the Pearson Foundation and Pearson Southern Africa teams. The 2009 programme included training teachers in Literacy and Numeracy, ECD and Technology in Botswana, South Africa, Zambia, Namibia and Tanzania.

Continue to provide professional development for educators and administrators in Southern Africa and to integrate this programming with educational programming that is based on the Bridgeit model first introduced in Tanzania in 2009.

2 Valuing our people



Target 2009

Focus our international moves to develop our rising stars and create assignments that even more closely match our corporate priorities.

Ongoing. The NewDirections team has now aligned the initiative with our annual talent review process and worked hard to create greater synergy between NewDirections placements and the business needs of Pearson in each of the regions.

Plan 2010

Continue to develop our emerging leaders through international experience and support Pearson's needs in our developing markets.

Show evidence of progress in retention of people with diverse backgrounds for both entry level and management positions by tracking the success of women, people from minority ethnic backgrounds and those with a disability within Pearson.

Achieved. We have maintained the segment of our UK workforce from a minority ethnic background (14%) and minority representation in the US workforce now stands at 20.6%, up from 19.9% in 2008. Minority managers still make up 12% of the US management team. About 60% of Pearson UK staff are female (compared with 51% of the UK population) and 62% of Pearson UK's managers are female. Pearson wide, 27% of Pearson top 100 managers are female.

Continue to show evidence of progress in retention of people with diverse backgrounds for both entry level and management positions by tracking the success of women, people from minority ethnic backgrounds and those with a disability within Pearson.

Develop more programmes and relationships to attract talented people from the above groups into our business.

Continue to develop programmes and relationships to attract talented people from the above groups into our business.

- Target ongoing
- Target achieved
- New target for 2010

In the UK, Pearson was awarded Gold Standard in the 2009 Race for Opportunity Benchmarking survey on race equality in UK organisations, and our UK diversity summer internship programme was shortlisted for the Race for Opportunity Widening the Talent Pool Award for work to increase the diversity of our workforce.



Progress and plans continued

2 Valuing our people continued



Target 2009

Increase our capacity to combine training opportunities for our staff with opportunities to partner with schools, colleges and not-for-profits.



Progress

Ongoing. Edexcel staff in London have partnered with a nearby school to provide career coaching and mentoring to students. Students in the UK now benefit from a Pearson Student Advisory Board, mirroring the established PSAB in the US to provide student feedback and input to Pearson, while offering mentoring and internship opportunities to talented students.

Plan 2010

Continue to develop our capacity to combine training opportunities for our staff with opportunities to partner with schools, colleges and not-for-profits.



3 Sustainable business practice



Continue to expand our network of environmental teams across our businesses. Directly involving many more of our people.



Ongoing. Our Green Teams are now flourishing in Pearson facilities across the UK, the US, Canada, Australia, India and Southern Africa.

Continue to expand and consolidate our network of environmental teams across our businesses.

Hold training refresher seminars with key Pearson production departments on labour standards and environmental issues.



Achieved. We are working with relevant production staff at the Financial Times to review processes and environmental concerns.

Continue the process of becoming a climate neutral company



Achieved. Pearson reached climate neutrality at the end of 2009 following a two-year programme of investment and offset activity.

Having completed our 2007 commitment, we are considering our next steps and will communicate our longer term environmental commitment later this year.

Programmes of activity include:

Extend Planet Pearson, a new website designed by Pearson staff in the US, to be available internationally.

Highlights include:

International roll-out of Planet Pearson is ongoing, but the site is now available to staff in Canada and at many locations in the US.

Programmes of activity will include:

Further development of the Planet Pearson website by Pearson staff.

Continue programme to ensure our key buildings are energy efficient.

Carried out substantial investment in server virtualisation across US, Australia and the UK. Completed the ISO 14001 environmental management system for businesses in the UK.

Continuation of our programme to make our key buildings energy efficient.

FT newspaper to assess feasibility of setting up its own offset programme.

FT newspaper successfully set up its own offset programme by developing the FT Rainforest in Costa Rica.

Completing the ISO 14001 environmental management system for our business in Australia.

Purchase 'green' energy where available and affordable.

Shifting to purchase green electricity wherever possible in the UK and US, equivalent to 100,000 metric tonnes of CO₂.

Generating renewable electricity via the solar panels on the roof of our Old Tappan site in New Jersey, US.

Continue to work with industry partners to establish a methodology to assess the carbon footprint of a book.



Ongoing. Penguin UK has now measured the carbon footprint of a medium size paperback book, and this is in progress at Pearson Education.



Continue to work with industry partners to establish a methodology to assess the carbon footprint of a textbook.

Progress and plans continued

3 Sustainable business practice continued

Target 2009	Progress	Plan 2010
Maintain our position in the key indices of social responsibility.	<p>✓ Achieved. Pearson retained its position as Global Leader for the Media Sector in the Dow Jones Sustainability Indices and its Platinum rating in the Business in the Community Responsibility Index.</p>	<p>Maintain our position in the key indices of social responsibility.</p>
		<p>★ New target Establish a total carbon footprint identification initiative for our company.</p> <p>★ New target Establish FSC chain of custody certification for our paper use in our North American businesses.</p>

4 Active citizenship

Target 2009	Progress	Plan 2010
<p>Increase the number of children reached through these campaigns, expanding Booktime once again and rolling out Jumpstart's Read for the Record programme internationally.</p> 	<p>✓ Achieved. Booktime: 750,000 book packs donated to children in schools across England, Scotland and Northern Ireland.</p> <p>Read for the Record: Pearson people around the world again helped set a new world record for the largest 'shared reading experience' for Jumpstart's 2009 campaign. Shared more than two million books and raised \$1.5m for Jumpstart's year-round operations, helping to draw national attention to the US early education crisis.</p>	<p>Increase the impact on children and adults reached through these campaigns, focusing Booktime funds more strategically and rolling out Jumpstart's Read for the Record programme further internationally.</p>
<p>Increase the number of interventions we make to facilitate constructive debate on key contemporary issues</p>	<p>✓ Achieved. The FT held its first conference on corporate responsibility and investing in March 2009 – the FT Sustainable Business and Responsible Investing Conference in New York. Plans are underway for a live panel debate at Pearson's London head office on the responsibility priorities for a 21st century media organisation, to be streamed in real-time via an interactive social media platform.</p>	<p>Increase the number of interventions we make to facilitate constructive debate on key contemporary issues</p> 
		<p>★ New target Launch the Pearson Prize in the US, identifying students currently in a two- or four-year college/university who are working on specific projects that support their institution and/or local communities, and providing a package of financial and in-kind support to help these students finish their college careers.</p>

- 🕒 Target ongoing
- ✓ Target achieved
- ★ New target for 2010