

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

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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** , Ladybird is exploring how to deliver material digitally via mobile devices, seeking to use the **Key Words Reading Scheme**  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**  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  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

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



“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.”

CEO, Pearson Southern Africa


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  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  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  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  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 **, a full personalised learning environment.

