



PEARSON PLC

Paper Purchasing Policy – Environmental Guidelines

Respect for the environment is a principle shared by Pearson and its operating companies. This statement sets out how Pearson implements this principle in the context of how we purchase paper for use in our books, magazines, newspapers and in our offices and other facilities.

This statement was first adopted in June 2004 as part of our response to the commitments we made as a founding signatory to the UN Global Compact. It was revised in April 2008 following consultation with interested parties.

Our operating businesses have responsibility for turning our standards into practice.

Our Approach:

Pearson is a media company that educates, entertains and informs. Our primary aim is to publish our products in ways that suit our customers helping make the ideas and stories that form our content both useful and special.

As part of this aim, Pearson has invested in newer technologies to complement our traditional paper based products. We expect “paperless” methods of publishing to continue to grow.

We also expect that paper will continue as the basic material on which our business will depend. Our Environmental Policy commits us to improve our understanding of the impact our day-to-day operations have on the world around us, and to a responsibility to manage and measure this impact.

Paper is manufactured from a natural resource and its use has been identified as a key area of environmental impact for the company. Paper is supplied to us directly by manufacturers, from paper merchants and through our printers.

We are concerned to ensure that we play a responsible role as a major purchaser of paper. This means communicating to our suppliers our position with regard to the responsible use of natural resources. In order to achieve this, we have developed the following policy standards for the purchase of paper used by our businesses:

Compliance

- We require our suppliers to comply with environmental laws and regulations applicable in their countries of operation.
- We expect paper mills to have an environmental management system such as ISO14001 in place.

Recycled Fibre

- Where practical, and viable, we favour using paper products that maximises recycled content.
- We commit to ensure that our paper suppliers understand our interest in the development of commercially viable new grades of book paper that include recycled fibres.

Certification and Forest Management

- We believe that forest certification plays an important role as a benchmark for well managed forests.
- We work with our suppliers to ensure that the paper we purchase comes from certified, well managed forests. We encourage and expect improvement and promote credible independent certification. We recognise the Forest Stewardship Council schemes (FSC) and the Programme

for the Endorsement of Forest Certification Schemes (PEFC) which are both global in scope. We also recognise the Sustainable Forestry Initiative (SFI) and the Canadian Standards Association scheme (CSA) which are only applicable in North America.

- Where this is available, affordable and appropriate to our product mix, our preference is to purchase paper from forests that carry Forest Stewardship Council (FSC) certification
- We reject illegal logging of old growth forests.
- We are committed to support the protection of high conservation value forests. In cases of dispute, we would consult stakeholders on an appropriate response and as a minimum would expect our suppliers to engage with the appropriate regulatory bodies and NGOs.

Climate Change and Other Environmental Issues

- Pearson has made a commitment to become climate neutral by the end of 2009 for those aspects of our operations under our direct control. While this commitment does not include the greenhouse gas emissions relating to the paper we purchase, we do give preference to suppliers that share our commitment to taking steps to reduce their greenhouse gas emissions.
- We give preference to processed and totally chlorine free papers.

Policy Implementation & Reporting

- Each of the operating companies has senior people responsible for managing the supply of their paper. A senior executive at Pearson has responsibility for ensuring that our environmental guidelines are followed by our businesses.
- We encourage our businesses to include a statement that reflects these commitments in our paper based products.
- We annually review the policies and performance of our suppliers against these standards and encourage improvement wherever possible.
- We set global targets to incrementally increase the use of recycled and certified fibres.
- Our standards for paper purchase, together with an annual report on our performance will be available through our website.

Pearson operations benefit globally from being a member of the WWF UK Forest and Trade Network. This membership helps us work with our suppliers to effectively meet our environmental responsibilities as a major paper purchaser. WWF UK provides us with an independent and credible source of information, practical advice and guidance on responsible paper sourcing issues.

If you have any questions on the environmental aspects of Pearson's paper purchasing guidelines, please contact:

Alan Miller
Pearson plc
80 Strand,
London
WC2R 0RL
Email: alan.miller@pearson.com
Telephone: 020 7010 2221

April 2008