



PEARSON

Live and Learn:
Our impact on society 2008

Welcome to Pearson's **Live and Learn: Our impact on society report for 2008**. We've updated the look and feel of our report this year to make it more comprehensive and more straightforward to navigate. This year, you will be able to jump to different sections of the report and find online examples of our work in 2008 by clicking on the links throughout.

This report summarises our activity over the past year – if you'd like to read more about what we've been doing in greater detail, the Community section of our website will soon be updated to include our recent work in this area, and refreshed throughout the year. Here, you'll find a review of our strategy, an overview and snapshots of our progress, and our targets for 2009.

[+ **http://www.pearson.com/index.cfm?pageid=4**](http://www.pearson.com/index.cfm?pageid=4)



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Go to the **Recognition and awards** section 

A message from the chief executive

The extraordinary financial, economic and corporate events of 2008 recently led the Financial Times to publish a thought-provoking series of articles on 'The Future of Capitalism'. In it, some eminent commentators argue that the financial crisis is much more fundamental than the swing of the economic cycle; it's a breakdown of trust in financial institutions, in corporations, and in the idea of 'wealth creation' itself.

Pearson is a tiny part of that sweeping story, much of which is yet to be told. But this does seem to me an important time for us, and for companies of all sizes and types, to stop and think – and talk – about how we see the connection between our role in creating 'shareholder value' and our role in society and the definition of 'responsible business'.

For us, that definition starts with the kind of businesses we've chosen to be in. About a decade ago, we began a fundamental change of this company that had already endured for more than a century and a half before we came along. At the heart of that transformation was our view of the way the world was changing: it was becoming a so-called 'knowledge economy' where the success and prosperity of people and countries would depend more on their brainpower than on their physical power.

In that world, we saw a growing demand and a pressing social need for education that was not just universally available, but was also universally effective for students of all ages, learning in many ways. (Our definition of 'learning', incidentally, isn't confined to the classroom or the lecture theatre: we aim to be an education company that serves the citizens of a brain-based economy whatever their circumstances – old or young, at home or at school or at work, in any pursuit, anywhere.)

That goal and our strategy to achieve it gives our company the opportunity to have an impact on society in our business itself. It's reflected in the support that our educational materials and technologies can provide to a teacher who's inspiring her class; in the kind of education that the FT has given its readers on the global financial crisis; or in the kind of intellectual stimulation that the Penguin Classics served to generations of readers.

The execution of our strategy centres on making all those kinds of learning both more effective (through new technologies, new products, new kinds of services) and more widely available (in new geographic markets and with new forms of digital distribution, for example). For more detail on how we're investing in and applying that strategy, please visit our annual report

 <http://www.pearson.com/investor/ar2008/>

But our approach to business, and to our company culture, is also informed by our perception of our responsibility as a part of society. We think that's a fundamental part of our job, and we work on it through many avenues, including:

Our Pearson Code of Conduct. This is our simple and important statement about what we consider ethical and responsible behaviour in our company. We ask everyone to read this code anew every year, and to confirm that that's how they act, and how they see their company acting.

Our approach to the environment. This is a multi-faceted plan to achieve 'climate neutrality' involving everything from planting trees and reducing our dependence on carbon-spewing elements from cars to factories to doing more to make our people aware of the threats we're trying to meet.

Our charitable work. The Pearson Foundation focuses its resources on the same thing Pearson does – education in the broadest sense of the word. But it goes about it a little differently. It works with non-profit organizations to create engaging after-school programmes for teenagers; to provide boxes and boxes of books to developing countries just opening schools and libraries; to help children who are victims of disasters and wars to carry on with their schooling.

Our aim to be a great place to work. We're determined to have a company populated by people who are always in demand, but who never want to leave Pearson because it's a stimulating, rewarding and flexible place to work that recognizes that 'employees' are not 'human resources' they're people, with families and pressures outside of work.

A message from the chief executive continued



‘Our approach to business, and to our company culture, is also informed by our perception of our responsibility as a part of society. We think that’s a fundamental part of our job.’

The insurance that we can continue to be a responsible company lies partly in all those actions, and partly in our financial strength and independence. That, too, is part of being responsible. This past year, for example, our financial headlines were:

Our Education Group profits are up 11% to £474m, with substantial growth in US Higher Education and International Education more than offsetting weak market conditions for US School publishing;

The FT Group profits are up 13% to £195m, as growth of digital and subscription businesses and strong demand for premium content exceed decline in advertising revenues;

The Penguin Group’s profits are up 4% to £93m with double-digit margins and strong competitive performance in a tough retail market.

Pearson made charitable donations totalling £7.7m (cash) this year, in addition to in-kind support.

We’ve achieved sustained growth and record results in the face of these turbulent times: our sales are up by 8%, our adjusted operating profit by 11%, and we had an increase of 7% in the dividend we return to shareholders each year.

We’re proud of all those activities, and we hope you enjoy learning more about them in this report. But one of the defining characteristics of our company culture is that we are never satisfied. We’ll be working hard to extend our impact in all those areas this year.

Marjorie Scardino Chief executive

Our strategy

We pride ourselves on the privileged role our businesses have in society and we take the impact we have on the world very seriously. I know that the terms ‘corporate social responsibility’ and ‘sustainability’ mean different things to different companies, but at Pearson, our goal is simple: to be a socially responsible company that has a positive impact on society. We try to fulfil that aspiration through a four part strategy:

1. Sustainable business practice

Go to section



We will continue to aim ‘[to meet] the **needs** of the present without compromising the ability of future generations to meet their own needs’ and we agree that ‘**business** is good for sustainable development and sustainable development is good for business’. Pearson plans to be a climate neutral company and we’re making progress towards that target through policy changes and staff-led initiatives. We’re using less paper as we digitize more of our processes and products and work within our supply chain to find the most suitable environmentally-friendly way of producing the newspapers and books we print.

2. Valuing our people

Go to section



As a creative business, everything we do can only be as good as the imagination and the minds of the people that work here. Pearson’s companies consistently feature in annual ‘best to work for’ lists¹ because we nurture our people and continue our progress towards harnessing the enormous benefits of a diverse workforce. 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 maintain a healthy work/life balance.

3. Commitment to fairness and quality

Go to section



Our role as a publisher with the ability to reach large audiences and partner in the education process is a privileged one that brings special responsibilities: our products themselves have a fundamental and significant ‘impact on society’. Pearson Education is helping to revolutionise teaching and learning for millions of students and educators; many of Penguin’s award-winning authors and imprints are actively involved in raising awareness of social, commercial and environmental issues; and the FT has spent generations building their reputation for responsible, accurate journalism. We partner with independent research agencies to

measure the impact of our learning products and we ask our customers – from seven year olds to septuagenarians – for their input to make our output better.

4. Supporting active citizenship

Go to section



Pearson’s people are likely to be some of the most active citizens you will meet. They raise sponsorship to bake, cycle, dress up, walk, grow moustaches, swim, build, sing, run and clean to raise money, and that’s before we get to the thousands who donate their time and expertise to help a good cause. We match their fundraising where we can and run a number of volunteer schemes for staff to give some of their working day to community programmes. Everything the **Pearson Foundation**, our charitable arm, does promotes learning and literacy on a global scale, working with innovative partner organisations around the world to level the playing field for those without ready access to education.

Each year, we set our targets to help us focus on the way we impact on society across the company and across the world. You’ll find the review of last year’s targets and the new ones for 2009 at the end of this report.

Go to the **Progress and plans** section



As Marjorie mentioned, our **website** will also be updated throughout the year if you’d like to read more about all our work and projects in detail, but this report should give you a good synopsis of our activity over the past 12 months.

As ever, we welcome your comments and suggestions: just email me at david.bell@pearson.com

David Bell Director for people
Board member responsible for
Corporate Responsibility



¹ See ‘Recognition and awards’, p30 – 31 for examples

Sustainable business practice

Over the last few years, the scientific evidence about the changes we are seeing to the climate has become overwhelming.

At Pearson, we're proud that many of the books we publish and the articles we print help to raise awareness of this evidence, but we've also been making sure we do our bit to have as minimal an environmental impact as possible.

We know that our stakeholders – young people, educators, business people and everyday citizens – are also passionate about caring for the planet, as are many of the people that work here.

Our commitment is reflected in our translation of aims into company policy: we have placed a [carbon cap on the types of vehicles we use](#) in our UK car fleets; we ask our suppliers to use [sustainable sources of paper](#) whenever possible and to abide by our [Code of Business Conduct](#)²; and we've worked with the UK book publishing industry to introduce common principles on [labour standards](#) and [human rights](#).

² Cf. 'Managing labour standards, human rights and risks', p9

Sustainable business practice continued

Achieving climate neutrality

Every person and every company has an impact on the environment and Pearson is no exception. Our books, magazines and newspapers use paper – a vitally important natural resource³. We use energy to heat, cool and light our buildings and to power the computers we rely on to share our ideas, products and stories. Our people travel to and for work and our books, products and newspapers are shipped and driven all over the world. Globally, Pearson emits about 200,000 metric tonnes of carbon dioxide each year, about 70% of which is produced by our businesses in the US. In early 2007, we set ourselves the target of achieving climate neutrality for our existing businesses by the end of 2009. We'll seek to offset in 2010 whatever emissions we have been unable to avoid in 2009, supporting a range of projects that have the potential to either save or absorb a tonne of carbon for each tonne that we emit⁴. In the UK, Pearson is switching to the international environment standard **ISO 14001**, an Environmental Management System (EMS) that enables us to address the delicate balance between maintaining our profitability and minimising our environmental impact. Initial assessments have been successfully completed across the FT, Pearson Education and Penguin in the UK, Pearson companies in India have begun the ISO 14001 process, and our companies in the US have been considering implementing this EMS. We introduced an Environment Policy back in 1992, reviewing and updating it in 2000, 2004, 2007 and again in 2008: the full policy can be viewed [here](#).

Activity summary

– Facilities managers across Pearson companies have been working on a programme of **retrofitting buildings with better insulation, sensor lighting and energy efficient light bulbs** to reduce our energy consumption. A major lighting upgrade at our distribution centre in Lebanon, Indiana delivered a \$200,000 reduction in energy bills and reduced the carbon footprint of the building by 1,800 metric tonnes of CO₂ (15%) in 2008. A server virtualisation programme we launched in 2006, covering the FT, Pearson Education, Pearson Australia and Pearson Shared Services in the UK has now helped us save over \$10m and reduce our carbon footprint by over 3,500 metric tonnes of CO₂.

– By **improving the video conferencing facilities in our buildings, our companies have been able to reduce the necessity to travel**. Pearson held its first virtual Town Hall meeting on 3 December 2008, a highly interactive event allowing Pearson people from around the world to converse and discuss ideas without leaving the office. The total cost was less than 20% of traditional in-person forums through savings on a conference venue, travel fares and overnight accommodation, also avoiding over 300,000 air miles and the resulting emissions. For essential travel, we've been encouraging our people to avoid flights wherever possible and we're gradually 'greening' our car fleet. Over 40 Penguin staff travelled from the UK to the Frankfurt Book Fair by train in 2008, while Penguin in both the US and UK have reduced the number of cars in their fleet, aiming to replace others with hybrid vehicles as these become more affordable. More information on Green Penguin activity is available on the [UK](#) and [US](#) websites.

– Across the company, **Pearson people are volunteering to join Green Teams and Eco Committees** to discuss and implement changes in habits and policy at their offices. More than 30 teams across Australia, Canada, India, the UK and the US are now involved in campaigning for their co-workers to turn off screens and computers, switch off lights, use tap instead of bottled water for meetings, join car pools, ride bicycles, and a myriad of other green tips and behavioural changes that will add up to make a big difference. We've also established two Green Funds in 2008 – one in the UK and one in North America – to stimulate innovation and investment by our operating companies in carbon saving programmes.

Snapshots

<http://longmanusagoinggreen.com> A website put together by the people at Longman ELT to offer green tips of the week, a link to an environmentally-friendly What's New 2009 catalogue with fewer pages, printed on recycled paper and mailed only to those who request it, plus an outline of the 'green' activities at Longman around the US.

Made With Care A video explaining Dorling Kindersley's newly launched *Made with Care* range, the greenest books ever made by the company, prepared with the most ethical and environmentally-friendly processes we could source.



³ Cf. 'Focus on: Paper', p11

⁴ Further detail of our progress towards climate neutrality forms part of our 2008 Environmental Review at pearson.com/index.cfm?pageid=219

Sustainable business practice continued

Planet Pearson Planet Pearson is a cross-company environmental intranet site launched as a pilot in the US, with a view to expanding its usage across our international business. The site serves as a communications hub where Pearson people can share ideas, resources and suggestions on the many eco-friendly initiatives taking place around the company.



Managing labour standards, human rights and risks

We place great importance on not compromising our standards of quality or causing harm to our suppliers and their workers, wherever they may be in the world. We're committed to complying with the laws and regulations in all countries in which we operate and our director for people has board responsibility for matters relating to Corporate Responsibility. We were a founder signatory of the UN Global Compact⁵ – 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 Conduct⁶.

Activity summary

– We spend over £2bn each year on goods and services, our most significant categories of supply being paper, production (primarily printing) and distribution. We've **included specific contractual commitments relating to labour standards and human rights in our key contracts in all parts of the world**, particularly those relating to paper supply, printing, distribution and call centre activity. We've also worked with the UK book publishing industry to introduce common principles on labour standards and human rights.

- We have **continued our programme of visits to our key suppliers** to check their compliance against both the UN Global Compact and our contractual commitments – in 2008, we have assessed locations in Australia, China, India, Japan and Mexico, and in several European countries, including Germany, Italy, Spain and Slovakia.
- We hold significant volumes of personal data due to the growth of our assessment and testing business, and as more of our business moves onto digital and online formats. As part of our compliance efforts, **we initiated a global data privacy programme in 2008**, and recently appointed our first Chief Security Officer to oversee this and related programmes.

Snapshots

Code of Business Conduct We contact all our staff every year to ask them to verify that they have understood and complied with the Code, inviting them to report any concerns or breaches to our group internal audit team or via our confidential whistle-blowing helpline.

WWF-UK Forest & Trade Network

Pearson cemented its commitment to ethical purchasing when it became the first major publishing group to join the World Wildlife Fund (WWF)'s UK Forest & Trade Network, created to bring together paper product buyers from a range of industries to pool knowledge and experience.



 Learn more at <http://public.ftn.wwf.org.uk/aboutftn.asp>

PREPS Pearson Education and Penguin are founding members of the Publishers' Database for Responsible Environmental Paper Sourcing (PREPS), a grading system based on the model used by the WWF (above) to enable publishers to find out more easily if paper has come from legal and known origins. Penguin is now the first publisher to do this for the North American market.



 Learn more at <http://www.preps-uk.com/what.php>

⁵ See [Global Compact Network UK website](#) for further information

⁶ See 'Snapshots' in this section for a link to the full Code; cf. also 'Commitment to fairness and quality', p17

Sustainable business practice continued

Investing in paperless technology

Pearson is very keen to have company-wide involvement in making our business more sustainable. For now, our attention is focused on the direct impact we have on the world around us, but as you've read in the previous sections, we seek to heavily influence the indirect impact too, something we've been doing more and more over the past few years. We know that it'll be the little things, like double-sided printing at the office, plus the big things, like using sustainable paper sources, that'll help us become a truly climate neutral company. As we use suppliers to make and transport our books, magazines and newspapers, our primary impact is through the carbon emissions from our buildings and business travel; but our most obvious environmental impact is through our use of paper. We're therefore trying hard to use substantially less of it and making sure that we are using the 'kindest' possible paper types wherever we can. As the world's largest book publisher, we believe that the printed book will be around for a long time. At the same time, we're seeing growing demand in alternative digital formats so we're working hard to provide and promote our content in a range of formats.

Activity summary

- We've **made more of our products and services available in paperless form for readers, educators and students**. We have created new ways to access and use our content, actively promoting a huge range of titles in audio format and some 8,500 titles in eBook format at Penguin, a host of online learning tools and products at Pearson Education, and a fully interactive site in FT.com, now available on digital readers and mobile internet devices.
- We are **tracking and measuring our in-house work towards a paperless pre-press environment** – our efforts include cutting the number of printer proofs, transmitting files electronically, using online editing and proofing for both publisher and author, and increasing digital workflow practices.
- We first launched our eBooks back in 2001, but **in 2008, we began to release our new eBooks at the same time as our new print editions**, enabling our readers to choose to access a range of new releases in the digital format.

Snapshots

FT.com The online news service offers registered users access to a vast array of articles, multimedia content and discussion forums at excellent value: even unregistered users are now able to access up to three articles every 30 days for free.



eBooks for eReaders To coincide with the launch of mobile digital reading devices, we made a total of 2,500 Penguin Group titles available as eBooks, including 1,500 bestsellers and 1,000 from Dorling Kindersley by the end of 2008.

Rio Salado College This community college, catering to working adults in Tempe, Arizona, formed an unprecedented and exclusive partnership with Pearson Custom Publishing to create course materials tailor-made for Rio Salado's specific classes and to help students save an average of 52% over traditional books.

FAST FACTS

In 2008, Pearson and Penguin Canada were recognised for their paper choices with a **Sustainability Award** from Atlantic Packaging, acknowledging that their choices saved 10,389 mature trees in 2008, the equivalent of five American Football fields. Over 60% of Pearson Japan (KiriHara)'s material is now printed on recycled paper, and soy bean ink has been used in some of the business' publications since 2001.

Sustainable business practice continued

Focus on: PAPER



Paper is the basic material upon which many of our businesses depend: we've identified its use as a key area of environmental impact for the company. We first implemented our official **paper policy** in June 2004 as one of the commitments we made following our signing of the UN Global Compact, and we've engaged in a number of ways to cut our paper use, source our supplies as responsibly as we can, and put something back to replace what we use.

The Penguin Group has chosen to source paper with a **Forest Stewardship Council (FSC)** paper certification where possible, meaning the paper must come from legal sources, must not come from an area of high conservation value and must not contain genetically modified material. The FSC Chain of Custody tracks timber from the forest to the final product, so that there is full traceability. Our use of FSC certified papers is increasing, but only a small percentage of the world's forests are currently covered by any certification scheme, and only 8% of the world's production forests are FSC certified. It is important that we use our buying power to use FSC papers where possible, as this makes it clear to the market that there is a demand for forest products that come from certified well managed sources.

By moving to using papers made from **groundwood** (the whole tree, not just selected parts of it), Pearson Education has been able to reduce the wood it uses by 26,000 tons, the equivalent of 450,000 trees. The initiative helped to save \$4 million.

We have purchased digital reading devices for Penguin's sales force (US) and editorial and marketing staff (Australia, US and UK) to reduce paper use, such as Sony **Readers** and Amazon **Kindles**.

Penguin Classics is supporting the Nature Conservancy's **Plant a Billion Trees campaign** in the US with major marketing, publicity, and in-store promotions that increase public awareness and participation. The programme has already planted 1.4 million trees in Brazil, and every dollar donated to the conservancy will put another tree in the ground.

Many offices across Pearson now configure their network printers to double-sided printing as a default setting, helping to reduce office paper consumption, while many others now use recycled copy paper and are seeking to use fewer personal and more group printers.

Penguin and the Woodland Trust are creating a new wood, **Penguin Wood**, in a national forest in the Midlands, England. Nearly 400 members of staff at Penguin UK went on a charity walk in aid of the Woodland Trust 'Trees for Schools' campaign, raising £25,000 for the trust.

A few words from... Rich Glicini

"Although Pearson is focused on reducing the company's harmful impact on the environment, we also find that our environmental initiatives almost always yield cost savings that further align our long-term goals with those of our stakeholders. For instance, our recent investments in high-definition video conferencing and online virtual meeting tools will reduce our carbon footprint while at the same time decreasing our business travel expenses. In addition to these benefits, we believe providing these meeting alternatives makes our people more productive and supports them in their quest for balance between their professional and personal lives.

We don't see a conflict between being a profitable business and being a good corporate citizen. Taking concrete steps to streamline and strengthen our operations while also reducing our environmental footprint is exactly the sort of win-win situation we like to pursue."

Rich Glicini Senior vice president,
human resources, **Pearson Inc.** and
environmental director, **US**



Valuing our people

Our commitment to making Pearson a special place to work is led by a Group-wide director for people, a title chosen by the first person to fill the role – a clear indicator of our intention to work with people, not with ‘human resources’.

We will soon be looking at changing the words we use from ‘human resources’ to ‘people’ wherever they appear across Pearson. Our people are instrumental in defining the company that Pearson aspires to be today: commercially successful, intellectually courageous and socially responsible. And the business really is their own business – through participating in our employee share plans, more than half of our people are shareholders in Pearson, working to build the value of their company by helping our customers to live and learn.

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 the balance we encourage 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.](#)

Valuing our people continued

Building our community

We aim to attract, take on and promote the most talented people, 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 isn't a cosmetic or a political exercise for us – 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 the 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 Pearson people in and encouraging them to stay with us. 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 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 website.⁷

Activity summary

- Over the past five years, the overall number of women in the US and UK workforce has remained consistently high, with females representing 60% and 56% of the total population at Pearson in the US and UK respectively. **More than half of Pearson managers are female** and women now comprise 32% and 20% of the US and UK senior management teams respectively.
- In the UK, **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.

- In 2008, we launched our **WorldWide Save for Shares (WWSFS) plan in 63 countries**, translating our staff website and plan documents into 15 different languages, including Lithuanian, Polish, Portuguese, traditional and simplified Chinese, Japanese, Malay and Filipino. 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.



Snapshots

The pan-Pearson communications programme now includes informal social networking tools like **Yammer**, **Facebook**, **wiki groups**, **Twitter** and **FriendFeed** to add to the various **blogs**, internal company-specific intranets, regular newsletters and large-scale annual presentations from senior managers to staff around the world.



Our UK Diversity team relaunched their summer internships website in 2008, now featuring the newly-formed diversity partnership with The Economist (of which Pearson owns 50%).



Learn more at summerinternships.pearson.com

⁷ See Pearson's [Diversity website](#)

Valuing our people continued

Balancing life and work

We are a competitive company, committed to our commercial and publishing goals. But we also believe 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 ensure they are able to balance life and work. We believe that mobility should be an option wherever appropriate for both the company and the individual, and with businesses in 66 countries covering all of the world's regions, that's something we can offer our people. 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, not only for today, but for tomorrow; 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. 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.

Activity summary

- 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.
- In 2008, we **took the difficult decision to award a 2009 pay increase to only those people who are currently earning less than \$50,000 a year**, a pre-emptive action against the uncertain climate to allow us to continue investing in the business and to protect as many jobs as we can.

- In the second year of our NewDirections programme – an initiative set up to help Pearson people undertake a short-term assignment in a different part of the world – **we helped 102 people move between companies and countries**, up from 67 in 2007 and beating our target of 100 moves.

Snapshots

New Directions A video showing our international short-term mobility programme. The programme has just relaunched its website to make it more user-friendly, including details of the offices Pearson has all over the world.

 [Learn more at newdirections.pearson.com](http://newdirections.pearson.com)



Pearson Shared Services and facilities staff at our UK head office became the latest Pearson companies to participate in a disability training course developed by **Scope**, the disability rights organisation. Penguin UK also rolled out the course to their managers.

Valuing our people continued

Developing our talent

The people we hire are passionate about education, information and entertainment, and they tend to have ambition and aspirations to progress through or across our businesses. Pearson is fortunate to have a great deal 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. 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, around 20% have experience in at least two Pearson operating companies.

Activity summary

- We held our annual Forum in New York in 2008, bringing together over 100 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. We are launching the Emerging Leaders Programme for Forum alumni in 2009, which will provide ongoing support for these potential future leaders.
- A small team of senior managers visited our new businesses in the United Arab Emirates, meeting with local government officials, education institutions, companies and authors to develop professional relationships and gain a better insight into this emerging market.
- As part of the annual talent review, Marjorie Scardino discussed with the head of each business and function across Pearson the groups of people who may one day lead a significant part of the company.

FAST FACTS

We've identified at least one 'ready-now' and one 'ready-soon' successor for each of the top roles across Pearson: although we may sometimes choose to look externally to get fresh eyes on an old problem or bring in specific skills, we know we always have people to step into the key Pearson roles if required.

Snapshots

FT e-learning zone The FT's new, interactive web-based learning and resource centre went live in 2008, featuring over 30 online courses exclusively for staff to use.

We invited submissions to the third year of our **Pearson Innovation Fund**, a fund available to assist Pearson companies around the world to invest in international projects that develop new technologies and new business models, with a particular focus on ones that use digital distribution channels. Projects partially or wholly funded in 2007/08 included Penguin's **wetellstories.com**, the FT Group's Chinese language FT Wealth magazine, **FT Rui**, and the design and piloting of a single digital platform for remediation in math and reading/study skills at Pearson Education, to help reduce time spent in developmental studies.



The **turnover of our movers and shakers** – a group of some of the most able people in the company – is much lower than the average turnover in the rest of Pearson and has consistently declined over the last three years.

Valuing our people continued

Focus on: INTER-COMPANY INITIATIVES



We have mentoring programmes across the company, some more formal than others, but we've found that mentoring is a highly effective way to connect people in different parts of the business. As with the short-term assignments we enable through our **NewDirections** programme, both sides of the partnership are able to gain insight into sometimes previously undiscovered parts of the organisation, growing each other's skills and raising aspirations. Two examples of these are below:

Mentoring: A number of successful relationships were formed across the finance teams of different operating companies in 2008. One such example involved a mentee presented with the prospect of redundancy and the need for redeployment. The mentor worked with the mentee throughout this time, providing information on the Pearson businesses and types of roles the mentee could consider, plus a network of contacts in the Finance department. The mentor offered support throughout the job search process and the mentee was successful in moving across the company to another suitable role.

NewDirections: A designer from Pearson Curriculum Chicago spent two weeks with Maskew Miller Longman in South Africa in March 2008. The purpose of the visit was to share best practice for product development and work with the design team in South Africa. This experience helped him to develop an operational network and understand the challenges and opportunities faced by MML in the South African market. A reciprocal visit is being considered for the future.

A few words from... Paulo Pisano

'When I joined Pearson in October 2008, I soon noticed some remarkable features about the culture.

One was that a lot of people seem to be studying for something or learning a new skill – perhaps a welcome side-effect of being surrounded by information. Another was that there is a healthy level of competition and cooperation between different parts of the business, which seems to drive our designers and sales people to really take note of what's happening in their part of the world and be the best in their field.

But I think the most striking distinction was that people here are genuinely aware of the power they have in their jobs to make the world a better place. I think that there's a real culture of valuing the contribution of each person at Pearson, and it has an effect on how our people view their own capacity to influence positive change. They know they are capable, innovative and valued people because we work hard to treat them as such, and that's why they are able to produce such fantastic results for Pearson.'



Paulo Pisano Director, Human Resources,
Pearson Education International

Commitment to fairness and quality

We aim to be brave, decent and imaginative⁸ in everything we do and have a longstanding commitment to high standards of product quality.

We want to ensure that the people who buy our books, newspapers and services have multiple ways to access the best education and information we can provide, and we work hard to make that happen.

Pearson Education puts 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 young people the world over.

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, keeps up our exemplary record for choosing innovative, challenging authors and designs to engage and stimulate our readers.

We adhere to external editorial codes like those upheld by the Press Complaints Commission, and we have our own code of business conduct⁹, whistle-blowing and standards policies.

⁸ See also: [Our way](#) on our website

⁹ See ‘Sustainable business practice – Managing labour standards, human rights and risks’, p9 for link to full Code of Business Conduct

Commitment to fairness and quality continued

Pearson Education

Pearson Education is helping revolutionise the way teachers teach and students learn. We do our research to find out how students learn best, which systems are most practical for educators and parents, and which formats will be the most user-friendly for our broad range of customers. Innovations in online products mean that we are now able to deliver tools that allow pupils and teachers to work out personalised learning plans, enable parents and guardians to monitor their child's progress, and users to manage that information from any location, including from mobile internet devices. We have partnered with independent research bodies to scrutinize the performance of our products, and we've asked the children and adults using them to let us know where we could be doing better. Our Student Advisory Board enables our company leaders to receive guidance from students about existing and future products, and on services they feel will help other students to succeed. The 2008/09 Board is made up of ten students representing a wide range of talents and backgrounds, each of whom has been paired with a Pearson executive for mentoring and support. This year, the Board has been working on environmental issues and an image archiving initiative, which gives students the opportunity to contribute their photographs and artwork for use in Pearson products.

 Learn more at www.pearsonstudents.com



Activity summary

Students made **statistically significant gains in reading fluency and improvement in language acquisition** pre-test to post-test in an independently evaluated study¹⁰ we conducted to measure the impact of the English Language materials of Pearson Education School's highly successful Reading Street programme.



 Learn more at www.pearsonschool.com

Maskew Miller Longman, the **only publisher with titles in 60 languages in southern and central Africa**, scooped up Sefika's Best Large Education Publisher of the Year Award in 2008 for the third year in a row, while Pearson Education South Africa also won the Best Small Education Publisher of the Year Award in the same ceremony.

In the UK, **Edexcel's ResultsPlus now enables teachers to compare their school or college results on Edexcel tests against the national average**, compare results by type of centre, sort results by teaching group or gender and make detailed observations about students' performance. Students can get a detailed breakdown of their performance online, with question by question analysis and a Gradeometer showing graphically how close they are to the grade boundary.

 Learn more at <http://resultsplus.edexcel.org.uk/home/>



¹⁰ See the full independent efficacy study from Magnolia Consulting.

Commitment to fairness and quality continued

Snapshots

enVisionMATH A video profiling the number 1 maths programme in the US in 2008 – students who used the programme demonstrated a significant improvement in mathematical achievement during the school year, according to an independently evaluated study¹¹ conducted by Pearson to measure the programme's impact in its first year.



+ Learn more at www.youtube.com

Poptropica A demonstration of the online island world created by Pearson to entrance young people in a vibrant world of exploration, knowledge and old-fashioned fun – but without any of the dangers of some social networking sites. Since its launch in September 2007, Poptropica has had more than 35 million unique users.

+ Learn more at www.poptropica.com



MyLabs These innovative online learning programmes help millions of students in subjects such as mathematics, creative writing, sciences, Spanish, economics and IT training. Having begun exclusively in the US, MyLabs has now been rolled out to over 65 countries. Students have registered for the MyLabs and Mastering programmes at a furious pace, bringing the number of people using this tool to over 4.3 million for 2008, a 48% increase over 2007.

+ Learn more at www.youtube.com



The FT Group

The *Financial Times* newspaper and the FT.com website continue to provide extensive news, comment and analysis for the business community. The newspaper is printed at 24 print sites across the globe, had a daily circulation of 435,319¹² in December 2008, and a readership of approximately 1.3 million people worldwide. A new Middle East edition was added to the current global roster of US, UK, Asia and Europe editions. We've seen record numbers of people visiting FT.com in 2008: the site attracted 7.1 million unique users, generating almost 72 million page views¹³ and over one million registered users, as people sought out our experts' explanations and opinions in this turbulent climate. We relaunched FT.com in 2008, giving our users greater access than ever to our journalists through interactive forums, video interviews and regular experts' video slots.



Activity summary

We **launched a free student subscription offer on Facebook¹⁴ in March 2008**, allowing over 12,000 students to access FT.com internationally through Facebook university groups, where only current students will see the offer.

Students who use the application are invited to share it with their friends and the application will identify which friends are eligible to sign up.



Our refreshed website gave our users the opportunity to watch videos, join interactive online forums and share information.

Launched in November 2008, the FT Alphaville Long Room is an exclusive comment and analysis arena, where finance professionals are invited to share their research and offer thoughts on the work of others.

The *Financial Times* **landed a major sponsorship deal with General Electric to produce a three-part campaign on the impact of climate change**, which ran from May to December 2008.

¹¹ See the full [independent efficacy study](#) conducted by PRES Associates Researchers

¹² [ABC figures](#), December 2008

¹³ [ABC electronic figures](#), March 2008

¹⁴ See the FT's free subscription Facebook application [here](#)

Commitment to fairness and quality continued

Snapshots

The Business of Carbon Management In a departure from the traditional print format, this report, launched in October 2008, featured a series of videos, slideshows and interactive graphics.

 Learn more at www.ft.com/pp/bizcarbon



Financial Times on Facebook The extremely popular Facebook profile for the FT, giving Fans free access to up-to-date news links, event information and videos, and the opportunity to ask questions of FT staff.

FT Climate Change Challenge Launched in November 2008 alongside Hewlett-Packard and sustainable development organisation Forum for the Future, this global competition will seek out the most exciting innovations to reduce emission and make us more resilient to the changes ahead.



FT Climate Change Challenge

A few words from... Rob Grimshaw

“FT readers want a ‘trusted guide’ through the turmoil of the credit crisis and the FT has been able to fulfil that role in print and online. FT.com has brought the story to life in a number of innovative and accessible ways, with a redesigned FT.com and new video, mobile and multimedia channels.”



Rob Grimshaw, Managing Director, FT.com

The Penguin Group

Penguin has a proud history of protecting freedom of speech and finding the authors able to define an age or reflect modern ideas of contemporary society – from D.H. Lawrence’s *Lady Chatterley’s Lover*, Chinua Achebe’s *Things Fall Apart* or Salman Rushdie’s *The Satanic Verses*, right through to Khaled Hosseini’s *The Kite Runner*, Hannah Pool’s *My Father’s Daughter* or Al Gore’s *The Assault on Reason*. We are the premier sponsor of the 2009 PEN (poets, playwrights, essayists, editors, and novelists) American Center’s World Voices festival¹⁵ in New York. We adhere to high 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. We support and encourage local publishing, especially in local languages, extending our commitment to making great literature accessible to as wide an audience as we can. We’re also working hard to bring titles by writers from

countries such as India and South Africa to the European audience. We’ve continued our efforts to make books and reading available to as many people in as many formats as possible: our inroads into the world of digital print have moved forward further in 2008, with our eBook titles supplying the ideal mobile format for travelling readers.



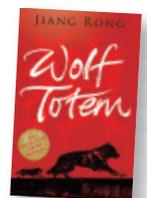
 Learn more at www.penguinbooksindia.com/lostflamingoes

Activity summary

Many of our authors, of fiction and non-fiction, chose to **raise awareness of contemporary regional and global crises and events in 2008**, such as three-time Pulitzer prize-winning author Thomas L. Friedman’s *Hot, Flat and Crowded*, and *Panic! The Story of Modern Financial Insanity* from the international bestselling author and ex-trader Michael Lewis.

We achieved the **first simultaneous global release of a Chinese novel in English in March 2008** when Man Asian Literary Prize 2007 winner *Wolf Totem* by Jiang Rong was published.

 Learn more at www.penguin.co.uk



¹⁵ PEN is the world’s oldest and largest human rights and literacy organisation.

Commitment to fairness and quality continued

Penguin Canada, UK and US have signed on with Ingram Digital Group¹⁶ for the warehousing and distribution of eBooks and eAudiobooks in Canada, setting the stage for future growth in digital publishing. We plan to publish 70 indigenous books in 2009.

Snapshots

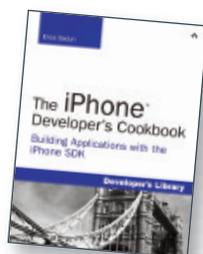
Celebra imprint Penguin US launched this new imprint, which will translate one-third of its list into Spanish for those authors with strong platforms in Spanish-language media. The new imprints will publish books for mainstream readers that will also resonate with the large Hispanic population in the US.

Extraordinary Canadians Penguin Canada unveiled the most ambitious set of biographies ever published in the nation, featuring original cover art by leading Canadian artists and illustrators. The series will draw attention both to key historical Canadian figures and to contemporary writers and artists, and the jackets have been acknowledged for potential inclusion in a future National Portrait Gallery in Canada.

 Learn more at <http://us.penguin.com>



Penguin 2.0 Penguin Online launched this new digital publishing programme with Penguin Personalized and Penguin Mobile in December 2008. The collection of services allows readers to customize and access material in new ways online.



¹⁶ See full press release [here](#).

Focus on: MULTI-FORMAT RELEASE

As time goes on, people, particularly the younger generations, are becoming comfortable reading and learning in a multitude of formats. For a smooth product release in multiple formats, a fair number of people need to be creative, agile and to work well together to tight deadlines. One example of our success in this area is the iPhone Developer's Cookbook.

This title released first in e-format in early October 2008, initially as an eBook without Digital Rights Management technology (i.e. transferable to all eReader formats), then through **Safari Books Online**, then in **Kindle**, and soon thereafter in print. A summary of what happened in the first few weeks of publication follows below.

As a stand alone eBook sold on Pearson Technology Group (PTG) websites:

We sold 1,301 copies of the eBook direct from InformIT in first six days of publication

We took back orders of 80 copies of the print book direct from **InformIT** in same time. It was the #1 eBook for PTG for 2008, despite only being released in October

As a Kindle edition on Amazon

It was #182 of all Kindle books at Amazon

It was #1 in the computer category

As a print book at Amazon, in popularity

It was #308 bestseller for all books at Amazon

It was # 1 in Computers and Internet → Mac OS category

It was #1 in Computers and Internet → Networking → Telephony

As an online book at Safari

It was #1 most popular book in Safari for all titles

FAST FACTS

The workforce at Penguin Australia offers the highest level of editorial and design support in the country, winning a record number of awards – 120 shortlistings with 50 winners. Pearson Education US is helping to fund the AccessText Network – a comprehensive, national online system that will make it easier for students with print-related disabilities, such as blindness, low vision, and cognitive or physical impairments, to obtain the textbook files they need for their college courses.

Supporting active citizenship

Pearson businesses are active citizens of any community we operate in, and keen partners of other organisations also wishing to engage in activity to promote education and literacy.

Across the company, we focus our charitable giving and activities on teacher development and improved 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](#), which donated £7.7m cash to its various projects last year and significantly more in terms of the products and people that we can provide.

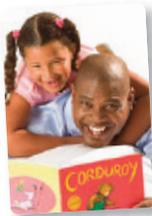
Many of our businesses work regularly with local partners, forging good links with the neighbourhood to achieve common goals. We also provide in-kind support such as books, advertising space and publishing expertise, as well as opportunities for staff to support their personal choice of charities through 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.](#)

Supporting active citizenship continued

The Pearson Foundation

Founded in 2004, our Foundation has gone 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. For example, our US and UK literacy campaigns, Jumpstart's Read for the Record and Booktime¹⁷, continued to expand in 2008, reaching thousands of people across both nations. We have helped Jumpstart grow by more than 20% annually since our partnership began¹⁸, and in 2008 Pearson people took part in setting a new world record for the largest 'shared reading experience' ever during the Read for the Record campaign. Close to 500,000 participants registered to read the official campaign book, the children's classic *Corduroy*, published by Penguin Young Readers Group. The Booktime programme gave 750,000 children free copies of two books, Ian Whybrow's *Harry and the Dinosaurs go to School*, published by Puffin, and a special abridged edition of *The Puffin Book of Fantastic First Poems*, edited by June Crebbin. Book packs also contained a guidance booklet for parents and carers with tips on shared reading, available in 15 community languages.



 Learn more at www.pearsonfoundation.org

Activity summary

We launched the inaugural **Pearson International Education Summit**, developed in conjunction with the US Council of Chief State School Officers (CCSSO), and held in Singapore. This first summit convened delegates from 13 countries and six continents to explore first hand the educational and cultural drivers that consistently help Singapore students to score at the top of international surveys such as the Programme for International Student Assessment (PISA).

We introduced the **Pearson Professional Development Program for African educators** in Kenya, Nigeria, South Africa, Tanzania and Zambia, providing intensive training and support, focusing specifically on early childhood development, literacy and numeracy, and on teacher and student acquisition of key 21st century skills.

We continued our sponsorship of the **Citi-FT Financial Education Summit**¹⁹, an annual conference organized by the Pearson Foundation, the Financial Times and the Citi Foundation. The 2008 Summit was held in Beijing, China.

Snapshots

Voices in 21st Century Education This new video-advocacy campaign launched with partners including the Council of Chief State School Officers, the National Alliance of Black School Educators, and the Consortium for Social Networking, showcasing the efforts and ambitions of leading educators and organizations as they shape the next generation of learning in American schools and universities.

Mobile Learning Institute Earth Day Challenge The Pearson Foundation and Nokia joined forces with the Jane Goodall Institute to launch a global, environmental film-making competition in April 2008, giving young people the chance to share their views on the earth's future and the importance of combating climate change. Year-round, the Mobile Learning Institute again helped young people and educators bring digital and mobile technologies to classroom learning.



National Student/Parent Mock Election We sponsored and supported the NSPME 2008 national voter-education programme for students and their parents giving young Americans the chance to make their voices heard in the electoral process. In the weeks leading up to the 2008 presidential election, we joined together with a consortium of leading partners – including Pearson, Google, USA TODAY, Declare Yourself, Strong American Schools, School Perceptions, and the National Association of Broadcasters – to extend the programme, resulting in more than five million ballots cast in classrooms across the United States.



¹⁷ See this section, 'Pearson people power', p24 for Booktime video

¹⁸ From Jumpstart press release, [September 2008](#)

¹⁹ See video from the [Citi-FT Summit 2007](#)

Supporting active citizenship continued

Pearson people power

People at Pearson tend to get involved in giving back to the community, taking an active interest in the impact of their work and in personal efforts to raise funds for charities of their own choosing. Many take part in the organised reading schemes and other community programmes we offer at company level, in partnership with local organisations. Many others make personal arrangements for their charitable endeavours, with 2008 examples ranging from a staff fundraiser for the Burma Relief Fund from Pearson Education Hong Kong, to an individual from Pearson Brazil volunteering as an ELT teacher for teenagers in São Paulo's favelas, to four members of the FT's Ad Sales team in London growing moustaches for the Prostate Cancer Charity. We celebrated seven of those volunteers through our annual Pearson Community Awards²⁰, making a donation of \$2,000 to their chosen charity and giving certificates of Long Service Commendation to two other volunteers.

Activity summary

Penguin Group staff in the UK raised more than £100,000 in 2008 (including company-matched funds). £25,000 of the total was raised by the Woodland Walk²¹, involving nearly 400 people, while the remaining £75,885 was raised either through individual and team fundraising, four staff charity book sales, or our annual charity carol concert.

Staff at **Pearson Education in Hong Kong donated through the payroll or by donating their lunch money** to help victims of the 2008 Sichuan earthquake, giving \$25,560 (including company-matched funds) to support the relief and reconstruction projects managed by the Hong Kong Red Cross.

Following the tragic death of a close colleague in 2007, several **Pearson Education staff members in the UK have worked tirelessly to raise money to save a local theatre from the threat of closure.** 'The Friends of Johnny Wong' have raised over £50,000 through a series of fundraisers, and hope to save the theatre altogether in the coming period.

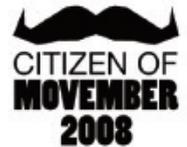
Snapshots

Booktime Staff across Pearson companies in the UK took part in our Booktime volunteer reading programme, reading during the working day at local primary schools assisting children with their reading.



Pearson Community Awards The 2008 Awards saw an unprecedented number of applications from candidates right across the Pearson global family, with individuals volunteering their time in a diverse range of ways – assisting a community outreach programme for kids in LA, manning a lifeboat in Kent and embarking on medical missions to Haiti were just a few highlights from the shortlist.

Movember During Movember 2008 (the month formerly known as November), four members of the FT's Ad Sales team in London grew moustaches for The Prostate Cancer Charity, raising over £5,000.



²⁰ See also this section, 'Corporate engagement', p20

²¹ See also 'Sustainable business practice – Focus on: PAPER', p11

Supporting active citizenship continued

Corporate engagement

Each Pearson company is involved in a number of different initiatives at a variety of levels – from supporting local schools and colleges, to promoting and sponsoring conferences and initiatives with other organisations to raise awareness and foster dialogue on important issues for our times – each promoting literacy in one way or another. In 2008, we supported Book Aid International's Children's Reading Tents Project: touring reading tents held events in Kenya, Uganda and Tanzania, reaching over 9,000 children, with almost 20,000 books donated by Longman, Ladybird and DK imprints. Penguin UK continued to donate money and supply all the books given out by the Letterbox Club, which sends parcels of books and educational materials to foster children in the UK, many of whom will have never received a letter in their life. The pilot schemes have had such success that it is now being rolled out across the nation in 2009. As a company, we also renewed our membership of the Media CSR Forum²², formed new partnerships with JustMeans²³ and held our annual seasonal appeal in December for one major charity in the FT, featuring a series of articles online, in the newspaper and weekend magazine for almost two months.



 Learn more about [Letterbox Club](#)

Activity summary

America's **Corporation for National and Community Service** honoured Pearson with its annual **Corporate Spirit of Service award** for outstanding support of national service and volunteering²⁴.

We established **Pearson Disaster Relief funds for staff wishing to make a personal contribution** to aid the victims of the cyclone in Myanmar (Burma) and the earthquake in China in May 2008, also donating \$200,000 through the Pearson Foundation to support relief efforts.

We ran our annual **Pearson Community Awards for staff**, during which people from all over Pearson were invited to tell us about their regular volunteering activities, both through office-run programmes and personal efforts. A panel of executives representing each business awarded a donation of \$2,000 (or local equivalent) to the chosen charity of each winner.



Snapshots

New primary school in Afghanistan Penguin (USA) worked with the UN Refugee Agency (UNHCR) and the United States Association for UNHCR to build a primary school in Afghanistan, which recently opened its doors to 270 students. The school is a tribute to American booksellers, librarians and educators who supported Khaled Hosseini's bestselling novels, *The Kite Runner* and *A Thousand Splendid Suns*.



FT Seasonal Appeal The FT's 2008 seasonal appeal was in support of WaterAid, highlighting the charity's work in helping communities in Africa, Asia and the Pacific region to find sustainable water sources, sanitation and to provide hygiene education. As the appeal draws to its close, the final total of financial donations has reached £167,389. A total of 1,461 donations were made to the appeal with the highest being \$25,000 from the Prem Rawat Foundation.

 Learn more at www.ft.com/indepth/appeal2008

Student Sustainability Summits

Pearson Higher Education and the Pearson Foundation has created a series of university-based, student driven events in the US, designed to foster sustainability projects, student leadership and media skills using digital film. The first was held in October 2008.



FAST FACTS

Ladybird will launch global reading campaign *Ladybird Read for Life* in 2009. The new look www.ladybird.com will become a one-stop portal to support reading around the world, giving parents and teachers access to a wealth of new free downloadable resources, educational interactive games and podcasts.

²² See [Media CSR Forum website](#)

²³ See [JustMeans website](#)

²⁴ See also 'Recognition and Awards', p30

Supporting active citizenship continued

Focus on: STUDENT/EDUCATOR ENGAGEMENT

We believe that part of our duty is to use our considerable platform to promote education. As with everything we do, we try to interpret that responsibility in the broadest sense of the word – by our definition, it's just as important to celebrate the best teachers as it is to encourage all children to read, and equally crucial to give as many young people as we can the opportunity to take an active role in trying to answer the global challenges of climate change. By helping to facilitate and host digital, online and face-to-face interactions with students, teachers and other stakeholders, we hope to help others play their part in contributing to the discussions surrounding the key issues of our times. **We zone in on a few examples below:**

Why I Teach: As part of our Voices in 21st Century Education campaign, the Pearson Foundation helped Teachers of the Year from across the United States visit New York City, and – with a little help from the Digital Arts Alliance – script, compose, and create their own personal video to explain their motivations for teaching.

Spinebreakers: In September 2007, Penguin launched the UK's first online book community for teenagers, giving them the opportunity to discuss, debate and interact with Penguin's rich source of publishing from contemporary titles. Editorial control of the site is in the hands of a core editorial team of nine teenagers aged between 13 and 18 years, supported by a large network of contributing teen editors from across the UK.

The Pennies for Peace Toolkit: The Pearson Foundation, together with Pennies for Peace and the National Education Association Foundation, announced a new K-12 service learning toolkit designed to help educators in the US create effective penny-raising campaigns as part of their school's curriculum.

Teaching Leaders: This new London-based initiative aims to deliver measurable improvements in pupil achievement by developing a network of excellent, well-supported middle leaders – heads of subjects, year group and other whole-school roles. We recently established the Pearson Excellence Awards for Teaching Leaders, pledging to donate £11,000 worth of prizes to reward participants for effective, well-executed initiatives implemented at their schools at the end of the first year in the programme.

PeaceJam Global Call to Action: On 11 September 2008, alongside PeaceJam, the Penguin Young Readers Group and the Digital Alliance, the Pearson Foundation introduced the Global Call to Action Challenge, which encourages young people to document in digital film and in writing the projects they've created and implemented to bring about peace in their local communities. An extension of the newly published Penguin Young Readers book *PeaceJam: A Billion Simple Acts of Peace*, the Global Call to action encourages young people to commit themselves to 1 billion projects to serve their communities in the next ten years.

A few words from... Mark Nieker

'For Pearson people everywhere, the Pearson Foundation is a reminder of how much we can achieve when we put our heads together. It's another, even more personal way that together, we at Pearson help people improve their daily lives.

We never take for granted the importance of what we're trying to do, and we're always looking forward to the great things we can accomplish together.'



Mark Nieker President
The Pearson Foundation

Progress and Plans

Target 2008

Progress

Plan 2009

Sustainable business practice

Expand our individual company environmental committees into our US and other businesses, directly involving many more of our people.



Ongoing. Over 30 Green Teams now in place in Pearson facilities in the UK, the US, Canada, Australia and India.

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

Continue our environmental and labour standards auditing programme, revisiting our printers in Asia, North America and parts of Europe.



Achieved. Visits carried out in Australia, China, India, Japan, Mexico and in several European countries, including Germany, Italy, Spain and Slovakia.

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

Continue the process of becoming a climate neutral company with a view to completing that process globally by the end of 2009.



Ongoing. Highlights include:

Reduced energy usage from a global investment programme in lighting upgrades and server virtualisation;

Partnered The Nature Conservancy on its 'Plant a Billion Trees' programme. 1.5 million planted to date;

Established funds in the UK and the US to stimulate innovative carbon saving programmes;

Implemented a new policy in the UK to place a carbon cap on vehicle types and in the US introduced first hybrid vehicles into our car fleet.

Continue the process of becoming a climate neutral company with a view to completing that process globally by the end of 2009, including:

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

Continue programme to ensure our key buildings are energy efficient;

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

Purchase 'green' energy where available and affordable.

Audit the social and environmental policies and impact of companies acquired in 2007 and set out plans to integrate them into Pearson's framework for corporate responsibility.



Achieved. Harcourt and other businesses now integrated into Pearson framework for reporting on labour standards and environmental matters.

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

Maintain our position in the key indices of social responsibility.



Achieved. Pearson retained its position as Global Leader for the Media Sector in the Dow Jones Sustainability Indices and maintained its Platinum rating in the Business in the Community Responsibility Index.

Maintain our position in the key indices of social responsibility.

Progress and Plans continued

Target 2008

Progress

Plan 2009

Valuing our people

Accelerate our commitment to build a truly international business by helping more of our people experience a new country on a short-term assignment, with our developing markets as a priority.



Achieved. We helped 67 people through NewDirections in 2007 and increased that to 102 in 2008.

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

Show evidence of progress in retention of people with diverse backgrounds for both entry level and management positions.



Achieved. In the UK, the percentage of staff from minority backgrounds rose to and increased that to 102 in 2008. over 14% in 2008, against 9% in 2003. 11% of Pearson UK management is from a minority group, of which 4% are in senior management. Since 2005, the minority representation in the US workforce has risen from 15.7% to 19.9% in 2008. Minority ethnic managers make up 12% of the Pearson US management team, up 2% from 2005, with senior management representation rising by 1% to 5% in the same time frame. The turnover of staff from minority ethnic backgrounds in the global 'talent pool' declined dramatically from 6.1% in 2005 to 5.4% in 2006, down to 1.2% in 2007.

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



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

Commitment to fairness and quality

Launch the Pearson International Education Summit, bringing together global education leaders to identify and share exemplary educational practices.



Achieved. The inaugural Summit, developed in conjunction with the US Council of Chief State School Officers, was held in Singapore. It convened delegates from 13 countries and six continents to explore first hand the educational and cultural drivers that consistently help Singapore students to score at the top of international surveys.

Continue and expand the Summit to include a focus on teacher quality and training, one of the key learnings of the Singapore convening.

Use the Pearson Foundation Development Fund to work with our businesses in Africa, India and Asia to provide training and support for local teachers in developing communities.



Achieved. Launched the Pearson Professional Development Program for African educators in Kenya, Nigeria, South Africa, Tanzania and Zambia. Provided intensive training and support for local educators, focusing specifically on early childhood development, literacy, numeracy and on teacher and student acquisition of key 21st century skills.

Extend these programmes to involve education leaders in a cross-country dialogue addressing key education needs and solutions.

Progress and Plans continued

Target 2008

Progress

Plan 2009

Supporting active citizenship

Build on the success of our ongoing Booktime and Read for the Record campaigns to showcase the importance of early reading for young people everywhere.



Achieved. Booktime: 750,000 book packs donated to children in around 20,000 schools across the UK, up from 700,000 book packs in around 17,000 schools in 2007.

Increase the number of children reached through these campaigns, expanding Booktime once again and rolling out Jumpstart's Read for the Record programme internationally.

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 2008 campaign. Shared more than 200,000 books and raised nearly \$2m for Jumpstart's year-round operations, helping to draw national attention to the US early education crisis.



New target. Increase the number of interventions we make to facilitate constructive debate on key contemporary issues.

Recognition and awards

Highlights from Pearson

We maintained our position as Global Leader in our sector (Media) in the Dow Jones Sustainability Indices 2008.



Learn more at

www.sustainability-index.com/djsi_pdf/Biosog/Pearson_09.pdf

We held our Platinum status in the Business in the Community's (BITC) Corporate Responsibility Index, the leading UK benchmark for responsible business. Pearson's score increased from 95% last year to 96.5%, making us the media sector leader for the first time.



Learn more at

www.bitc.org.uk/document.rm?id=7411

We received a Special Recognition Award from AHEAD, the largest US group addressing the needs of Higher Education students with disabilities. Last year, Pearson delivered well over 4,000 electronic textbooks to students in the United States – many within five days or less – to the Disability Student Service community via a new automated process.



Learn more at

<http://www.ahead.org/membersarea/NOM/Recognition.php>

We were shortlisted for the Widening the Talent Pool award at BITC's Race for Opportunity (RfO) Awards 2008. In the UK, we've attained Gold standard status and have been ranked in the top ten companies in the 2008 RfO benchmarking exercise – a case study of our UK internship programme is here.



Learn more at

www.bitc.org.uk/workplace/diversity_and_inclusion/race

We were awarded with the Corporation for National and Community Service's Corporate Spirit of Service award 2008.



The US award recognised Pearson's exemplary support – through our people, businesses and the Pearson Foundation – of Jumpstart and the Read for the Record Campaign.

Learn more at

www.nationalservice.org/about/newsroom/photos_press_detail.asp?tbl_pr_id=1048

Snapshots from our businesses Pearson Education



Teachers' Choice Awards The PAIR UP! Team reading programme in the US was judged a top classroom pick in the 15th Annual Learning Magazine Teacher's Choice Awards, the only award which evaluates products during actual classroom use.



Pearson Education Asia has been awarded as a 'Caring Company' for the past three years by the Hong Kong Council of Social Service. The scheme's mission is to build a caring community spirit through cultivating corporate citizenship and strategic partnership between private, public and not-for-profit organisations.



Learn more at

www.caringcompany.net/en_comlogo_list.php?year=2008-2009&startletter=p

Three Pearson Education projects were named the US' best software products in the Software & Information Industry Association's (SIIA) 23rd Annual CODiE Awards – the only peer-reviewed awards in the software and content industries. **KnowledgeBox** was named Best MultiMedia Solution; **Waterford Early Learning** – Reading landed the Best Course/Classroom Management award; and Waterford Early Learning – Math & Science took Best Science Instructional Solution.



Learn more at

<http://www.siiia.net/codies/zoo8/winners.asp>

Pearson Education US was recognised by the AARP in their prestigious list of Best Employers for Workers over 50. This annual list showcases companies whose policies and practices provide an enriching environment for all its staff, including those over 50.



Learn more at

www.aarp.org/money/work/best_employers/articles/pearson_2008.html

Recognition and awards continued

Snapshots from our businesses **The FT Group**



Newspaper Awards *Financial Times* won National Newspaper of the Year 2008, while *How To Spend It* won the award for National Colour Supplement of the Year, for the seventh consecutive year.



Diageo Africa Business Reporting Awards Alec Russell was given the best feature award for a report on the Chinese in Angola, while Charlie Bibby received the best-photograph accolade for a picture promoting the FT's seasonal Camfed appeal.



Sponsored by Diageo

ACE Awards FT won gold in the Circulation Award category, silver in the Circulation Excellence and Endeavour by a National Newspaper category, silver in the Most Effective Promotional Campaign by a National Newspaper category and bronze in the Service and Communication to Retailers by a National Newspaper category



Learn more at www.ft.com/servicestools/mediainquiries/awards

Wincott Awards Saskia Scholtes won the Young Journalist of the Year Award, while FT Alphaville won the award for online journalism.

Snapshots from our businesses **Penguin Group**



Publisher of the Year Penguin Australia and Penguin Canada were named Publisher of the Year 2008 at the Australian Book Industry Awards and the Canadian Booksellers' Association respectively.



New Media Age (NMA) Effectiveness Awards Penguin's **Blog A Penguin**

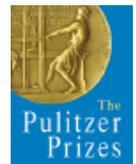


Classic won in the Entertainment category for 2008, while Penguin's teen website **Spinebreakers** received a commendation in the Special Award for Innovation category.

Costa Book Awards Penguin author Sebastian Barry's *The Secret Scripture* won the Novel of the Year and Book of the Year 2008 at the Costa Book Awards.



Pulitzer Prize Riverhead imprint author Junot Diaz won the 2008 Pulitzer Prize for Fiction with his title *The Brief Wondrous Life of Oscar Wao*.





Learn more about how we educate,
entertain and inform at [pearson.com](https://www.pearson.com)
and [pearson.com/pearsonville](https://www.pearson.com/pearsonville)