Our social impact

Learning is the means by which people progress in their lives.

At Pearson, our commercial success and delivering on our social purpose are mutually reinforcing. Our aim is to help people flourish and make progress in their lives through education and learning.

Our promise is progress for the millions who learn with us and efficacy (p46) is the key mechanism by which we will deliver. This means a clear focus on developing products and services that have a measurable impact on improving students' lives through learning.

This year, we have gone further by setting clear goals on the number of learners we will support through our products and services.

Purpose reinforces success in a number of ways – it attracts and helps us retain talent, something we know to be true from the results of our engagement survey; it inspires our customers; builds confidence; drives performance and helps foster innovation.

Our strategy is focused on extending and deepening our impact, but we also know that 'how' we deliver is central to our purpose. Acting responsibly helps us to deliver better outcomes and to meet the expectations of our stakeholders.

Our social impact strategy

Sustainability

We invest in our people, our communities and work to reduce our environmental footprint.

Impact

We contribute to significant social and environmental campaigns.

Innovation

We actively partner and invest in new models of learning to help find solutions to the biggest unmet educational needs.

Overview

Pearson has an active role to play in finding solutions to our global sustainability challenges, which is integral to our business strategy and how we report on our most material issues.

1	Sustainability	p56-58 →
2	Our values and behaviours	p59-60 →
3	Our relationships	p61-63 →
4	Our planet	p63-64 →
5	Impact campaigns Project Literacy Employee engagement	p65-66 →
6	Social innovation	p67 →

From June 2016 we will report in more detail in our 2015 Sustainability Report available on pearson.com/social-impact 🖱

1. Sustainability

Towards a new strategy

During 2015 we began a review of our sustainability practice, to ensure that our strategy, activities and reporting efforts:

› Reflect best practice in sustainability.

› Are fit for purpose in a rapidly changing business climate.

› Align with current business and stakeholder priorities.

› Match our ambition and business strategy.

› Reflect how our business model can link to the UN's Sustainable Development Goals.

Pearson has a broad definition of responsible business and has established a set of commitments across a range of social, community and human rights principles to:

Ensure that our products and services are inclusive, appropriate in content to the age, location and ability of the learner, and are easy and safe to use and access.

Respect and protect how we use and share data entrusted to us by learners and our customers.

Inform, support and equip colleagues to work collaboratively.

Encourage and reward high performance, nurturing talent and creating a culture where all are able to realise their individual potential.

Provide a safe and healthy workplace for our employees and the learners we serve.

Extend our commitments on labour standards, human rights and environmental responsibility to include our suppliers and business partners. This includes a concern across the value chain for ensuring our activities are free from slavery, servitude, forced or compulsory labour and human trafficking.
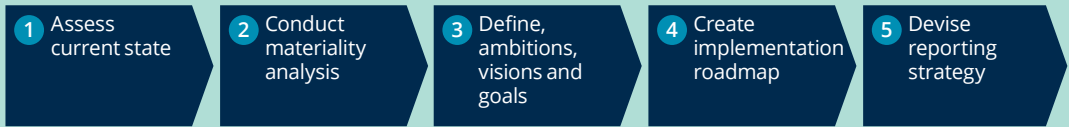
Provide opportunities for Pearson people to be good citizens and to get involved in their local communities.

Deliver against our targets on our response to climate change and to make more efficient use of resources.

Pearson has in place policies to support recognised human rights principles. These include health and safety, safeguarding, non-discrimination and a right to quality education. As a founder signatory to the UN Global Compact, we have also made a series of commitments to the Universal Declaration of Human Rights, the ILO declarations on fundamental principles and rights at work, the Rio Declaration on Environment and Development and to reflect a zero tolerance approach to bribery and corruption.

The approach we've taken for our sustainability review and the resulting sustainability map are opposite on p57 →

Pearson sustainability review – five key phases:

1 Assess current state → **2** Conduct materiality analysis → **3** Define, ambitions, visions and goals → **4** Create implementation roadmap → **5** Devise reporting strategy

We have completed a third-party review of policies and reporting, a benchmark against competitors and leaders, as well as internal interviews with Pearson executives. A new sustainability map captures our most material issues.

This has been reviewed by internal experts and, to date, nearly 40 Pearson executives have been consulted. This will be finalised in 2016 and form part of our sustainability reporting. Detailed below is our current thinking:

Pearson sustainability map

Mission

Help people make progress in their lives through access to better learning

Alignment with UN sustainable development goals

4 Quality education

8 Decent work and economic growth

10 Reduced inequalities

Our framework indirectly addresses the other 14 goals

Ambition

1 Be a trusted partner *operate responsibly*

2 Reach more learners *be inclusive*

3 Create the future of education *lead in product innovation*

Strategic intent

Operate responsibly

Maximise social impact by reaching new markets and expanding access to our products

Lead in product innovation and excellence to create education that meets society's future needs.

› Value our learners, customers and partners	› Reach more of the people who need a better education the most	› Produce products which improve the way education is delivered
› Respect and progress our employees	› Make our products accessible to every type of learner	› Advance the skills, competencies, and qualifications needed for life and work in the 21st century
› Promote stewardship in our everyday operations	› Consider the affordability of our products in relation to the type of market and its customers' income levels	› Empower learners to be global citizens
› Actively contribute to the communities where we work		
› Deliver products which give learning outcomes we promise		

1. Sustainability continued

Pearson and the UN sustainable development goals

In 2015 we joined world leaders at the United Nations in committing to the UN sustainable development goals (SDGs) setting out their ambition for a more peaceful and prosperous world. These goals represent global challenges that impact education across the world. Goal 4 is particularly important for Pearson – "to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all." We are playing our part in contributing to this goal, through contributing educational expertise, knowledge and resources to help address these pressing challenges.

We are also working in partnership with others to make a difference:

› We are supporting Project Everyone – an organisation with a simple but mighty ambition – to share the global goals with all 7 billion people on the planet

› We have joined the Global Citizen movement – an organisation dedicated to creating change and taking action to address the world's biggest challenges

Governance

Corporate responsibility cannot be separated from our business and reputation. The reputation and responsibility committee, a formal committee of the board, provides ongoing oversight, scrutiny and challenge across the entire responsible business agenda. Learn more on p90.

The Pearson executive drives the implementation of business strategy, including our response to the key issues and opportunities we face. The responsible business leadership council oversees the development and implementation of our responsible business strategy on behalf of the board. It is chaired by our chief corporate affairs officer and comprises senior executives from across the global business.

Stakeholders

Public and private sector customers regularly seek information on how we go about our business, while many learners and employees want to understand our approach to sustainability. Socially responsible investors and non-governmental organisations look at issues such as supply chain standards and ethics.

Our approach to responsible business is informed by the priorities and views of our many stakeholders. A priority for us will be testing our new sustainability framework with stakeholders as part of a continuing focus on identifying, engaging and inspiring our priority audiences.

2. Our values and behaviours

Employee engagement

Our organisational structure continues to evolve to better deliver on our business strategy and to position the company for growth. We continue to invest in our single operating model, and in particular in standardising systems and a smaller number of global platforms. At the same time, we are accelerating our shift and investment in digital products.

Change can be inspiring but also brings operational risk. The link between employee engagement and business performance is well established, and our 2014 employee engagement survey had some key lessons for us:

> Our purpose to improve lives through learning is clear and compelling.

> Our focus on efficacy is improving our products and services.

> Values and behaviours are critical to our success, but need to be more clearly articulated.

> In this time of change, our leaders and managers need to communicate more often and more clearly their expectations of working together in a more joined-up way.

> More work is needed to clarify to employees how our new structure works and how it helps deliver outcomes for learners.

Based on this, we set the following agenda for the work around our values in 2015 and beyond:

Priorities in 2015 and beyond	Activities in 2015
Leaders more consistently model the behaviours required for us to be successful	> Many of our leaders have written, spoken or tweeted about our values in 2015, and the values themselves have been integrated into business processes and communication > Following consultation and research, we introduced 'accountable' as a fourth value, alongside our current values of brave, imaginative and decent, to provide positive tension and increase our focus on responsibility and delivery
Employees see evidence of the values driving the right behaviours across the organisation	> We created a clear set of behavioural expectations against each of the values, and defined high, expected and low performance for each behaviour, for all employees as well as for more senior leaders. Clear behavioural expectations provide more clarity in terms of what the values look like day-to-day
People feel safe to speak out and challenge where our values are not being lived	> In 2015, we provided much clearer guidance on how to assess values and behaviours in a performance review > The values and behaviours were used to help shape the revised Pearson Code of Conduct, with a particular focus on speaking up and challenging behaviour that is not consistent with our values
Candidates are attracted to Pearson by our values, Employee Value Proposition and culture	> We created and launched a range of simple but powerful toolkits to help leaders, managers and teams explore and understand what the values and behaviours look like in their own context
Evidence that our values drive performance, engagement and retention of key talent	> Welcome to Pearson, our award-winning global onboarding tool, has been updated to ensure that all new hires are familiar with the values from day one. We continue to have high recall of the values, and strong identification with them, as evidenced in our 2015 engagement survey (see below)

The 2015 engagement survey found that 89% of employees agree that 'Pearson's values are important to me' – even higher than in 2014 (84%). The survey also indicated that behaviour consistent with our values was significantly more visible to employees, and that all four values are more prevalent within most parts of our company. As part of our work on culture, we found that the way Pearson's colleagues treat one another and the values themselves are factors in the decision to join and stay at Pearson.

Our business

Our performance

Our Social Impact

Governance

Financial statements

2. Our values and behaviours continued

Our values

Brave
Takes bold and decisive action to deliver ambitious outcomes and champions a culture of high performance

Imaginative
Looks beyond their immediate job both inside and outside of Pearson and introduces new ways of seeing, thinking and working

COLLEAGUES

CUSTOMERS

THE LEARNER

STAKEHOLDERS

Decent
Listens, encourages and respects difference, treats all people fairly, with honesty and transparency

Accountable
Drives results by owning the solution, getting the right people involved and delivering on promises

Our behaviours

Brave	Imaginative	Decent	Accountable
Shows determination and courage in the face of obstacles and setbacks	Assesses complex issues from multiple angles and addresses problems that don't have clear solutions or outcomes	Is honest, transparent and straightforward when working with others	Takes ownership of own work and drives to successful completion and closure
Offers ideas or opinions without fear of criticism or professional risk	Offers creative ideas and innovative solutions to solve problems and address opportunities	Builds trusting relationships with a broad range of people inside and outside Pearson	Identifies and involves others to accomplish individual and group outcomes
Sets high standards for own and others' performance	Takes a broad perspective to identify opportunities and solutions	Looks for and includes diverse viewpoints and talents of others	Follows through on commitments

Code of conduct

Our values are reinforced by our code of conduct which covers, among other things, individual conduct, safeguarding of learners, employee rights and responsibilities, community involvement, the environment and our social obligations. We make sure everyone is aware of the Code and this forms part of the onboarding process. This year, we completed a material review and rewrite of the Code including detailed additional guidance and case study support. The Code was circulated early in 2015 to every Pearson employee and they were asked to confirm they had read it, understood it and to affirm that they would comply with it. Over 99% of employees have signed up to the Code.

Raising concerns

We operate a free, confidential telephone helpline and website for anyone who wants to raise a concern and we have a clear non-retaliation policy in place to encourage people to share the issues they have. In 2015, we had 119 concerns (112 in 2014) raised through the ethics reporting process. These were investigated and, where possible, the outcome shared with the whistleblower. This year, as in most years, the majority of the concerns related to HR practices. Material concerns raised are reported to the Pearson audit committee.

3. Our relationships

Learners and customers

Our primary responsibility to learners is to ensure that every product or service we sell can be measured by what it helps them to achieve. It is also the primary contribution we can make to society. Our section on efficacy describes the commitments and progress we have made.

Last year, we adopted the Pearson product lifecycle framework for managing our products, services and platforms. This introduced a unified product strategy that brought a single global approach to shape how we invest, develop, market and deliver our products. We have identified a number of priority products for investment, selected for their potential to generate the most business value and deliver the greatest learner outcomes at scale. These are the focus of our commitments. Our products are increasingly digital, offering opportunities to tailor and personalise learning around individual needs. At the same time, many people have concerns over the security and privacy of data. We have established a governance body within Pearson to oversee our global approach to these issues.

Product development is part of a wider approach to better understanding product and customer experience. Last year, we introduced the Net Promoter Score (NPS) system into Pearson. This is one of the most recognised methods of measuring customer loyalty and to date over 150,000 of our customers have shared their comments. Corporately, we have also invested in a brand tracker – seeking the views of learners, parents and educators on Pearson in our largest markets.

One area in which we can do more is to integrate our approach to managing customer relationships. We are now implementing a single global platform – Salesforce – for our marketing, sales and service functions. Starting with our businesses in South Africa and the Higher Education sales teams in the United States, we will be adding new markets, geographies and capabilities in 2016. A single customer view will help improve our responsiveness to customer needs.

As we grow through operating and owning learning institutions, we have new responsibilities to safeguard and protect learners through providing a safe, age-appropriate learning environment, whether in a classroom or online. Our new head of safeguarding has spearheaded our work in this area through assigning local business leads, establishing common reporting frameworks, launching a new safeguarding online learning module and training strategy, as well as piloting a new approach to incident prevention.

Our people

Highlights during the year include:

› Reinforcing our single global approach to performance assessment. Introduced in 2014 and refined in 2015, this is designed to help our employees agree expectations for the year and to motivate people to act consistently with our values and business strategy.

› A continuing commitment to internal learning and development. Pearson has a single global platform – Milo – for learning and development. Employees completed approximately 200,000 courses relevant to employee development during 2015. Through Milo, we delivered a global employee induction module called 'Welcome to Pearson' and a suite of management modules on ways of working. Employees and managers use Milo to record their individual goals, monitor their progress, and assess their performance. Pearson also began the implementation of a single global recruitment process, which will allow all employees access to job openings around the world and introduces a consistent approach to internal movement.

› Ensuring our employees and the learners we serve are safe, resilient and productive. Our goal is to achieve zero harm for our employees, contractors and learners, working to prevent incidents before they occur. In 2013, we launched a revised Global Health & Safety Policy which included 39 minimum performance standards for implementation at all of our locations in the world. In June 2015, Pearson secured the RoSPA Bronze Award for health and safety performance for our global operations. A health and safety strategic plan is in place for 2015-17 with 11 focus areas, each with clear accountability and measures of performance.

› Helping employees understand how we are doing as a company, including how world and sector trends might affect them and their business. We provide comprehensive and relevant information on our performance including presentations, small group discussions, messages and webinars. Senior leaders also use technology to reach all areas of Pearson, through initiatives such as virtual town halls. The chief executive hosts a regular call to update all employees on strategy and to share new innovations from across the company. In the UK, we have set up an employee engagement group involving members elected by staff as well as trade union representatives.

3. Our relationships continued

Diversity and inclusion

At Pearson, we value the power of difference. It drives innovation, productivity and engagement, helping create a culture of opportunity, where every employee and learner is valued. That's why we're committed to ensuring that the core principles of diversity and inclusion are embedded across our entire business, so that we reflect our customers and learners, and where our people can be themselves and contribute fully to our mission to improve lives through learning.

The three pillars of our approach are:

Equality	Diversity	Inclusion
Champion fair treatment, respect and equal opportunity for all our people.	Celebrate what makes us different, our individual and organisational culture, work styles, values, beliefs, experiences, backgrounds, preferences and behaviours.	Create a single global working environment and culture, where all our people can bring their full selves to work, are valued for their differences and can contribute fully to our company purpose.

We are committed to attracting, retaining, engaging and developing the best people. We know that creating and sustaining an inclusive work environment is critically important from the boardroom down, regardless of race, gender, gender identity or reassignment, age, disability, religion or sexual orientation.

Highlights of our activities include:

› We have 30% female board members, ahead of the 25% by 2015 target set by Lord Davies for the UK's 350 largest companies.

› We remain an enthusiastic member of the 30% Club which brings together chairs and CEOs to work together on gender balance. We participate in their cross-company mentoring programme which helps the development of talented mid-career women.

› Raising awareness about the impact of unconscious bias on key people management decisions. To date, over 4,000 employees have completed our interactive training on the topic.

› In the UK, we are members of the Stonewall Diversity Champions programme and participate in the Stonewall Workplace Equality Index, benchmarking how we perform as an LGBT-friendly employer against over 400 UK organisations. In the United States, Pearson again recorded a perfect score of 100% in the 2015 Corporate Equality Index run by LGBT advocacy organisation, the Human Rights Campaign.

› We have involved over 3,000 employees in global employee resources groups. Networks include Women in Learning and Leadership (WILL) which currently has 15 chapters, Pearson Spectrum for LGBT colleagues and allies, Pearson Parents, Pearson Able for colleagues with disabilities and accessibility advocates, Pearson Veterans for military families and veterans, and the Pearson Latino Network, dedicated to addressing the needs of Hispanic and Latino employees and learners.

› Disability is an important part of our wider commitment to diversity and inclusion. We work to ensure that appropriate procedures, training and support are in place for people with disabilities to ensure fair access to career and progression opportunities. Our Able network of employees will help us improve practice.

Women in Pearson (%)

Board of directors	Senior leadership*	All employees
33% 2015 30% as at 1.1.16	**34%** 2015	**59%** 2015
30% 2014	35% 2014	58% 2014
22% 2013	31% 2013	57% 2013

*   Two reporting lines from chief executive

All employees (number)

Board of directors	Senior leadership*	All employees**
6 men 7 as at 1.1.16 ♂	68 men ♂	16,781 men ♂
3 women ♀	35 women ♀	24,260 women ♀

*   Two reporting lines from chief executive

**   Derived from HR systems and includes the FT

4. Our planet

Supply chain and partners

Pearson purchases goods and services valued at around £1.5bn each year. This total includes our investment in research and development of new digital products and services.

Specific clauses relating to our commitments made under the UN Global Compact are an integral part of our contracts for key suppliers. These standards include the rejection of forced and compulsory labour, a respect for diversity, a minimum age to work on Pearson projects and compliance with employment laws and regulations.

This year, we reviewed our approach to franchise partners and introduced a common contract template governing our responsibilities on health and safety, labour standards, combatting corruption, safeguarding and the environment.

Communities

In 2015, our community investment was £10.7m, or 1.5% of pre-tax profits. In 2014, Pearson adopted a new strategy which established increasing literacy rates worldwide as our anchor social impact campaign issue, along with a focus on employee engagement in communities. Read more on pages 65-66.

We are committed to playing an active role in helping shape and inform the global debate around education and learning policy. A major milestone this year was the launch of the UN Sustainable Development Goals and, with others, we successfully advocated for the inclusion of education as a core goal. We also contributed to the debate during the UN General Assembly in September as well as to Project Everyone to spread the word on the goals.

We are a board member representing the private sector on the Global Partnership for Education, having been one of the first companies to join the initiative. GPE brings together over 50 developing countries, donor governments, international organisations, the private sector, teachers, and civil society/NGO groups to support developing countries with their education sector plans through financial assistance and technical expertise: www.globalpartnership.org

We also believe that the wider private sector has an important contribution to make in developing education and learning policy. We helped establish, and continue to support, the Global Business Coalition for Education, helping focus the wider business community on the challenges faced by developing countries to promote learning: http://gbc-education.org/about-us

We believe that we have a responsibility to play our part in protecting the natural resources on which we all depend.

Climate change

Pearson maintained our climate neutral status for our directly controlled operations – a commitment we first achieved in 2009. We do this through carbon reduction, purchase of renewable energy, renewable energy generation at our sites and the purchase of carbon offsets.

Highlights of our activities include:

› Pearson retains global certification against the Carbon Trust Standard. We were the second ever organisation to secure the standard which recognises leadership in measuring, managing and reducing year-on-year carbon emissions.

› Pearson completed our work to build a carbon footprint analysis tool for our book publishing in the US and UK. This will help us target the most effective reductions.

› We maintained our record of purchasing 100% of the electricity we use from green power representing over 141,000 MWh of electricity in 2015. During COP21 in Paris, Pearson announced that we had signed up to RE100, joining over 50 companies helping build the market for renewable electricity.

› We continue to generate renewable electricity at five sites and have 2.6 MW of wind and solar assets installed.

› Pearson is certified against ISO14001, the environmental management standard in the UK and Australia. During 2015, Pearson completed the work to become certified against ISO 50001, the energy management standard.

› Our River Street offices in Hoboken, New Jersey, became the latest to secure LEED certification, an internationally recognised mark of environmental excellence in facilities management. Pearson occupies 840,000 square feet in LEED certified buildings including our offices at 330 Hudson Street in New York.

Our approach to managing other materially important emissions – such as embedded carbon dioxide in purchased raw materials as well as business travel by air – are detailed in our 2015 Environment report. This will be published in June 2016.

Targets

25%
reduction in operational emissions by the end of 2015, based on a 2009 base year. **We achieved 30%**

100%
To maintain our record of purchasing 100% of the electricity we use from green power. **Achieved**

4. Our planet continued

Global Greenhouse Gas (GHG) emissions data (Metric tonnes of CO_2e)

Emissions from:	Calendar year 2014	Calendar year 2015	Intensity ratios:	Calendar year 2014	Calendar year 2015
Combustion of fuel and operation of facilities (GHG Protocol scope 1)	25,027	22,343	Scopes 1 and 2 (tonnes CO_2e)/ sales revenue £ (millions)	26.6	24.8
Electricity, heat, steam and cooling purchased for own use (GHG Protocol scope 2)	104,715	88,381	Scopes 1 and 2 (tonnes CO_2e)/FTE	3.17	2.70
Total	129,742	110,724			

Carbon emissions The scope 1 and scope 2 carbon emissions are calculated according to The Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Revised Edition) together with the latest emission factors from recognised sources including, but not limited to DEFRA, the International Energy Agency, and the US Environmental Protection Agency. No material scope 1 or scope 2 emissions have been excluded from the reported GHG emissions.

Material use: Forests

When purchasing paper for our books, security and sustainability of supply are very important to us. Paper use remains a priority environmental issue and we continue to focus on sustainability sourcing and being more efficient in how we use paper. We:

› First adopted and publicly disclosed our environmental sourcing policy for paper in 2003.

› Collect and map data on the forest of origin, certification systems applicable and recycled content for the papers we purchase.

› Talk about our guidelines with our key paper suppliers when we meet and as part of our contract negotiations.

› Discuss our approach to paper purchasing with customers, environmental groups, investor analysts and other interested stakeholders.

› Signed up to the WWF Save Forests campaign and added our voice for the inclusion of printed material within the scope of the EU Timber Regulation.

› Hold Forest Stewardship Council (FSC) chain of custody certification, allowing books to carry the FSC label for our businesses in North America and in the UK.

› Are members of industry bodies dedicated to responsible forest management. We have been members of the WWF forest and trade network for over a decade and are a founder member of PREPS – the publishers database for responsible environmental paper sourcing – which we use across our global business.

› Invest in forest-based carbon offsets for any part of our climate footprint we cannot reduce or avoid through other means. Since 2009, this programme has seen over 1,300 hectares of forest protected in Canada, Colombia, Costa Rica, the US and the UK.

Visit pearson.com/environment to learn more.

Our performance: Our social impact rankings

One way we assess how we are doing as a responsible business is to maintain our position in key indices and benchmarks of social responsibility.

Index/year	2011	2012	2013	2014	2015
Dow Jones Sustainability Indices*	Global Sector Leader	Gold Class	Silver Class	Bronze Class	**Bronze Class**
BITC Corporate Responsibility Index	Platinum	Platinum (retained)	Platinum	Platinum (retained)	**95%****
Inclusion in FTSE4Good	Yes	Yes	Yes	Yes	**Yes**
Corporate Knights index of the Global 100 most sustainable corporations				Yes	**Yes**

*   For the last decade, we have been included in the DJSI World index which includes only the top 10% of companies in each industry assessed for sustainability performance.

** BITC introduced a new rating system in 2015.

We welcome feedback on this aspect of the company as we do on any other. Please e-mail amanda.gardiner@pearson.com with any questions or ideas you may have.

5. Impact campaigns

Pearson has changed its approach to community investment. We believe that we can make more of a difference to people's lives through focusing on a small number of campaigns and issues, where working together with others can accelerate the impact of learning.

As the world's learning company, Pearson has a lot to offer beyond traditional cash donations – we can also bring the expertise and enthusiasm of our people, as well as a wealth of relevant products and services.

This approach also delivers value for the company. By getting involved in social campaigns, our employees can develop new skills, insight and energy and apply this to their work at Pearson. Our social impact campaigns also raise Pearson's profile, differentiate us, and increase awareness of issues that inhibit access to better learning outcomes.

In 2015, our primary focus has been on developing our flagship campaign, Project Literacy. Alongside this, we have also offered employees a range of new ways to get involved in worthy causes and their local communities.

Project Literacy

Illiteracy remains a huge challenge. One in ten people worldwide, or over 750 million adults, are illiterate, two-thirds of whom are women. This is a staggering number of people.

We also know that being literate is fundamental to building a world in which everyone has the chance to learn.

Literacy is an issue where we believe that Pearson can make a substantial contribution, but is far from sufficient on its own. This is why we launched Project Literacy – a movement with a shared vision to put literacy within everyone's reach, unlocking the potential of people, communities and whole economies. To date, 40 organisations have joined the campaign.

To shape our campaign strategy and focus, we researched the views of the public, the private sector and literacy charities to understand both the current landscape and to benchmark awareness of illiteracy as an urgent issue. We found that:

a) Illiteracy is not viewed as a major global or national issue. However, when illiteracy is connected to social and economic challenges such as poverty, interest rises

b) The vast majority of funding is for child literacy leaving adult, and in particular women's, literacy under-funded

c) More investment is needed to support families to help their children develop literacy skills before starting school

Based on these insights, Project Literacy refined its focus and strategy as a five-year campaign dedicated to building a movement and partnerships that will act together to close the global literacy gap.

Building partnerships Partnerships are critical to the success of Project Literacy. Our partnership selection process is based on a theory of change developed in collaboration with the Pearson Efficacy team and Results for Development (R4D), a US non-profit that specialises in monitoring and evaluation for international development programmes.

Engaging employees in social impact

Our people are our best ambassadors and advocates. One way we support them is to provide opportunities to give time and money to invest in their communities. We use Project Literacy as a lever, but we also support our employees to make an impact on causes they care about through opportunities to volunteer, donate and to share their social impact stories. Over the course of 2015, 30% of employees participated in social impact activities at Pearson.

Project Literacy – headlines

969m
people reached through media, social reach and events

11,460
people have sought volunteering opportunities with our Project Literacy partners

449,477
views of Project Literacy articles published by GOOD Magazine, a social purpose media company

Celebrities and influencers supporting the campaign:
Richard Branson, Chelsea Clinton and Piers Morgan

Events marked by Project Literacy:
World Book Day, Mandela Day, International Youth Day, International Literacy Day, UNGA week, International Human Rights Day, and Giving Tuesday

5. Impact campaigns continued

The three pillars of our theory of change that guide our partnership investment decisions are:

1 Advancing best practice

We partner with organisations implementing proven literacy interventions to help them grow. Why? Because there are some things that we already know work to improve literacy, and we need more of them.

2 Innovating new solutions

We partner with organisations to design, build and rigorously test new approaches to tackling illiteracy. Why? Because new solutions will be needed to reach the most marginalised and achieve scale.

3 Raising awareness and mobilising action

We are building a network to advocate collectively for greater investment in and attention to literacy. Why? Because the extent of the problem and its potential impact is huge; we'll need everyone united to close the literacy gap.

National Literacy Trust (NLT)

Project Literacy and NLT are partnering together to replicate Early Words Together, a targeted literacy peer education programme for families with children aged 2 to 5, in 30 schools across the London metropolitan area. As an integral component of the programme, Pearson and community volunteers are recruited and trained to help parents improve their home learning environment and adopt behaviours that support literacy using evidence-based approaches and materials.

Worldreader

Project Literacy and Worldreader are partnering together on a mobile technology pilot project in India – Mobile Reading to Children – to empower parents to talk more and read more to their children, specifically through the use of mobile devices. With the Worldreader mobile app, which is available on feature phones and smartphones, we will be providing a rich bank of locally relevant content at low cost for 200,000 low-income parents in Delhi who have children aged 6 and younger. Additional partners include Results for Development, Center for Knowledge Societies, Society for All Round Development, Katha, and Health and Family Planning Organization.

Unsigned petition

In September 2015, 16 Project Literacy partners joined forces to sign an open letter to world leaders meeting at the United Nations General Assembly (UNGA), calling on them to make literacy a key part of the sustainable development agenda. The letter was published in The New York Times and The Guardian. This letter, combined with the launch of our global 'Unsigned Petition', reached 410 million people through social media. The petition is our major call to action for 2015 and 2016, serving as a striking and visual reminder of the global scale of illiteracy and the 750 million people worldwide who cannot sign for themselves.

Volunteering

We now have formal volunteering programmes in place in the US and the UK with Project Literacy partners including Reading Partners, Jumpstart and the National Literacy Trust. In 2015, our employees volunteered over 10,000 hours with 40% of those linked to literacy. For one programme – Read for the Record run by Jumpstart – our employees contributed approximately 1,000 volunteering hours and helped 7,000 children.

Sharing

Pearson employees helped inspire others by contributing more than 1,400 stories about literacy volunteering or donating, either on social media or on our internal community engagement hub.

Giving

Pearson has teamed up with Kiva, the world's largest micro-lending platform, to provide micro-loans to people around the world who are locked out of traditional banking systems. To date, employees have made more than $600,000 of loans to Kiva entrepreneurs, making Pearson third globally for total amount loaned by a business on Kiva.

In September, we launched a matching gifts campaign to mark the launch of the Global Goals and Project Literacy presence at UNGA. Throughout the entire month, employees across Pearson who gave to charities received a 4:1 match from Pearson. The campaign raised over $430,000. Over the course of the year, employees supported more than 1,100 charities.

6. Social innovation

Lack of access to quality education for low-income and marginalised families is a global challenge that impacts both developing and developed economies.

Central to our approach is a belief that commercial solutions can accelerate access to quality, affordable education, while presenting new business opportunities for Pearson. Uncovering, developing and scaling solutions, especially in places where education standards fall well behind the best in the world, can require us to challenge the way we think about our business. We invest in new technology as well as test innovative partnerships for our products to reach these markets.

One example is Every Child Learning – our partnership with Save the Children. Our shared vision is to work together to find sustainable ways for the education system in Jordan to cope with the influx of displaced Syrian refugee children. We have donated £500,000 to fund the establishment of two Save the Children education centres in Amman, which are supporting Syrian refugees and host community children (5 to 13 years old) to get a quality education. We have made a further £1m commitment to work jointly with Save the Children to scope, research, design and develop new education solutions. That means going beyond traditional philanthropy to leverage the full potential of Pearson's global operations, networks and people.

Social innovation in practice – the Pearson Affordable Learning Fund

The Fund launched in 2012 and has a maximum commitment level of $65m in capital. Its ambition is to reach millions of students from low income families by 2020, allowing access to high quality affordable education. Integral to its approach is to set improvements in learning outcomes and market-based returns as conditions of continued investment. The Fund has invested in innovative education start-ups in South Africa, Nigeria, Ghana, India and the Philippines. The Fund goes far beyond financial backing in that it contributes to good governance, and operational support to education entrepreneurs. The Fund enables innovation from which both Pearson and governments can learn; the cost per student in the schools in the fund portfolio is on par or lower than the per pupil cost in the public sector.

Every Child Learning

Providing education for children in conflict and emergency settings presents many unique challenges. As the conflict in Syria enters its sixth year, over two million Syrian children are no longer in school and even more are vulnerable to the risks of child labour, early marriage and recruitment into militia groups. To address this critical issue we have joined forces with the international organisation Save the Children to launch Every Child Learning. The three-year partnership worth £1.5m will increase educational opportunities for Syrian refugees and host communities, and innovate new solutions to help improve the delivery of education in emergency and conflict-affected settings.