Diversity & Inclusion

Who we are
At Pearson we value the power of difference. We believe we are at our best when we harness the unique skills, perspectives, and backgrounds of every employee to foster innovation and create the most effective solutions for learners around the world. That's why we're committed to ensuring that diversity and inclusion are embedded in everything we do. We foster a work environment that is inclusive as well as diverse, where we reflect our customers and learners, and where our people can be themselves.

How we do it
Our Diversity & Inclusion efforts are focused on three primary areas: our people, our culture, and our learners. We seek to:

• Be broadly viewed as an inclusive employer of choice to attract the top talent.
• Build a culture of innovation and learning where every perspective is valued and where we embed diversity & inclusion principles into all business processes & practices.
• Build closer relationships with our customers and learners by ensuring that our people and products reflect who we are and whom we serve.
• Contribute to the development of inclusive products, solutions, and services for our customers.

Employee Resource Groups
Pearson's employee resource groups (ERGs) consist of self-selected colleagues across our business units and geographies who contribute to Pearson's efforts to embed diversity and inclusion into all aspects of our business. The purpose of a Pearson ERG is two-fold: to provide the employees who join them with opportunities for networking, increased engagement, professional development, and mentorship, and also to contribute to Pearson's business objectives. All ERGs have clear missions, charters, and by-laws and are approved and facilitated by the Global D&I team.
Current ERGs at Pearson include:

- Pearson Able
- Pearson Bold
- Pearson Latino Network
- Pearson Parents
- Pearson Spectrum
- Pearson Veterans
- Women in Learning & Leadership (WILL)

**Country policies**

We work globally and recognize that this agenda must be customized to local needs. Our global approach is underpinned by country specific policies and procedures. Attached are two examples of equal opportunity policies drawn from the United States and the United Kingdom.

June 2016
**Equal Employment Opportunity Policy:**
*Pearson Operations (US)*

**Eligibility:**
This policy applies to employees of Pearson, Inc. and its affiliated operating companies Pearson Education, Inc. and NCS Pearson, Inc.

**Policy:**
At Pearson (or the “Company”), the principles of equal employment opportunity and affirmative action are a vital element in our success. These principles extend to all aspects of employment including recruitment, hiring, assignment, training, compensation, benefits, terminations, educational assistance, social and recreational programs, promotions, and transfers. We are committed to creating and fostering a work environment free from unlawful discrimination and harassment and one in which decisions and terms of employment are not based in any way on race, creed, color, religion or religious affiliation, national origin, citizenship, age, sex, sexual orientation, gender identity and/or expression, marital status, disability, genetic information, or veteran status, or other category protected by law. Pearson has developed an Affirmative Action Plan through which it actively seeks to recruit, promote and provide career opportunities for qualified minorities, women, individuals with disabilities, and veterans.

Pearson is also committed to providing an accessible work place for all employees. Pearson will make reasonable accommodations on behalf of individuals with disabilities of which we are aware. Employees in need of accommodations should contact the Corporate Employee Relations department at (201) 236-3525.

**Responsibilities:**
Pearson's Senior Vice President of Human Resources has overall responsibility for developing, communicating, and enforcing the principles set forth in this policy throughout the entire Pearson organization.

Continued success in equal employment opportunity and affirmative action depends not only on the commitment and involvement of those directly responsible for the program's implementation but also on the dedication of all employees. Assuring equal employment opportunity is a fundamental and
direct responsibility of all levels of management. All managers and supervisory personnel are charged
with making a personal commitment to practice and enforce the principles of this policy, including the
following:

• Recruit, hire, train, promote, transfer, and provide opportunities without regard to race, creed,
color, religion or religious affiliation, national origin, citizenship, age, sex, sexual orientation,
gender identity and/or expression, marital status, disability, genetic information, or veteran
status, or non-job related characteristic;
• Ensure that promotion decisions are made in accordance with equal employment opportunity
requirements by imposing only valid, job-related requirements for promotional opportunities; and
• Ensure that all personnel actions relating to compensation, benefits, transfers, terminations,
layoffs, training and education assistance are administered in a nondiscriminatory manner. This
policy applies to all employees, supervisors, or managers, at any level in the Company. Any
Manager or Supervisor who becomes aware of allegations of unlawful discrimination or
harassment must bring the allegations to the attention of his or her Department Head, manager
in charge, or to the local Human Resources Representative, or, if that is not appropriate, to the
Company’s Corporate Employee Relations Department. **Unlawful Harassment:** Pearson is also
committed to providing a work atmosphere free of unlawful harassment. Unlawful harassment
is unwelcome or unwanted conduct, whether verbal, nonverbal, or physical, which: (1) demeans,
degrades, or shows hostility toward another person because of that person’s race, color, religion
or religious affiliation, national origin, citizenship, age, sex, sexual orientation, gender identity
and/or expression, marital status, disability, genetic information, or veteran status, and (2) the
conduct substantially interferes with an individual’s employment by creating a hostile work
environment.

The Company will not tolerate any form of harassment based on race, color, religion or religious
affiliation, national origin, citizenship, age, sex, sexual orientation, gender identity and/or expression,
marital status, disability, genetic information, or veteran status. This policy applies in the workplace or
in any work-related settings, such as business trips, sales meetings, conventions, or business-related
social events. The Company expects its employees to conduct themselves in a professional manner in
the workplace and at any other time they are representing the Company. Such conduct is essential to promote quality work, and to ensure a work environment free of discrimination.

Sexual harassment is covered separately in the Company's Sexual Harassment Policy.

**Internal Complaint Procedure:**
If an employee believes he or she has been unlawfully discriminated against or harassed, the employee should immediately inform his or her supervisor. If the employee believes that his or her supervisor is the source of the problem, or is uncomfortable with this approach for any reason whatsoever, the employee should contact his or her Human Resources Representative, the Vice President of Human Resources within his or her division, or the Corporate Employee Relations Department. Complaints will be kept confidential to the extent reasonable and possible under the circumstances, and will be investigated and handled promptly, impartially, and appropriately. Retaliation for bringing a discrimination complaint forward or for participating in an investigation will not be tolerated.

**Distribution of This Policy; Questions:**
This policy will be distributed individually to all Pearson employees on an annual basis, will be posted on Company billboards and on the Intranet, and will be available for review in all Human Resources offices. If you have any questions about this policy, please contact the Employee Service Center. Or contact Pearson Education's Director of Employee Relations at 201-236-3525. Employees with questions or who wish to review Pearson's Affirmative Action Plan should contact their local Human Resources Representative.
Our Commitment

Pearson is committed to providing equal opportunity to all, irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy/maternity, race (including colour, ethnicity or national origin), religion or belief, sex or sexual orientation, which are all protected characteristics in law.

We aim to employ the best people for the job, whilst creating and sustaining an inclusive work environment in which people can thrive. One way of achieving this is to treat all employees fairly and actively enforce our policy.

Encouraging diversity, and creating an atmosphere of equality and inclusion makes good business sense, because it has a positive impact on staff morale, enabling everyone to perform to the best of his or her potential.

Employment Practices

Pearson will promote equal opportunity throughout the organisation through the application of employment policies. These policies will ensure that individuals receive treatment that is fair, equitable and consistent with their aptitudes, potential, skills and abilities.

The principle of equal opportunities applies to all conditions of employment including: recruitment, pay, hours, holidays, work allocation, sickness benefit, training, promotion and redundancy. In particular, no job applicant will be placed at a disadvantage by requirements or conditions which are not necessary to the performance of the job or which constitute unfair discrimination. Employees responsible for recruiting and selecting staff within their departments should be aware that non-employees can bring claims against the Company under the Equality Act if they feel they have been unfairly treated on non-job related criteria at the point of selection.

Where there appears to be a lack of representation of people having a particular protected characteristic under the Equality Act, Pearson will take 'positive action' to recruit from this group.
What is equal opportunity and diversity?
Equal opportunity is about providing equal access to opportunities and services to all our employees. It also involves removing any barriers or discriminatory practices that may affect particular groups.

Valuing Diversity means recognising that everyone is unique in some way, and that differences should be recognised, respected and valued. Adopting an inclusive approach not only brings benefits and advantages to the organisation, it also puts diversity and equality at the centre of the organisation and its practices.

Legal Obligations: Equality and Human Rights

Pearson is committed to embedding the principles of the Equality Act 2010 and the Human Rights Act 1998, in its policies, practices and guidance. The Equality Act applies to the vulnerable groups listed above, for whom it provides protection from discrimination, harassment and victimisation.

Human Rights legislation ensures fairness, personal privacy and dignity for all individuals.

Types of Discrimination

Direct discrimination
Direct discrimination occurs when someone is treated less favourably than another person because of a protected characteristic they have, or are thought to have.

Discrimination by association - This is direct discrimination against someone because they associate with another person who possesses a protected characteristic, e.g. a mother with a disabled child.

Perception discrimination - This is direct discrimination against an individual because others think they possess a particular protected characteristic, e.g. a man who is perceived to be homosexual.
**Indirect Discrimination**
Indirect discrimination can occur when there is a condition, rule, policy or even a practice within the company that applies to everyone, but particularly disadvantages people who share a protected characteristic.

**Disability Discrimination**
The Act has made it easier for a person to show that they are disabled and protected from disability discrimination. Under the Act, a person is disabled if they have a physical or mental impairment which has a substantial and long term adverse effect on their ability to carry out normal day-to-day activities, such as using a telephone, reading a book or using public transport.

**Types of Harassment**

**Harassment definition**
Harassment is “unwanted conduct related to a protected characteristic, which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual’.

**Third Party Harassment**
This is when an employee is being harassed by a third party, e.g. a client or contractor.

**Victimisation**
Victimisation occurs when an employee is ill-treated because they have either made or supported a complaint, raised a grievance under the Equality Act or because they are suspected of doing so.

**Responsibility**
**Senior Business Leaders** are collectively responsible for establishing the policy, and ensuring it is observed in their individual areas of responsibility. Senior Business Leaders are also expected to lead by example in valuing difference; demanding ethical and respectful behaviour and creating an
environment in which everyone can contribute to the best of their ability.

**Managers** are responsible for implementing the policy and treating people with dignity and respect. At the same time, they should ensure that their team members and others do likewise.

**All Employees** are responsible for carrying out the policy and for avoiding discrimination against employees and other people at work. Every employee is expected to ensure that their behaviour does not cause offence to colleagues, customers or suppliers.

**Human Resources/ Managers** in Pearson and its lines of business are responsible for:

- advising Senior Management on changes to the policy or legislation;
- advising Senior Management on creating an environment in which everyone can contribute to the best of their ability;
- ensuring that appropriate diversity monitoring arrangements are set up and reported on regularly;
- advising managers about the procedures to be followed and the practical avoidance of discrimination, and
- handling questions and complaints from individual employees.

**Monitoring and Review**

A policy cannot be said to be effective unless it is monitored, and monitoring is impossible without information. Applicants who are sent an application form will also be asked for personal information so that we can monitor the effectiveness of our policy and procedures. Ethnic origin will be monitored by reference to the following classifications: Black-Caribbean; Black-African; Black-Other; Indian; Pakistani; Bangladeshi; Chinese; White or Other. Completing the diversity monitoring section is purely voluntary, and an applicant will not receive less favourable consideration because he or she fails to respond. Information provided in the equal opportunities monitoring section of the application form will be strictly confidential and will be used only for statistical monitoring.
**Grievance and Disciplinary**

Appropriate disciplinary action including summary dismissal for serious offences will be taken against any employee who violates the Company’s equal opportunities policy.

Any employee who feels that he or she has been treated unfairly on grounds of non-job related criteria or who feels that he or she has suffered bullying and harassment should raise their grievance through the following procedure:

i) In cases of harassment, the persons who believe they are the subject of such harassment should ask the person responsible to stop the harassing behaviour. If this does not result in an end to the harassment or there are subsequent consequences to employment, then a report should be made under.

ii) A timely investigation will be conducted into the complaint in a confidential manner. All parties will receive a fair and impartial hearing.

iii) If the investigation reveals that the complaint is valid, senior management will give it prompt attention and action will be taken to stop all forms of discrimination.

iv) Employees will be protected from intimidation, victimisation or discrimination for filing a complaint and assisting in an investigation. Retaliation against an employee for complaining about discrimination or harassment is a disciplinary offence.

**What should you do if you have a complaint?**

Complaints, if they cannot be resolved informally, should normally be raised under our grievance procedure with your manager. If this is not appropriate, for example because of the nature of the complaint or because your grievance is with your line manager, you should raise the matter with the People department in the first instance.

We will deal with any complaint sensitively. We will ensure that you are not victimised as a consequence of raising a complaint.
**Strategic responsibility for governance and communication**

- The Global Head of Diversity & Inclusion has the responsibility for ensuring that our Diversity and Inclusion principles are followed and we progress toward the goals we set ourselves.
- Our Diversity and Inclusion policy is available to everyone within and outside Pearson through our corporate website. We actively encourage people to participate and contribute to the development of Diversity & Inclusion initiatives.
- We will review this policy annually.