

| > RAISING LITERACY LEVELS

Through our products and partnerships, we play an important part in helping people to learn to read and to enjoy reading.



Our businesses all depend on the premise that people can read, want to learn and enjoy doing it. We therefore have a keen interest in doing all we can to nurture enthusiastic readers.

Being able to read has a profound influence on how people progress in modern life. How well you do at school, what job you get and how you get involved in civil society all depend on being literate. Reading is the basic building block that opens the door for people to realise their individual potential. This is why raising literacy levels is one of our three priority focus areas.

There is also a lot to do. Around the world, one in five adults – nearly 800 million people – cannot read. Most of them are in poorer areas of the world. Africa, as a whole continent, has less than a 60% literacy rate. Countries with large numbers of non-literate adults include India, China, Bangladesh, Pakistan, Nigeria, Ethiopia, Indonesia, and Egypt.

However, it would be a mistake to think that not being able to read is only an issue in developing economies of the world. According to the National Adult Literacy Survey, there are some 40 million adults in the United States who cannot read or write well enough to deal with the everyday requirements of life. Similar research suggests that one-fifth of adults in England have difficulties with basic literacy.

Our approach

We play a part in three main ways:

- > Our reading programmes – both print and digital – are found in classrooms the world over.
- > For many, the first story that they read or that is read aloud to them will be a Penguin title.
- > We partner with others to run projects and campaigns to promote reading and to give books.


Reading in the classroom

We have a full range of reading programmes designed to help students to learn to read. Whether these are print or online, whole school or for students that need extra help, they all reflect our commitment to improving reading standards for individual learners.

RAISING LITERACY LEVELS CONTINUED

Case study: Bug Club

Bug Club is a ground breaking whole-school reading programme that links 300+ books with an online reading world to teach today's children to read. It is phonics-based which means students learn to read by recognising letters and words through sounds. Bug Club is carefully graded to allow individual students to develop and progress at their own pace. Bug Club is available in Australia, Hong Kong, Russia as well as the UK. Bug Club won the 'Best Use of Multimedia' award at the British Book Design and Production Awards. Introduced in 2010, Bug Club already has 190,000 registered online users.

 <http://www.youtube.com/watch?v=LXwaUwEfHrI>

www.bugclub.co.uk



Case study: iLit (inspire literacy)

Pearson's iLit programme is like no other reading programme. Designed for struggling readers it is the first reading programme built and delivered completely on the iPad. It supports, rewards, engages and instructs based around the learning needs of the individual student.



Case study: Reading Street

Reading Street is on the front line of improving student reading skills in thousands of schools in every state in the United States. Reading Street, available as a print, blended, or fully digital programme, combines research-based instruction and embedded assessment with videos, animation, activities, songs and audio to engage and motivate students. It is designed to allow teachers to personalise instruction for every child.

As part of our wider commitment to research, this year we released the year two findings from the Reading Street Longitudinal Efficacy Study.

http://www.pearsoned.com/wp-content/uploads/reading-street-efficacy-study-2009-2010_final.pdf

www.readingstreet.com



RAISING LITERACY LEVELS CONTINUED


Case study: Waterford Early Learning™

Waterford Early Learning™ is a digital learning programme designed to help all children learn based on each child's unique learning needs, whether gifted or in need of extra support.

Through thousands of activities, hundreds of books and songs, DVDs, CDs and newsletters, the Waterford Early Reading programme draws on decades of research to develop comprehension, vocabulary and an understanding of language concepts.

Pearson has partnered with the non-profit Waterford Institute for a decade. Waterford focuses on research and development while Pearson markets and sells Waterford's educational products to schools. In addition to reading, courses on Science and Mathematics are also available. Two million users are registered with Waterford Early Learning.

As part of our wider commitment to research, this year we released the year one findings of the Waterford Early Reading and Math Longitudinal Efficacy Study.

 <http://www.waterfordearlylearning.org/index.html>

Waterford
Early
Learning™




Case study: SuccessMaker

SuccessMaker is a digitally driven set of courses tailored to the needs of the individual learner that supplements regular classroom reading and mathematics instruction.

It combines one-on-one instruction, fun ways to engage and involve students and progress reporting for the teacher to aid timely intervention. From its initial development 30 years ago, through to ongoing improvement of the product usability and efficacy testing, the research that went into SuccessMaker constitutes the biggest ongoing research effort to date for any of our digital products. SuccessMaker received the 2010 'Tech & Learning' Magazine's Award of Excellence. Over three million users are registered on SuccessMaker.

As part of our wider commitment to research, this year we released SuccessMaker Reading as a Supplement to Core Instruction Efficacy Study.

<http://www.pearsoned.com/wp-content/uploads/sm-reading-rct-report1.pdf>

 http://youtu.be/3Z_elqoxaH0

SuccessMaker



RAISING LITERACY LEVELS CONTINUED

Reading in the home

Enthusiastic readers are inspired by great stories, beautifully told. Our Penguin children's books imprints – Puffin, Frederick Warne and Ladybird books – all provide plenty of options. Reading today is changing. Children today read in many ways; at home and on the move. We believe in offering stories that are beautiful, engaging and fun regardless of format.

Case study: DK My first ABC

One of the great opportunities presented by mobile devices is to reach learners at home and on the move. As part of the launch of Apple's education iBookstore, we published four interactive DK titles including *My first ABC*. Through widgets, video, animations and questions, the book breaks new ground for parents to help a child to learn their first words.

www.itunes.apple.com/gb/book/my-first-abc/id495856724?mt=11



Case study: Ladybird Books

For millions of people the world over, Ladybird Books are known and loved. As the most recognisable brand in children's books, they play an essential role in helping kids to learn to read and to discover the magic of books.

Ladybird today offers its widest ever range of formats and styles from birth to eight-years-old including its baby touch app. Ladybird's award-winning baby range is informed by the latest research relating to how babies learn and respond. The toddler list uses rhyme, stories and songs in interactive formats to give children a head start in learning.

www.ladybird.co.uk



Case study: Books for Boys, Penguin US and Heroes, Pearson UK

Boys are often thought to be more reluctant readers than girls.

To learn more about the issue, we commissioned a survey of UK teachers. One finding was that book length was a barrier. Some 70% of the 500 teachers surveyed said that boys had switched off by the 100 page mark. We have responded by developing the heroes series – short, accessible stories that can be read in class over six weeks.

In the United States, Penguin has a site dedicated to books for boys. It provides book ideas based on themes from action and adventure to creepy crawlies; by age and by popular series. Penguin organises thousands of visits by its authors to schools and libraries each year helping bring alive the stories.

<http://www.youtube.com/watch?v=PH5OrSfEJLI>



RAISING LITERACY LEVELS CONTINUED

Partnering with others to encourage reading:

Reading – we take it personally

A parent reading aloud with their children is one of the most powerful ways to boost vocabulary and language development, according to research we commissioned as part of our Booktime programme.

Books inform, educate, but also inspire. We believe that a passion for reading is one of the greatest gifts that anyone can give and recognising that, a central pillar of our charitable programme is to offer access to free books to provide opportunities for shared reading.

2011 saw us achieve some important milestones:

Case study: Booktime

We gave our six millionth book under our Booktime programme, which sees every child in England starting school receive a book pack containing two free books from Penguin and Pearson Primary to take home, read and keep. More than 17,000 primary schools are involved and more than 1,000 libraries hold Booktime events. Run in partnership with Booktrust, our distribution centre in Rugby send out the books, our customer services teams support schools and our authors freely give their time as well as waiving royalties on their books.

 <http://www.youtube.com/watch?v=yKV3FVilodw>



Case study: Book Aid International

We are about to give our one millionth book to Book Aid, the charity that supports the development of libraries in schools and local communities in sub-Saharan Africa. One in five of the books donated to Book Aid come from Pearson or Penguin, helping benefit more than 2,000 libraries last year alone. As well as giving free books, we also funded three projects to help develop library services in schools and communities in Zanzibar, Uganda and Kenya.

<http://www.bookaid.org/get-involved/companies/corporate-partners/pearson/>



Case study: Pearson Foundation and Wegivebooks.org

Over 600,000 books have been given through Wegivebooks.org, an award winning online digital reading and giving site developed and run by the Pearson Foundation. The concept is simple, to reward a reader for reading a Penguin or DK book online, the Pearson Foundation will donate a physical book to a range of causes. The reader selects the cause that most appeals. The initiative is a perfect combination of reading and giving.


 http://www.youtube.com/watch?v=Fz4gD_nq4il




| > RAISING LITERACY LEVELS CONTINUED

Case study: Pearson Foundation/Read for the Record™

2,184,155 people read Llama Llama Red Pajama by Anna Dewdney in the 2011 Read for the Record™ campaign. The Pearson Foundation is a funder and founding partner of Jumpstart's Read for the Record. People read in homes, schools, libraries, community centres and through We Give Books. The Pearson Foundation also donated more than 200,000 copies of this year's book to young people helping them take part in the record-breaking day.

 <http://www.youtube.com/watch?v=7TLbPqD-EgY&feature=relmfu>



Case study: Pearson Foundation/Early Childhood Development

Why does elephant have a trunk? Tinga Tinga Tales, a BBC 52-part series based on classic African folk tales of how animals came to be, supplies the answer. The Pearson Foundation has also created a fantastic Early Child Development programme for primary school teachers in Tanzania and Kenya using the Tinga Tinga Tales books and films.

Puffin produces the books that accompany the series. This year, *Why does elephant have a trunk?* was also the Penguin title in the Booktime pack. As part of Wegivebooks.org, readers can read a Tinga Tinga Tale online and send a Tinga Tinga Tales book to Africa.



Case study: Penguin US/Dollywood Foundation

A ground-breaking partnership with the Dollywood Foundation. Over 23 million age appropriate book have been delivered – one each month to every child under five in participating communities.

Key indicators – reading programmes

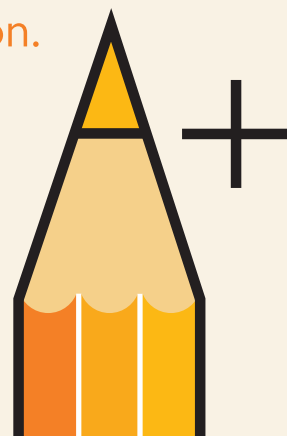
	Users
Bug Club	145,000
Successmaker	3,100,000
Waterford Early Learning	2,900,000

Our plans

- > Support an international conference on literacy bringing together experts from around the world
- > Continue to develop our global metrics to demonstrate our contribution to learning including developing a reading map on how we support literacy development across the generations
- > Continue to commission research into our impact on reading
- > Make public commitments relating to reading and in particular book-gifting
- > Pilot volunteering models in libraries
- > Establish a dedicated reading/literacy group on Neo, our internal collaboration and engagement tool
- > Launch an awareness raising campaign in Pearson on reading and book gifting

2 > IMPROVING LEARNING OUTCOMES

Our responsibility as a company is to play our full part in informing, shaping and making learning effective for people of all ages. This focus on learning outcomes is a critical part of our responsibility vision.



There is much debate over what makes for an effective education system. There is also a concern in both developed and emerging markets that individual institutions and entire education systems are no longer fit-for-purpose for the modern world.

What role should businesses play? Governments, policymakers, teachers and students rightly expect that companies should research and report on the learning outcomes that come from their services and that they are transparent and responsible in their marketing and communications. They should also contribute to the wider debate on how education systems can be improved.

However, in the past, there were limitations on the extent to which a textbook publisher selling products to education institutions could measure their impact on learning outcomes. As our transition towards being an education technology and services provider gathers pace, so do the opportunities to help understand and inform on what works best to help students succeed. We recognise that as we become more directly involved in the process of learning, we are also more accountable for outcomes.

We believe that this is a business opportunity and that demonstrating effectiveness will benefit us by way of increased sales, market share and improved reputation. By taking the initiative, we believe we can make a difference to the quality of education and achieve business growth.

2 > IMPROVING LEARNING OUTCOMES CONTINUED

We have:

- > Appointed Sir Michael Barber as Chief education advisor. As part of his role, Michael will oversee our efforts on improving learning outcomes.
- > Convened our first global research conference in Western Australia bringing together and sharing good practice among the research community within Pearson.
- > Incorporated improving learning outcomes as one of the five core themes we debated at our annual strategy conference.
- > Appointed a network of business champions to take forward our developing agenda.
- > Piloted a new tool to help us assess learning outcomes.
- > Opened the iDEA Innovation Centre, a digital laboratory focused on user-centred design, software usability testing, and efficacy research for use by the business globally.

We will:

- > Set up an online portal to bring together all the research we commission from around the world into a single searchable site.
- > Further extend our pilot into assessing learning outcomes.
- > Start to map by product, service and geography our approach to assessing learning impacts.
- > Establish a Pearson Executive Research Council to oversee the approach, process and consistency of commissioning and using research within Pearson.
- > Run an internal awareness campaign on this aspect of the responsibility agenda within the company.

We aim to make a difference by:

- > Ensuring that our own education programmes are developed and assessed for quality, efficacy and usability;
- > Helping close achievement gaps for individual learners and schools;
- > Focusing on teacher education and development;
- > Helping share what works between education policymakers and generating new ideas.

Quality, efficacy and usability

Pearson's transition from textbook publisher to education technology and service provider is a major strategic change. Where we once sold products to education institutions, we now also provide services, often online or digital, to help them and their students to succeed. We are therefore increasingly becoming more directly involved in the process of learning, and more accountable for outcomes.


We are devoting significant resources to improving student success and teacher institutional effectiveness.

2 > IMPROVING LEARNING OUTCOMES CONTINUED

Case study: Research in North America

A distinguishing characteristic for Pearson in the North American schools market is our ongoing significant investment in research and reporting on efficacy. We consistently employ randomised control trials – the gold standard in research – to determine the effectiveness of our curricula in the classroom and to evaluate the impact on student learning. We commission independent third-party research firms to work with school districts across the US to conduct these efficacy studies that use the same rigorous scientific model that the Department of Education's What Works Clearinghouse requires. Our research reports for 2011:

1. Reading Street Longitudinal Efficacy Study (Year Two Findings)
2. Words Their Way: A Response to Intervention Efficacy Study
3. Reality Central/Summary Scorer: A Response to Intervention Efficacy Study
4. focusMath: A Response to Intervention Efficacy Study
5. enVisionMATH: A Digital Path Case Study
6. High School Math Longitudinal Efficacy Study (Year Two Findings)
7. Elementary Interactive Science: An Extended Pilot Study
8. Middle School Interactive Science Efficacy Study
9. Chemistry Pilot Study
10. SuccessMaker Reading as a Supplement to Core Instruction Efficacy Study
11. Waterford Early Reading and Math Longitudinal Efficacy Study (Year One Findings)

 <http://www.pearsoned.com/research/prek-12-research/>



Case study: Usability

Our usability lab allows Pearson instructional design teams and researchers to develop and improve our programmes. Alongside the usability lab sits the Pearson iDEA Innovation Centre, a digital laboratory focused on user-centred design, software usability testing, and efficacy research for use by the business globally.

2 > IMPROVING LEARNING OUTCOMES CONTINUED

Case study: MyLab and Mastering

Pearson's pioneering 'MyLab' digital learning, homework and assessment programmes grew from to eight to ten million students registered in 2011. Evaluation studies show that the use of MyLab programmes can significantly improve student test scores and institutional efficiency.

<http://bit.ly/ymMMAi>



Closing achievement gaps

Pearson is investing in new models of education – both to set up new schools or help turn around struggling ones. Our aim is to make the fundamental changes necessary to the system to sustain improvements for the long term. We draw on Pearson's research and proven resources – including curriculum, assessment, technology, and teacher professional development products and services.

Case study: Bridge International Academies in Kenya

Bridge Academies offer quality schooling for less than \$4 per month. How to extend access to quality schooling as an affordable option for the world's poorest people is a vitally important question. Pearson is a significant minority investor in Bridge, and views the Bridge model as having potential for providing low-cost schooling in other parts of the world as well. We have made a commitment for 2012 to look to further invest in new low-cost, sustainable solutions to schooling inviting others to partner with us. Learning outcomes are key metrics in our investment model.



Case study: School Improvement Services in the United States

Our model of instruction, assessment, leadership development, professional development, coaching and ongoing consulting services is designed to help turn around schools, where students are having difficulty meeting state standards across multiple subjects. It has been applied in more than 2,000 schools in 38 states. For example, after one year of working with the lowest-performing elementary schools in Arkansas, students from America's Choice schools outpaced state gains in proficiency in both literacy and mathematics.

📺 <http://youtu.be/RxYcthkU3E>

http://www.americaschoice.org/uploads/Case_Studies_SIM/kilpatrick_AC_casestudy.pdf



2 > IMPROVING LEARNING OUTCOMES CONTINUED

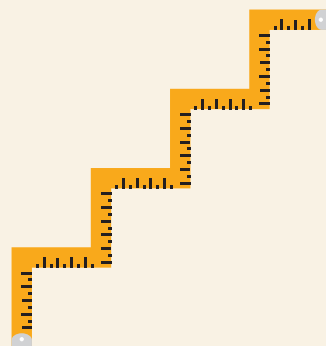
Teacher effectiveness

We work with teachers to improve teaching effectiveness with content and services that support teachers from their earliest undergraduate experiences and then throughout their teaching careers. We do this through our businesses and in partnership with others.

Case study: Educator effectiveness, Pearson North America

A priority for Pearson is to help teachers understand and improve their performance – what's working, what isn't and what they need to do to continuously improve their impact on student learning. By giving teachers the insight they need, they can set their own improvement plans and in turn reach students in ever more meaningful ways. In 2011, we launched our educator effectiveness programme in the US to offer this service. By bringing together classroom observation, student performance data, peer reviews and performance surveys, it is possible to start to develop tailored support for educators throughout their careers.

<http://educatoreffectiveness.pearsonassessments.com/>

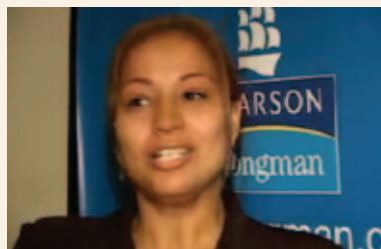


Case study: Great Colombian Teachers

The Great Colombian Teachers initiative aims to provide academic support and recognition to English language teachers in Colombia.


The initiative uses open-source content management software providing the means for teachers to contribute and share their thoughts and ideas.

 <http://www.youtube.com/watch?v=QjoPyxFHBzI>



Case study: Pearson Teaching Awards, UK

The Teaching Awards are one way to recognise amazing teachers, headteachers and teaching assistants who help students to achieve exceptional results, both academically and socially, often against the odds.

 http://www.youtube.com/watch?feature=player_embedded&v=HdVIRifzBc



2 > IMPROVING LEARNING OUTCOMES CONTINUED

Sharing what works and helping stimulate debate

Active in education in more than 70 countries, Pearson can play a role in stimulating debate helping share experience, insight and perspectives on the future direction of education systems around the world.

Case study: UK examination awarding bodies

Since becoming involved in the English examinations system in 2003 through acquiring the awarding body Edexcel, Pearson has drawn on cross-company technological and assessment expertise to make major strategic investments in on-screen marking and other sector-leading initiatives. Through this investment, Edexcel has built a reputation for innovation and reliability in the UK qualifications sector.

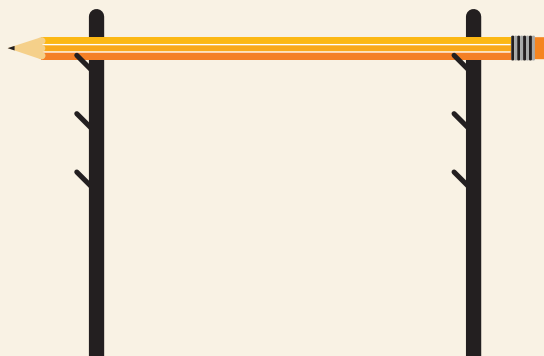
A series of media reports in December called into question the integrity and credibility of the exams system based on an investigation into events for teachers run by the major awarding organisations in the UK.

We have recognised that changes need to be made to the way awarding bodies hold and manage events and have introduced a series of changes to enable a much greater degree of transparency and public scrutiny. These changes include events being recorded and audited. Our statements can be viewed [here](#). We have also launched a major public consultation programme on the future direction of standards in the education system in the UK at

<http://www.leadingonstandards.com/>

3 > CONTRIBUTING TO COMPETITIVENESS

The connection between education and long-term economic growth is well-documented and increasingly well understood.



Personal progression: helping individuals get ready for work

Getting a job depends on having relevant skills. At this time, when many countries are wrestling with the economic, social and personal cost of unemployment, particularly for the young, it is even more important that we help people develop the skills they need for work.

Case study: CTI Education Group, South Africa

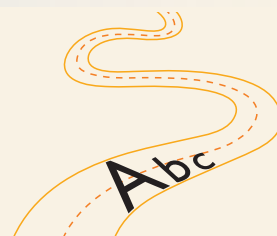
CTI Education Group, one of the leading private higher education groups in South Africa, serving more than 9,000 students has consistently produced a pass rate of more than 80% every year and has, over the last 10 years, placed between 75% and 95% of its graduates into jobs within four months of completing their course.



Case study: Pearson Test of English

English language ability can often be the passport to work or academic opportunity for many, non-native speakers of English. The Pearson Test of English is designed to help demonstrate that ability. The test can be taken in a network of centres in nearly 50 countries from Australia to Venezuela taking in Brazil, China, Nepal and South Korea along the way.

<http://pearsonpte.com/TestMe/Pages/TestMe.aspx>



3 > CONTRIBUTING TO COMPETITIVENESS CONTINUED

Securing a professional or vocational qualification is an important factor in getting a job. We create and administer millions of admissions, tests, certifications, vocational assessments and general qualifications including:

- > BTEC, the vocational qualification recognised by schools, colleges, universities, employers and professional bodies across the United Kingdom and in over 100 countries worldwide.
- > Graduate Management Admission Test (GMAT), the leading test for entrance to business schools and management programmes worldwide.
- > NCLEX Nursing examination, required to obtain a licence necessary to apply for work as a nurse in the United States.

We also see that the world of work is changing. The pace of change is rapid and people starting work today can expect to be doing different types of work demanding different skills over a lifetime. Adult learning is one of our biggest global growth opportunities and we are developing ways to help people access and develop new skills.

Case study: MyFoundationsLab

College enrolments in the United States are at record levels, in part fuelled by people unable to access the job market. Many students are arriving on campus and finding they lack the mathematics and English skills needed to do college-level work. MyFoundationsLab is designed to offer students a way to quickly improve their mathematics, reading and writing skills and to avoid expensive remedial teaching programmes.

Case study: The Financial Times, active in education

In a partnership with the Pearson education businesses, the FT's world-class journalism has been made more easily accessible for graduates, students and professors. A new trademark licence agreement allows Pearson to use a new database of over 100,000 FT articles across its products and services for the education market around the world.



Case study: MBA

The FT also launched MBA Newslines in 2011, a new product aimed at business schools that enables students, faculty and practitioners from around the world to create and share annotations on FT articles. These practical case studies will help students to master business, understand financial markets or see the political economy or international law in action.

Case study: Professionalising Non-Executive Directors

The FT launched the first professional qualification for non-executive directors in conjunction with Edexcel. It has been sold out since launch.

Doing informed business

The FT Group is the leading provider of essential information, insight and analysis to the global business and opinion-forming community. Access to trusted and informed information is the basis on which businesses make effective decisions. The FT plays a unique global role in providing that information – globally, the *Financial Times* is considered the most important business read (29%) by the most senior people in banks and chief financial officers in large organisations.

3 > CONTRIBUTING TO COMPETITIVENESS CONTINUED

Contributing to debate

We are committed to play an active role in helping shape and inform the global debate around education and learning policy. With the 2015 deadline for achieving the Millennium Development Goals and Education for All Goals fast approaching, it is certainly time to take stock of the role that education has played and should play for the future. We have joined with a range of other organisations as an active member of the Global Compact on Learning. We are contributing to developing and agreeing common metrics to measure the success of the Global Compact goals and innovating through new qualifications and support such as 'Edupreneurs' – a way for people to be trained both as teachers and to help run schools in the developing world. In 2012 we will go further, supporting key events and activities to support the Global Compact on Learning's goals and help them reach a wider global audience.

A key principle for us is that the business sector has an important contribution to make to education and learning policy. However, there is no global body in place to convene business on this issue. We are strong advocates of the view that there is value in engaging the wider business community in a coalition that focuses on the challenges facing developing countries in education and learning, mirroring the Global Business Coalition on Health. We were therefore delighted to support, encourage and help found the Global Business Coalition for Education under the guidance of former UK Prime Minister, Gordon Brown. We hope to see this launched formally in mid 2012.

In 2011 we also engaged with the Global Partnership for Education, formally the Education for All Fast Track Initiative, joining the private sector constituency and playing a leading role at the first ever Replenishment Conference in Copenhagen in November 2011.

2012 plans

Stimulating debate	Continue to increase the number of interventions we make to facilitate constructive debate on key contemporary issues.
Global Compact on Learning	We will support key events and activities relevant to the Global Compact on Learning's goals and to help them reach a wider global audience.
Global Partnership for Education	We will take on the 'lead business' role which includes attending board meetings.